



Annual Activity Report 2022

Annexes

European Innovation Council and SMEs
Executive Agency (EISMEA)

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

“I declare that in accordance with the Commission’s communication on the internal control framework ⁽¹⁾, I have reported my advice and recommendations on the overall state of internal control in the Executive Agency to the Executive Director.

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

5 April 2023

[e-signed]

Nathalie Stefanowicz

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

5 April 2023

[e-signed]

Jean-David Malo

⁽¹⁾ C(2017)2373 of 19.04.2017.

ANNEX 2: Performance tables

EIC Board performance table

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

Europe's open strategic autonomy is ensured in critical technology areas (DG CNECT)

From 2020-2024 Strategic Plans

Parent DG: RTD, CNECT

Related to spending programme(s): Horizon Europe

Main outputs in 2022:

Output	Indicator	Target	Latest known result
Maintaining an efficient EIC Board secretariat	% of plenary documents that are delivered a week in advance	> 80%	85%
	Time to produce the draft minutes after the plenary meeting	< 5 days	6 days (higher number of days due to complexity of minutes and need to interact and cross-check with meeting participants)
	Board members compensation payments within 30 days following plenary meetings	> 90%	95%

EIC Pathfinder performance table

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

Europe's open strategic autonomy is ensured in critical technology areas (DG CNECT)

From 2020-2024 Strategic Plans

Parent DGs: RTD, CNECT.

Related to spending programme(s): Horizon Europe

Main outputs in 2022:

Output	Indicator	Target	Latest known result
Calls for proposals	Number of calls published	2	4 (Pathfinder Open, Pathfinder Challenges, two cut-offs of the Hop on Facility)
Calls for tender	Number of calls published	0	0

Output	Indicator	Target	Latest known result
Evaluation sessions	Number of evaluation sessions implemented	100% (by early 2023)	On track for 100% (Pathfinder Challenges evaluation and second cut-off of the Hop on Facility to be completed early 2023)
	Time to inform applicants	100% within 5 months	67% Time to inform deadline for Pathfinder Open call was exceeded by 2 days (see narrative section 1)
	% of evaluated proposals challenged under the evaluation review procedure	Less than 2%	2%
	% of evaluated proposals re-evaluated following review requests	0-2 proposals	1 proposal
Grant agreements	Number of grant agreements signed	~90	143
	Time to grant	96% within 8 months	44% within 8 months Time to grant deadline was exceeded for 80 grants due to various issues (see narrative section 1)
Contracts	Number of contracts signed	0	0
Final reports of concluded Grant Agreements and Contracts	Number of final reports assessed	50 (from legacy projects)	30 Due to COVID, many projects requested an extension and did not end by 2022.
Payments	Time to pay	100% payments executed within the legal time limit	100%
Event: Info Day	Satisfaction rate of participants	80%	80%

Output	Indicator	Target	Latest known result
EISMEA F2P Framework	Participation in EISMEA task force on F2P	Contribution to EISMEA's policy feedback framework	Feedback on programme implementation: Presentation of the rebuttal pilot to the Horizon Europe Submission and Evaluation group. Beyond sharing information on implementation data, EISMEA started contributing to the Feedback to Policy exercise via seminars, reports, presentations made its services (in particular EIC Programme Managers). As the agency is ideally placed to provide key inputs on emerging technology trends to help its parent DGs (and more globally the Commission) in their policy orientations, it will structure in 2023 the way these information are provided in order to ensure regular information according to the needs of the Commission services. To this end a concept note on how the agency is planning to share, via different vectors (including but not only in EISMEA's Steering Committee regular or ad hoc meetings), the information it is collecting on emerging technology trends, will be prepared in consultation with its parent DGs (on the substance and format), with the view to be endorsed by EISMEA Steering Committee in the first semester of 2023 and to implement it in the second half of 2023.

EIC Transition performance table

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

Europe's open strategic autonomy is ensured in critical technology areas (DG CNECT)

From 2020-2024 Strategic Plans

Parent DGs: RTD, CNECT.

Related to spending programme(s): Horizon Europe

Main outputs in 2022:

Output	Indicator	Target	Latest known result
Calls for proposals	Number of calls published	2	2 cut-offs Transition Open and Challenges
Calls for tender	Number of calls published	1	1 (2 lots) Tender Tech to Market Bas
Evaluation sessions	Number of evaluation sessions implemented	100%	100%

Output	Indicator	Target	Latest known result
	Time to inform applicants	100% applicants informed within 17 weeks (~4 months) from submission deadline	100%
	% of evaluated proposals challenged under the evaluation review procedure	Less than 3%	Overall, on 2 calls: 2.9% (6 cases in 2021 calls, 5 cases in 2022 1 st cut-off) on the evaluated proposals. Note: % are calculated on evaluated proposals. While % on submitted proposals are more favourable. Overall, on 2 calls: 2.4%
	% of evaluated proposals re-evaluated following review requests	Less than 2%	2021 calls: 2 proposals reevaluated out of 230 proposals: 0.9% May 2022 call: 5 review requests, 1 pending decision out of 144 proposals (max 0.6%)
Grant agreements	Number of grant agreements signed	55	62 (43+19)
	Time to grant	100% grants signed within 6 months from submission deadline	75% (47 out of 62 within 184 days). The target of 6 months does not apply to all grants, as some did not meet the requirements for the FTRI procedure (e.g., below EUR 2.5 mln)
Contracts	Number of contracts signed	2	2 lots from 1 tender (Tech 2 market BAS)
Final reports of concluded Grant Agreements and Contracts	Number of final reports assessed	5 (this may be impacted by amendments due to COVID)	36 final reports of legacy GAs including FET proactive and ILP projects. Of the initial target (5 reports) only 2 EIC Transition Pilot project reports were assessed (all projects requested a prolongation due to COVID crisis). Overachieved target due to ILP, Innovation Launchpad projects not initially planned
Payments	Time to pay	100% payments executed within the legal time limit	100%

Output	Indicator	Target	Latest known result
Event Innovation Training Workshops Bootcamp	Satisfaction rate of participants	at least 85%	91% on average
Policy feedback	Innovation/Go-to-market barriers	1 report	Input for programming: Contributed to EIC publication: Deep-Tech Entrepreneurial Talent of Europe
EISMEA F2P Framework	Participation in EISMEA task force on F2P	Contribution to EISMEA's policy feedback framework	Ad-hoc input: reporting to D01 on MS participation to calls and to Challenges.

EIC Accelerator performance table

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

Europe's open strategic autonomy is ensured in critical technology areas (DG CNECT)

From 2020-2024 Strategic Plans

Parent DGs: RTD, CNECT.

Related to spending programme(s): Horizon Europe

Main outputs in 2022:

Output	Indicator	Target	Latest known result
Calls for proposals	Number of calls published	2 continuous calls (short proposal) 2 calls with three cut-off dates each (full proposal)	Achieved: 1 call which includes the continuously open short proposal and 1 call for full proposals for Accelerator Open and 2 Challenges with three cut-off dates each
Calls for tender	Number of calls published	0	0
Evaluation sessions	Number of evaluation sessions implemented	1 session for continuous call (short proposal) 3 sessions (three cut-off dates for the two calls mentioned above - full proposals with interviews)	1 session for continuously open short proposal 3 sessions (three cut-off dates for the Open and Challenges calls mentioned above - full proposals with interviews)
	Time to inform applicants	25 days for short proposal from submission to outcome 35 days for full proposal from submission to outcome 4 months from cut-off to final decision of interview	Achieved as by target: 25 35 2.5-4 months
	% of evaluated proposals challenged under the evaluation review procedure (for short proposals)	< 2%	1.3%

	% of evaluated proposals re-evaluated following review requests (for short proposals)	< 0.5%	0%
Grant agreements	Number of grant agreements signed	N/A, see Contracts	N/A, see Contracts
	Time to grant	N/A, see Contracts	N/A, see Contracts
Contracts	Number of contracts signed	150 Under Horizon Europe	252 – Commission Implementing Decision for the Single Award Decision for EIC Accelerator "Blended Finance" projects; alignment with the KPI of the EIC Board for a time-to-contract of 4-5 months.
	Time to contract	245 Under Horizon Europe	329 – as the average figure for all contracts signed in 2022, which includes all contracts from 2021 cut-offs, which were extremely delayed because of (i) Delay of the implementation of the equity component (hold for all negotiations, incl. grant-only + -first); (ii) IT issues (on both central IT system and EIC Platform) in the regarding the EIC platform negotiation module and delays in the transfer of data from EIC negotiation platform to COMPASS; (iii) Need for Commission Implementing Decision/Single Award Decision at College level for all projects with investment component - implying full interservice consultation and often lengthy iterations. The time to contract for projects selected from the March 2022 cut-off (217 days) and for projects selected from the June 2022 cut-off (198 days) shows the significant improvements made since then.
Final reports of concluded Grant Agreements and Contracts	Number of final reports assessed	250 from legacy projects under Horizon 2020	284 FTI and Legacy - some beneficiaries submitted their reports before the deadline and there were less requests for project duration extension than projected.

Payments	Time to pay	<p>> 95% within the legal limit</p> <ul style="list-style-type: none"> - For EIC Accelerator Pilot and Horizon Europe projects: 60 days for periodic reporting linked to additional pre-financing requests and 90 days for final periodic reporting; - For SMEI Phase 2 and FTI projects: 90 days for interim and final periodic reporting. 	<p>EIC Accelerator: 286,134,320 EUR: 248 payments => 100 % on Time</p> <p>400,000,000 EUR paid to EIC Fund: two payments => 100% on time</p> <p>SMEI Phase 2 and FTI: 166,766 EUR: 477 payments => 99,7% on time</p> <p>Expert payments: 524,000 EUR: 398 payments => 99.3% on time</p>
Event Coordinator's Day	Satisfaction rate of participants	> 80%	90%
EISMEA F2P Framework	Participation in EISMEA task force on F2P	Contribution to EISMEA's policy feedback framework	<p>Input for programming and contribution into policy making:</p> <ol style="list-style-type: none"> 1. Contribution to WP2023 Challenges Coordination group, linking Accelerator challenges to EU policies, e.g., Fit for 55, Chips Act, etc. 2. Contribution to the Strategic Intelligence Working group, with brainstorming and strategy building to identify emerging technologies and breakthrough innovations for European sovereignty and EU policies impact. 3. Contribution to EIT-EIC MoU discussion and participation in the EIT-EIC Working group, addressing horizontal issues as well as specific KICs e.g., KIC Health.

Call planning EIC

European Innovation Council

Planning calls for proposals 2022:

Call title	Call identifier	Publicati on date	Closing date	Status 30/06/22	Status 31/12/22	
EIC Pathfinder Open 2022	HORIZON-EIC-2022- PATHFINDEROPEN-01	14-02-22	04-05-22	Closed, 863 proposals submitted	57 proposals selected from the main list and 9 from the reserve	
EIC Pathfinder Challenges 2022	HORIZON-EIC-2022- PATHFINDERCHALLENGE-01	04-04-22	19-10-22		Closed, 469 proposals submitted / Evaluation ongoing	
EIC Transition 2022	HORIZ ON- EIC- 2022- TRAN SITIO N-01	EIC Transition Open 2022	HORIZON- EIC-2022- TRANSITION OPEN-01	14-02-22	Cut-Off- 1: 04-05-22 Cut-Off- 2: 28-09-22	Closed, 165 proposals submitted / Evaluation ongoing Closed, 286 proposals submitted / Evaluation ongoing
		EIC Transition Challenge: Green digital devices for the future	HORIZON- EIC-2022- TRANSITION CHALLENGE -01			
		EIC Transition Challenge: Process and system integratio n of clean energy technologi es	HORIZON- EIC-2022- TRANSITION CHALLENGE -02			
		EIC Transition Challenge: RNA- based therapies and diagnostic	HORIZON- EIC-2022- TRANSITION CHALLENGE -03			

		s for complex or rare genetic diseases					
EIC Accelerator 2022	HORIZON-EIC-2022-ACCELERATOR-01	EIC Accelerator Open	HORIZON-EIC-2022-ACCELERATOROPEN-01	09-02-22	Cut-Off-1: 23-03-22	Closed, 1093 proposals submitted, 74 proposals selected	76 proposals selected
		EIC Accelerator Challenge: Technologies for Open Strategic Autonomy	HORIZON-EIC-2022-ACCELERATORCHALLENGES-01		Cut-Off-2: 15-06-22	Closed, 986 proposals submitted / Evaluation ongoing	
		EIC Accelerator Challenge: Technologies for 'Fit for 55'	HORIZON-EIC-2022-ACCELERATORCHALLENGES-02		Cut-Off-3: 05-10-22	Closed, 1092 proposals submitted, 78 proposals selected	

EIC Prizes performance table

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

From 2020-2024 Strategic Plans

Parent DG: RTD

Related to spending programme(s): Horizon Europe

Main outputs in 2022:

Output	Indicator	Target	Latest known result
Calls for applications	Number of calls for applications published	8 ²	8
Evaluation sessions	Number of evaluation sessions implemented	8	8
	Time to inform applicants	100% within 5 months of application deadline	100%
	% of evaluated proposals challenged under the evaluation review procedure	< 0.5%	0%
	% of evaluated proposals re-evaluated following review requests	< 0.5%	0%
Prizes awarded	Number of individual prizes awarded	20	22. When indicated originally, EUSIC challenge was counted as 1 award, but it has 3 awards
Payments	Time to pay	100% payment executed within the legal time limit	100%
Outreach and promotion	Number of information and promotion events organised	7	7
	Average number of participants or views per event	200	432 (based on 3 events analysed)
	Average satisfaction rate of participants (if available)	> 80%	82% (based on 3 events analysed)

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

Output	Indicator	Target	Latest known result
EISMEA Framework	F2P	Participation in EISMEA task force on F2P	Contribution to EISMEA's policy feedback framework
			<p>Input for programming:</p> <p>On EUIPA challenge of the year and on EUSIC challenge of the year.</p> <p>On dedicating resources to the Social Innovation Academia.</p> <p>On iCapital: synergies with Mission cities.</p> <p>On Humanitarian prize - design of the new prize.</p> <p>On EIC Forum WG on EIC Prizes Alumni network: feedback on cities' challenges and responses.</p>

Call planning EIC Prizes

EIC Prizes					
Planning calls for proposals 2022:					
Call title	Call identifier	Publication date	Closing date	Status 30/06/22	Status 31/12/22
EU Prize for Women Innovators	HORIZON-EIC-2022-WomenInnovatorsPrize	8/03/2022	18/08/2022	Ongoing for 2022 Prize, results expected Q4 2022	Award ceremony on 7/12/22
The European Capital of Innovation Awards (iCapital)	HORIZON-EIC-2022-iCapitalPrize	03/03/2022	30/06/2022	Evaluation ongoing results expected Q4 2022	Award ceremony on 7/12/22
The European Innovation Procurement Awards	HORIZON-EIC-2022-InnovationProcurementAwardsPrize	22/03/2022	22/06/2022	Evaluation ongoing, results expected Q4 2022	Award ceremony on 8/12/22

The European Social innovation competition: challenge prize	HORIZON-EIC-2022-SocialInnovation	8/04/2022	17/05/2022	Evaluation ongoing, results expected Q4 2022	Evaluation finished. Results to be published on 2/2/23
The European Social innovation competition: impact prize	HORIZON-EIC-2022-SocialInnovation	12/05/2022	24/05/2022	Evaluation ongoing, results expected Q4 2022	Evaluation finished. Results to be published on 2/2/23

EIC Community and BAS performance table

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

From 2020-2024 Strategic Plans

Parent DG: RTD

Related to spending programme(s): Horizon Europe

Main outputs in 2022:

Output	Indicator	Target	Latest known result
Calls for proposals	Number of calls published (CSA)	0	1
Calls for tender	Number of calls published	2	1 the preparatory work of the second tender was concluded but it was decided to launch it in early 2023.
Grant agreements	Number of grant agreements signed	0	2
	Time to grant	100% signed in 8 months	100% signed in 8 months
Contracts	Number of contracts signed	2 (procurement)	2 contracts + 1 purchase order
Final reports of concluded Grant Agreements and Contracts	Number of final reports assessed	1	0 (the GHG contract report to be assessed in January 2023)

Coaching cases	Number of coaching cases	2500	721 (less than expected EIC Accelerator step 2 applicants applied to the programme+ coaching for beneficiaries started late because of the delays in grant agreements)
	Satisfaction from coaching service	90%	96%
BAS events	Number of BAS events	40	72 events More events realised than planned to address the business acceleration needs of beneficiaries (launch of ecosystem partnerships and co-investment support contract.
	Participating EIC beneficiaries	500	Circa 1000
	Satisfaction rate of participants	90%	88%
	Average Deals for matching events	2	1 (impact takes time to reveal and this number will evolve in following months)
EIC Community	Number of members	14000	13832
Policy feedback	Feedback on corporate-startup collaboration, Feedback on pathways to partnerships with procurers, corporates and investors	3 reports	1. EIC beneficiaries needs analysis in relation to support services 2. Report from the workshop with Ecosystem partners 3. Mapping of ecosystem partners in Europe
EISMEA Framework	F2P Participation in EISMEA task force on F2P	Contribution to EISMEA's policy feedback framework	Contribution into policy making: Contribution to EIT-EIC MoU collaborative actions implementation and participation in the EIT-EIC Working group, addressing horizontal issues. Contribution to EUIPO-EIC SLA services

European Innovation Ecosystems performance table

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

From 2020-2024 Strategic Plans

Parent DG: RTD

Related to spending programme(s): Horizon Europe

Main outputs in 2022:

Output	Indicator	Target	Latest known result
Calls for proposals	Number of calls published	EIE: 4	EIE: 4
Calls for tender	Number of calls published	EIE: 3	EIE: 3
Evaluation sessions	Number of evaluation sessions implemented	EIE: 6	EIE: 6
	Time to inform applicants	EIE: 5 months	EIE: 5 months
	% of evaluated proposals challenged under the evaluation review procedure	EIE: <5%	EIE: 0%
	% of evaluated proposals re-evaluated following review requests	EIE: <3%	EIE: <3%
Grant agreements	Number of grant agreements signed	EIE: 156	EIE: 96 (overestimated number given the novelty of the Horizon EIE actions for applicants)
	Time to grant	EIE: 100% within 8 months	EIE: 89% within 8 months Target not fully achieved due to a certain number of non-EU participants (pending Horizon Europe association agreements) and slow legal entity/bank account validations / financial capacity assessments for coordinators
Contracts	Number of contracts signed	Innosup: 0, EIE: 3	Innosup: 0, EIE: 1 (Two calls for tenders delayed to 2023 due to insufficient staff resources and uncertainty about DG RTD input to the tender specifications)

Final reports of concluded Grant Agreements and Contracts	Number of final reports assessed	Innosup: 70, EIE: 0	Innosup 68, EIE: 0 (The number is very close to the projected number. It is never certain when the project holders will submit their final reports and how quickly the questions from the PO can be clarified)
Payments	Time to pay	Innosup + EIE: 90 days (grants)	100% of payments on time
Events	Satisfaction rate of participants	> 80%	94%
Policy feedback	Reports on INNOSUP / EIE actions / activities ending in 2021	Innosup: 1, EIE: 0	Innosup: 1, EIE: 0
EISMEA Framework F2P	Participation in EISMEA task force on F2P	Contribution to EISMEA's policy feedback framework	Detailed Call evaluation reports to DG RTD Input for preparation of programming/work programmes: EIE Improvements in programme implementation, suggestions for call planning, budget allocation. Networking events with EIE WP 2022 projects per call/topic for EIE WP 2022 calls with DG RTD participation Ad hoc input: Sharing deliverables with high-impact and data on projects' links to flagships in New European Innovation Agenda and information at events/workshops with high policy relevance.

Call planning EIE

European Innovation Ecosystems and EIC (Startup Europe)					
Planning calls for proposals 2022:					
Call title	Call identifier	Publication date	Closing date	Status 30/06/22	Status 31/12/22
Towards more inclusive networks and initiatives in European innovation ecosystems	HORIZON-EIE-2022-CONNECT-01-01	11/01/2022	26/04/2022	Closed, 36 proposals submitted	Selection of 8 projects

Integration of social innovation actors in innovation ecosystems 35,34,6	HORIZON-EIE-2022-CONNECT-01-02	11/01/2022	26/04/2022	Closed, 35 proposals submitted	Selection of 6 projects
Expanding Entrepreneurial Ecosystem 43,41,4	HORIZON-EIE-2022-SCALEUP-01-01	25/01/2022	10/05/2022	Closed, 43 proposals submitted	5 GAPS already signed, additional two project promoted from reserve to main list.
Implementing co-funded action plans for interconnection of innovation ecosystems	HORIZON-EIE-2022-CONNECT-02-01	14/06/2022	27/09/2022	Submissions ongoing	3 proposals received, one selected.
Stimulating innovation procurement	HORIZON-EIE-2022-CONNECT-02-02	14/06/2022	27/09/2022	Submissions ongoing	0 proposal submitted
Expanding Investments Ecosystems	HORIZON-EIE-2022-SCALEUP-02-01	21/06/2022	4/10/2022	Submissions ongoing	58 proposals submitted, evaluation ongoing
Women TechEU		21/06/2022	4/10/2022	Submissions ongoing	467 proposals submitted, evaluation ongoing
Enhancing synergies between the EIC and Startup Europe	HORIZON-EIC-2022-STARTUPEU-01-01	01/06/2022	17/11/2022	Submissions ongoing	18 proposals submitted, evaluation ongoing
VII.14. Pan-European network of startup associations to support the integration of Ukrainian tech innovators into European ecosystems and	HORIZON-EIC-2022-UKRAINIANTECH-01	23/06/2022	07/09/2022	Submissions ongoing	14 proposals submitted, evaluation ongoing

to enhance their operations in Ukraine					
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SMP Consumer objective performance table

Specific objective: Consumers are empowered and better protected (DG JUST)

From 2020-2024 Strategic Plans

Parent DG: JUST

Related to spending programme(s): Single Market Programme

Main outputs in 2022:

Output	Indicator	Target	Latest known result
Calls for proposals incl. invitations to submit proposals	Number of calls published incl. invitations sent	5	3 (in line with DG JUST planning for 2022)
Calls for tender incl. RfS	Number of calls published incl. RfS	+/- 10	8 (incl. 5 legacy procedures)
Evaluation sessions	Number of evaluation sessions implemented	100%	100%
	Time to inform applicants	100 % applicants informed within 6 months from submission deadline	100%
	% of evaluated proposals challenged under the evaluation review procedure	Less than 8%	5.88% (2 requests for review received on the formal grounds)
	% of evaluated proposals re-evaluated following review requests	Less than 8%	0
Grant agreements	Number of grant agreements signed	30	60 grant agreements signed. Higher number of grant agreements were signed because part of legacy and not initially planned
	Time to grant	100 % grants signed within 9 months from submission deadline	100% With exception of ECC Hungary not signed yet due to elections in Hungary and Ministerial reorganisation

Contracts	Number of contracts signed	+/- 10	7
Payments	Time to pay	100% payments executed within the legal time limit	100%
Event: Consumer Summit	Satisfaction rate of participants	at least 75%	94%
EISMEA F2P Framework	Participation in EISMEA task force on F2P	Contribution to EISMEA's policy feedback framework	Input to DG JUST on continuous basis and upon request, e.g., Feedback on programme implementation; Input for programming; results of studies, surveys, assessments and other procurement actions; Other Ad-Hoc inputs

Call planning SMP Consumer

SMP / CONSUMER PILLAR					
Planning calls for proposals 2022:					
Call title	Call identifier	Publication /opening date	Closing date	Status 30/06/22	Status 31/12/22
European Consumer Centres (ECC) Designation procedure	n/a	May 2022	November 2022/December 2022	Authorisation workflow.	28 grant agreements signed. 1 grant agreement (ECC HU) still in grant preparation phase due to a ministerial reorganisation in Hungary
Invitation to submit a proposal for an operating grant to support the activities of the consumer organisation at the Union level – award to	SMP-CONS-2022-EU-ORG-OG-IBA	13/04/2022	21/06/2022 to be extended to 05/07/2022	Invitation opened for submission.	Grant agreement signed in December 2022.

beneficiary identified in the legal base - BEUC					
Call for proposals for action grants to provide financial contributions to Alternative Dispute Resolution bodies designated by the EU Member States pursuant to the ADR directive 2013/11/EU (ADR Call)	SMP-CONS-2022-ADR	13/04/2022	05/07/2022	Call opened for submission	22 grant agreements are in grant preparation phase.
Call for proposals for action grants to support consumer law enforcement authorities and other relevant bodies, and for action grants of exceptional utility for co-operation between enforcement authorities (CPC Call)	SMP-CONS-2021-CPC	13/04/2022	05/07/2022	Call opened for submission	4 agreements are in grant preparation phase.
Presidency grant I	SMP-CONS-2022-PSY-1-IBA			The Czech Presidency decided not to submit a	n/a

				request for grant.	
Presidency grant II	SMP-CONS-2022-PSY-2-IBA	Tbc November 2022	Tbc December 2022		n/a
Planning calls for tender 2022:					
Call title	Call identifier	Publication date	Closing date	Status 30/06/22	Status 31/12/22
JOINT ACTIONS (CASP): CASP 2023	Tbc	Tbc January/February 2023	Tbc March 2023		The RfS is planned to be launched in Q2 2023 as soon as the CASP/JACOP FWC is signed.
CASP Technical Check					The procedure was in the launch phase on 31/12/22. RfS was sent to framework contractors in January 2023.
Consumer Law Ready	Tbc	July 2022	tbc	Procedure ongoing	First procedure was cancelled, as no offers received. Procedure is in the re-launch phase.
Workshops on local advice to consumers	Tbc	September 2022	October 2022		Due to the change in policy priorities, the procedure was postponed and will be done under 2023-2024 WP
E-Enforcement Academy: Service contract to support a		Not applicable	September 2022 (signature of the 2 nd phase)		The 2 nd phase of the contract was authorised

CPC/GPSD enforcement Academy - 2nd phase					in September 2022.
Content update of Consumer and marketing law database		To be confirmed if it will be implemented by EISMEA			The procedure is in the launch phase.
Study on improving product traceability	Tbc	Q4 2022			DG JUST decided not to delegate this procedure to the Agency
Study on the support of the adoption of the GPSR	Tbc	Q4 2022			Due to the change in policy priorities, the procedure was postponed and will be done under 2023-2024 WP
Consumer Survey 2022 (under cascade FWC) (Eurobarometer)		June/July 2022	July 2022		The contract was signed in October 2022.
Consumer Summit (under cascade FWC)	Tbc	October 2022	November 2022		The contract is planned to be signed in Q1 2023.
FWC on Studies and Assessments	Tbc	September/October 2022	January 2023	March 2022: first feedback from DG JUST on studies, surveys and assessments planned to be delegated to EISMEA. May 2022, EISMEA provided draft TORs for FWC	Instead of EISMEA launching the FWC, DG JUST will launch a similar FWC with a broader scope and give EISMEA access to it.

				to DG JUST for comment.	
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SMP SME pillar performance table

Specific objective: More European SMEs have access to cross-border business by digital means (DG GROW)

From 2020-2024 Strategic Plans

Parent DG: GROW

Related to spending programme(s): Single Market Programme

Main outputs in 2022:

Output	Indicator	Target	Latest known result
Calls for proposals	Number of calls published	5 80% of the call for proposals listed in the SMP SME annual work programme published by 31 December 2022.	9 100% of the call for proposals listed in the SMP SME annual work programme published by 31 December 2022.
Calls for tender	Number of calls published	12 65% of the call for tenders listed in the SMP SME annual work programme published by 31 December 2022.	11 published calls (six for WP 2022 and five for WP 2021). 2 more calls will be published in 2023. Delay due to late submission of draft tender specifications by DG GROW. Two of the 10 calls listed in the WP were cancelled by DG GROW. 60% (6 out of 10) of the call for tenders listed in the SMP SME annual work programme published by 31 December 2022.

Evaluation sessions	Number of evaluation sessions implemented	12 evaluations for call for proposals and 9 evaluations for calls for tenders by 31 December 2022 Two evaluation sessions for proposals from international partners of the Enterprise Europe Network (participation without EU funding)	13 evaluations for call for proposals and 12 evaluations for calls for tenders by 31 December 2022 Four evaluation sessions for proposals from international partners of the Enterprise Europe Network (participation without EU funding)
	Time to inform applicants	100% of applicants informed within 6 months (183 days) after the call deadline	100% of applicants informed within 6 months (183 days) after the call deadline
	% of evaluated proposals challenged under the evaluation review procedure	Less than 2.75% of evaluated proposals	1.82% (Four out of 220) requests for review of 220 proposals with a completed evaluation
	% of evaluated proposals re-evaluated following review requests	Max. 0.5% of evaluated proposals	0%

Grant agreements	Number of grant agreements signed	<p>175-180 SMP SME grant agreements signed by 31 December 2022</p> <p>In addition, around 50 cooperation agreements with International Partners of the Enterprise Europe Network (without EU funding)</p> <p>90% of the grant agreement preparations (GAPs) initiated before 30 September 2022, signed by 31 December 2022.</p>	<p>133 SMP SME grant agreements signed by 31 December 2022. 18 Grant agreements involving countries in negotiation to become associated to the SMP are on hold. About further GAs, two calls did not receive any application</p> <p>41 CAs. Out of those 41, eight were signed in 2022 and 10 will be signed in Q1 2023).</p> <p>84.96% (113 out of 133). 18 EEN grant agreements cannot be completed until non-EU countries ratify their accession to the SMP.</p>
	Time to grant	<p>100% of grant agreements signed within 9 months (274 days) after the call deadline</p>	<p>96.99% (129 out of 133) of grant agreements signed within 9 months (274 days) after the call deadline. One action was signed late due to the presence of a non-eligible partner in the consortium. In the other three cases, delays occurred in GAP due to problems in the validation of beneficiaries.</p>
Contracts	Number of contracts signed	<p>10-12 contracts from SMP COSME</p>	<p>10 contracts from SMP-COSME</p>
Final reports of concluded Grant Agreements and Contracts	Number of final reports assessed	<p>At least 100 final reports assessed.</p> <p>100 % of the final reportssubmitted before 31st October 2022 assessed.</p>	<p>125 final reports assessed (closed) for grants and 15 final reports for contracts.</p> <p>100% of the final reports submitted before 31st October 2022 assessed.</p>

Payments	Time to pay	100% of payments within legal deadlines	100% of payments within legal deadlines
Event (Enterprise Europe Network Annual Conference)	Satisfaction rate of participants	85% of participants being satisfied with the event	97.06% of participants being satisfied with the event
Policy feedback	Policy feedback documents sent to parent DG and published in EISMEA website	Four quarterly reports and individual fiches for all SMP and COSME actions published in 2021 and 2022.	Four quarterly reports published. Three Monitoring reports (individual fiches) published. All other will be published before the end of January 2023. Impact Indicators: EISMEA participated in the development of secondary impact KPIs for the Single Market Programme Ad-hoc reports: Five reports sent to DG GROW's SMP SME Coordination team on the participation of Third countries associated to COSME. These reports were used as input for the negotiations of the association of those third countries to the SMP.
EISMEA Framework F2P	Participation in EISMEA task force on F2P	Contribution to EISMEA's policy feedback framework	Feedback on programme implementation: A report summarising the approach to Policy Feedback in the SMP SME unit was produced and shared in the context of the EISMEA F2P Framework.

Call Planning SMP SME PILLAR

SMP / SME PILLAR					
Planning calls for proposals 2022:					
Call title	Call identifier	Publication date	Closing date	Status 30/06/22	Status 31/12/22
SME friendly training for Central Purchasing Bodies (CPS)	GRO/SME/21/1 2063	23/02/2022	18/05/2022	Call closed. No proposals received.	Call closed

Public procurement of Innovation development	GRO/SME/21/1 2064	27/01/2022	03/05/2022	Call closed. No proposals received.	Call closed
Social Economy and local green deals supporting SMEs to become more resilient	GRO/SME/21/1 2085	16/09/2021	24/11/2021	Grant agreement preparation	19 projects under implementation
Erasmus for Young Entrepreneurs	GRO/SME/21/1 2196	16/03/2022	08/06/2022	Call under evaluation	11 projects under implementation. One project in GAP
EU SME Centre in China – phase IV 1	GRO/SME/21/1 2197	26/01/2022	15/03/2022	Grant agreement preparation	One project under implementation

Planning procurements 2022:

Call title	Call identifier	Publication date	Closing date	Status 30/06/22	Status 31/12/22
Pact for Skills 2021-2022	GRO/SME/21/1 2083	Mid-July 2022	Q3	Call under preparation	Contract signed. Implementation ongoing
Cybertheft of trade secrets: awareness toolkit for SMEs and the research community	GRO/SME/21/1 2088	27/04/ 2022	13/06/2022	Call under evaluation	Contract signed. Implementation ongoing
Support of the digitalisation of the built environment, public procurement	GRO/SME/21/1 2115	10/07/2022	Q3	Call under preparation	Contract signed. Implementation ongoing

and SMEs in construction					
SME Policy - Late Payment	GRO/SME/21/1 2257	19/07/2022	Q3	Call under preparation	Contract signed. Implementation ongoing
Crisis management and governance in tourism	GRO/SME/21/1 2737	Mid-July 2022	Q3	Call under preparation	Contract signed. Implementation ongoing

Planning calls for proposals 2022:					
Call title	Call identifier	Publication date	Closing date	Status 30/06/22	Status 31/12/22
Enterprise Europe Network (EEN) Annual conference	GRO/SME/22/1 2520	03/03/2022	20/04/2022	Grant agreement preparation	Project closed. Final payment ongoing
EU-Japan Centre for Industrial Co-operation	GRO/SME/22/1 2873	02/03/2022	29/03/2022	Grant agreement preparation	One project under implementation
Enterprise Europe Network (merged with action WP 2021)	GRO/SME/22/1 2518	n.a.	n.a.	Under implementation	70 projects under implementation . 18 projects in GAP
Erasmus for Young Entrepreneurs (merged with action WP 2021)	GRO/SME/22/1 2521	n.a.	n.a.	Call under evaluation	11 projects under implementation . One project in GAP

Joint Cluster Initiatives (merged with action WP 2021)	GRO/SME/22/1 2734	n.a.	n.a.	Under implementation	30 projects under implementation
Sustainable growth and building resilience in tourism – empowering SMEs to carry out the twin transition	GRO/SME/22/1 2745	20/07/2022	19/10/2022	Call under preparation	Call under evaluation (38 proposals received)
Greening SMEs in the proximity and social economy ecosystem through transnational co-operation	GRO/SME/22/1 3028	09/11/2022	14/02/23	Call under preparation	Call published (submission deadline 14/02/2023)
Boosting awareness for raising mainstream enterprises to work with social enterprises (towards a 'buy social' business to business market).	Pending approval of the revised SMP-SME Work Programme 2022	29/09/2022	07/12/2022	Call under preparation	Call under evaluation (15 proposals received)
Planning procurements 2022:					
Call title	Call identifier	Publication date	Closing date	Status 30/06/22	Status 31/12/22
EEN budget for Enterprise Europe Network animation	GRO/SME/22/1 2519	n.a	n.a	Under implementation	Under implementation
European Construction	GRO/SME/22/1 2545	July 2022	Q4 2022	Call under preparation	Call under preparation (draft tender)

Sector Observatory					specifications not yet received)
Erasmus for Young Entrepreneurs – Support office	GRO/SME/22/1 2551	n.a	n.a	Renewal in Q4 2022	Renewal on 01/05/2023
SME Strategy follow-up: Late payment observatory	GRO/SME/22/1 2620	n.a	n.a	Action to be cancelled (info from GROW)	Action cancelled
SME Assembly	GRO/SME/22/1 2630	n.a	n.a	Renewal in Q4 2022	Renewal on 09/07/2023
Training programme for SOLVIT centres	GRO/SME/22/1 2683	n.a	n.a	Under implementation	Under implementation
International Intellectual property SME Helpdesks (at least China, India, Latin America and South-East Asia)	GRO/SME/22/1 2712	29/06/2022	05/09/2022	Call published	Call under evaluation
Socially responsible public procurement	GRO/SME/22/1 2725	November 2022	Q1/Q2 2023	Subject to WP revision	Call under evaluation
Improving the socio-economic knowledge of the proximity and social economy ecosystem	GRO/SME/22/1 2728	Q3/Q4 2022	Q1/Q2 2023	Call under preparation	Call under evaluation
Setting up of a Big Public	GRO/SME/22/1 3033	July 2022 (date TBC)	Q3 2022	Call under preparation	Call under evaluation. Re-

Buyers collaboration network for strategic public procurement					publication of one of the lots in Q1 2023
Intelligent Cities Challenge Initiative	GRO/SME/22/1 2731	n.a	n.a	Renewal on 01/12/2022	Under implementation
Implementation of Pact for Skills	GRO/SME/22/1 2733	Q4 2022	Q1 2023	Call under preparation	Action cancelled
Late Payment - pilot action on alternative dispute resolution (ADR)	GRO/SME/22/1 2768	Q3 2022	Q3 2022	Call under preparation	Call under preparation. Technical specifications being drafted
Events & Technical assistance in the field of Tourism	GRO/SME/22/1 2848	n.a	n.a	Call under preparation	Under implementation
European portal to provide integrated support for tourism SMEs and stakeholders	GRO/SME/22/1 3034	Q3 2022	Q3 2022	Call under preparation	Call published (submission deadline 9/01/2023)

SMP Internal Market and support to standardisation performance table

Specific objective: More business opportunities are generated in the Single Market (DG GROW)

From 2020-2024 Strategic Plans

Parent DG: GROW

Related to spending programme(s): Single Market Programme

Main outputs in 2022:

Output	Indicator	Target	Latest known result
Calls for proposals	Number of calls published	4	6 – Two additional calls were requested by DG GROW within the allocated budget.
Calls for tender	Number of calls published	6	0 - Requests for services to be launched once the FWC is finalised.
Evaluation sessions	Number of evaluation sessions implemented	100%	120% - see comment for the first indicator above.
	Time to inform applicants	100% informed within 6 months from submission deadline	100%
	% of evaluated proposals challenged under the evaluation review procedure	Less than 10%	0%
	% of evaluated proposals re-evaluated following review requests	Less than 10%	0%
Grant agreements	Number of grant agreements signed	25-30	29
	Time to grant	100% signed within 9 months from submission	96,5% signed within 9 months, one out of 29 signed after 11 months.
Contracts	Number of contracts signed	5	DG GROW plan changed so no procedure was launched, and no contract was signed.
Final reports of concluded Grant Agreements and Contracts	Number of final reports assessed	...	18
Payments	Time to pay	100% executed within the legal deadline	100%

Event action	joint	Satisfaction rate of participants	At least 80%	Only short online information sessions took place No survey of participants completed
EISMEA Framework	F2P	Participation in EISMEA task force on F2P	Contribution to EISMEA's policy feedback framework	Feedback on programme implementation, input for the preparation of Work Programme and ad-hoc input to DG GROW.

Call planning SMP Internal Market Standardisation

Call title	Call identifier	Publication date	Closing date	Status 30/06/22	Status 31/12/22
1a. Joint Actions Market Surveillance	SMP-IMA-2021-JA-2731-12302	01/09/2021	31/10/2021	GAP signature	11 GAs signed. Implementation ongoing.
1b. Joint Actions Market Surveillance	SMP-IMA-2021-2-JA-2731-12302	01/04/2022	15/06/2022	Closing date extended from 15/06/2022 until 22/06/2022	4 GAs signed; pre-financing and implementation to be done (start dates in 2023).
1c. Joint Actions Market Surveillance	SMP-IMA-2021-3-JA-2731-12302	01/08/2022	30/09/2022	Call in the preparation stage	1 GA signed in Dec. Pre-financing and implementation to be done. (start date in 2023)
2a. Action grants to CEN, CENELEC and ETSI – 1 st call	SMP-STAND-2022-ESOS-01-IBA	08/03/2022	05/05/2022	Call in the evaluation stage	6 GAs signed (1 GAP terminated for project RCRMs) Implementation ongoing.
2b. Action grants to CEN, CENELEC and ETSI – 2 nd call	SMP-STAND-2022-ESOS-02-IBA	30/06/2022	31/08/2022	Closing date is 27/9/2022	One topic under re-evaluation. For the rest, the

					evaluation has finished.
2c. Action grants to CEN, CENELEC and ETSI – 3rd call	SMP-STAND-2022-ESOS-03-IBA (tbc)	08/11/2022	24/01/2023	NA	Proposals under evaluation.
3. Support to (4) organisations representing societal stakeholders in European standardisation activities via operating and action grants	SMP-STAND-2022-A3-AG-OG-IBA	30/06/2022	31/08/2022	Closing date is 27/9/2022	All (4) action/operational grants signed. Pre-financing done for three in Dec (and the remaining in Jan 2023). Implementation ongoing.
Planning calls for tender 2022:					
Call title	Call identifier	Publication date	Closing date	Status 30/06/22	Status 31/12/22
1. Support to joint actions and capacity building	SMP/IMA/22/2723/12556	TBC – depending on the availability of the CASP FWC			The RfS is planned to be launched in Q2 2023 as soon as the CASP/JACOP FWC is signed.

Interregional Innovation Investments performance table

Specific objective: Innovative and smart economic transformation across the EU (DG REGIO)

From 2020-2024 Strategic Plans

Parent DG: REGIO

Related to spending programme(s): European Regional Development Fund (ERDF)

Main outputs in 2022:

Output	Indicator	Target	Latest known result
Calls for proposals	Number of calls published	3 (including the publication of the Strand 2b call)	3
	Number of proposals received for evaluation step 1 and 2 per strand	Strand 1: 75-90 Strand 2a: 60-75	Strand 1: 16 Strand 2 a: 11 I3 is a brand-new funding instrument, which received fewer proposals than anticipated. Further promotion activities forecast for 2023
Evaluation sessions	Number of evaluation sessions implemented per strand (1&2)	6	6
	Time to inform applicants	100 % applicants informed within 6 months from submission deadline	100%
	% of evaluated proposals challenged under the evaluation review procedure	<5%	0%
	% of evaluated proposals re-evaluated following review requests	<3%	0%
	% of successful proposals passing step 1 evaluation over all submitted proposals per strand	20% for strand 1 33% for strand 2a	69% 45%
Grant agreements	Number of grant agreements signed	18 for both strands	11 (Lower number of Strand 2a proposals with lower budget due to novelty of the instrument)
	Time to grant	100% within 9 months	82% (2 large and complex out of 11 projects signed less than a week after the TTG deadline).

	% of grant agreements signed per proposals evaluated in step 2	Strand 1: 30% Strand 2a: 50%	64% 80% (higher success rate due to low proposals number, see above calls for proposals)
Final reports of concluded Grant Agreements and Contracts	Number of final reports assessed	0	0
Payments	Time to pay	100% payments executed within the legal time limit	100%
Event: Info Day	Satisfaction rate of participants	75%	97% (I3 info day)
Policy feedback	Target to be set for 2022 (following first call cycle)	N/A (too early for any policy feedback from implemented projects)	N/A
EISMEA F2P Framework	Participation in EISMEA task force on F2P	Contribution to EISMEA's policy feedback framework	<p>Feedback on programme implementation: detailed 2022 call cut off 1 output and GAP numbers communicated to DG REGIO</p> <p>Input for the preparation of programming/work programmes:</p> <p>Findings of 2022 call cut off 1 (preparation of the call, FAQs received, evaluation results, GAPs) explained to DG REGIO who shared findings with external I3 experts' group for further input into the WP 2023/24)</p>

Call planning I3

Interregional Innovation Investments (I3)					
Planning calls for proposals 2022:					
Call title	Call identifier	Publication date	Closing date	Status 30/06/22	Status 31/12/22
ERDF-I3-2021 – INV 1	ERDF-I3-2021 – INV1	23/11/2021	1st Cut-off: 22/02/2022 2nd	1st Cut-off: Finalised 2nd Cut-off: 18/10/2022	1st cut off: Finalised. Projects started.

Strand 1			Cut-off: 18/10/2022	(Open for Submissions)	2 nd cut off: evaluation ongoing
ERDF-I3-2021- (Strand-2a)	ERDF-I3-2021- INV2a	23/11/2021	1st Cut-off: 22/02/2022 2nd Cut-off: 18/10/2022	1st Cut-off: Finalised Further Cut-off: 20/04/2022 (Finalised) 2nd Cut-off: 18/10/2022 (Open for Submissions)	1st cut off: Finalised. Projects started. 2 nd cut off: evaluation ongoing
ERDF-I3-2022 (Strand-2b)		15/12/2022	16/03/2023	Preliminary input from the parent DG received	Open for submissions until 16/03/2023

ANNEX 3: Draft annual accounts and financial reports

AAR 2022 Version 3

Annex 3 Financial Reports - IEEA Operating Budget - Financial Year 2022

Table 1 : Commitments

Table 2 : Payments

Table 3 : Commitments to be settled

Table 4 : Balance Sheet

Table 5 : Statement of Financial Performance

Table 5 Bis: Off Balance Sheet

Table 6 : Average Payment Times

Table 7 : Income

Table 8 : Recovery of undue Payments

Table 9 : Ageing Balance of Recovery Orders

Table 10 : Waivers of Recovery Orders

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

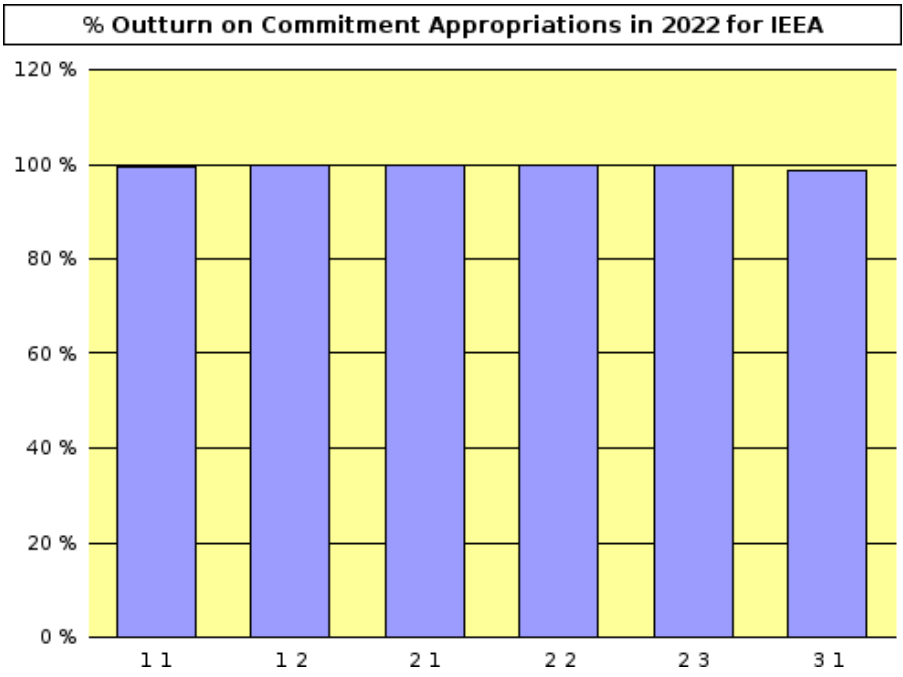
Additional comments

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

TABLE 1: OUTTURN ON COMMITMENT APPROPRIATIONS IN 2022 (in Mio €) for IEEA					
			Commitment appropriations authorised	Commitments made	%
			1	2	3=2/1
Title 1 Staff expenditure					
1	1 1	Remunerations allowances and charges	35.60	35.34	99.28 %
	1 2	Professional development & social expenditure	2.11	2.11	100.00 %
Total Title 1			37.71	37.45	99.32 %
Title 2 Infrastructure and operating expenditure					
2	2 1	Building expenditure	4.17	4.17	100.00 %
	2 2	ICT expenditure	1.95	1.95	100.00 %
	2 3	Movable property and Current Operating expenditure	0.15	0.15	100.00 %
Total Title 2			6.27	6.27	100.00 %
Title 3 Programme support expenditure					
3	3 1	Programme management expenditure	2.05	2.03	98.77 %
Total Title 3			2.05	2.03	98.77 %
Total IEEA			46.03	45.74	99.39 %

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

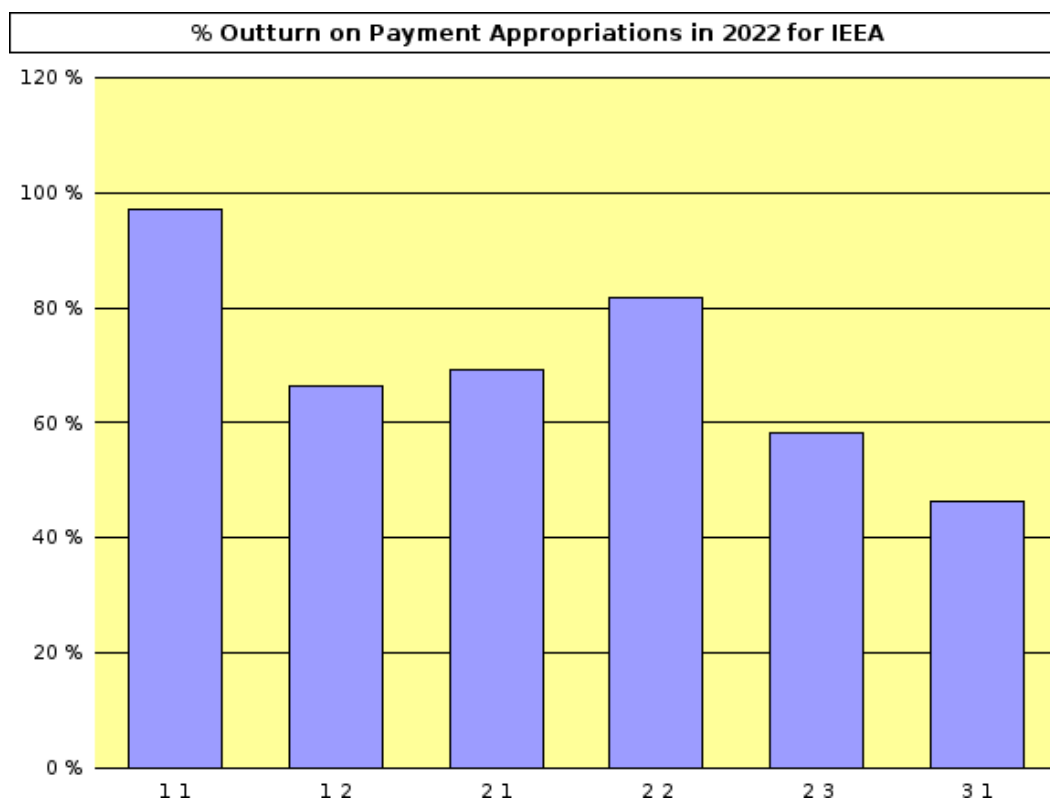
Note: The figures are those related to the provisional accounts and not yet audited by the Court of Auditors



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

TABLE 2: OUTTURN ON PAYMENT APPROPRIATIONS IN 2022 (in Mio €) for IEEA					
			Payment appropriations authorised *	Payments made	%
			1	2	3=2/1
Title 1 Staff expenditure					
1	1 1	Remunerations allowances and charges	35.93	34.94	97.26 %
	1 2	Professional development & social expenditure	2.37	1.58	66.55 %
Total Title 1			38.30	36.52	95.36%
Title 2 Infrastructure and operating expenditure					
2	2 1	Building expenditure	4.85	3.36	69.34 %
	2 2	ICT expenditure	2.27	1.85	81.76 %
	2 3	Movable property and Current Operating expenditure	0.43	0.25	58.36 %
Total Title 2			7.55	5.47	72.45%
Title 3 Programme support expenditure					
3	3 1	Programme management expenditure	2.88	1.33	46.25 %
Total Title 3			2.88	1.33	46.25%
Total IEEA			48.73	43.32	88.91 %

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



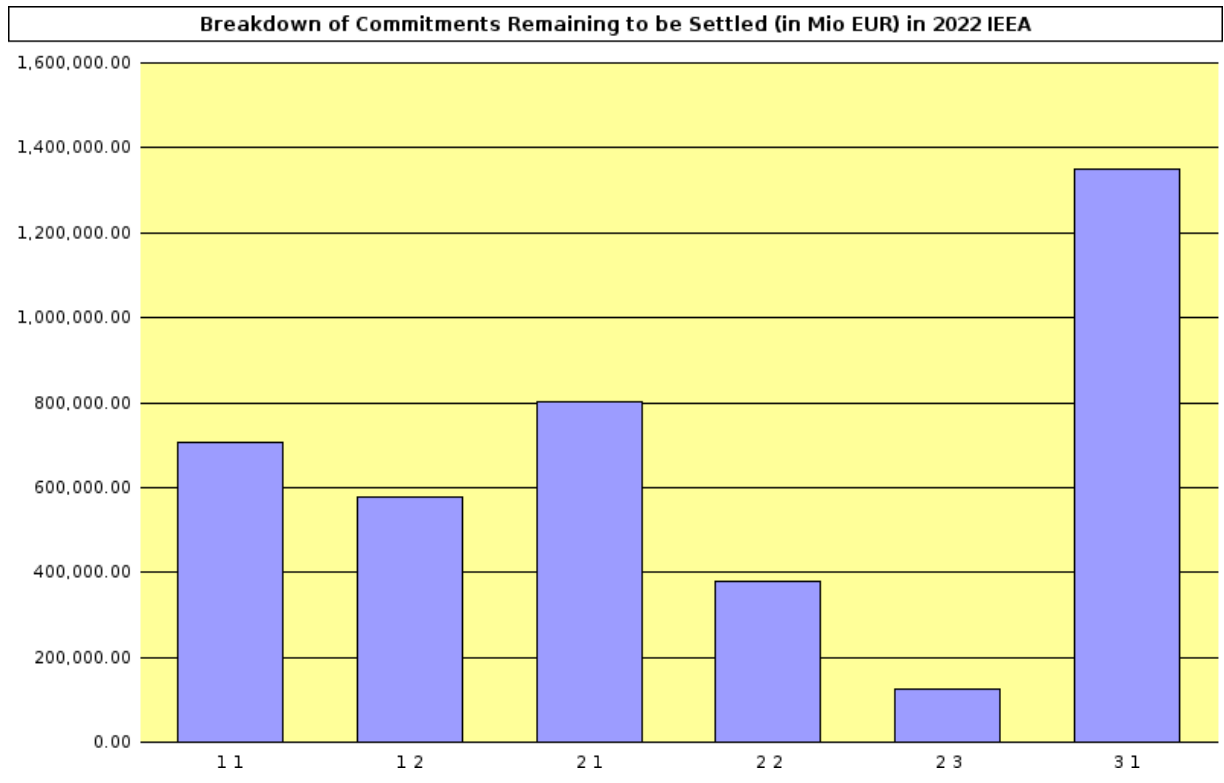
Note: The figures are those related to the provisional accounts and not yet audited by the Court of Auditors

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2022 (in Mio €) for IEEA									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2021	Total of commitments to be settled at end of financial year 2022	Total of commitments to be settled at end of financial year 2021
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
1	1 1	Remunerations allowances and charges	35.34	34.64	0.70	1.99%	0.00	0.70	0.33
	1 2	Professional development & social expenditure	2.11	1.53	0.58	27.43%	0.00	0.58	0.26
Total Title 1			37.45	36.17	1.28	3.43%	0.00	1.28	0.60

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2022 (in Mio €) for IEEA									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2021	Total of commitments to be settled at end of financial year 2022	Total of commitments to be settled at end of financial year 2021
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
2	2 1	Building expenditure	4.17	3.36	0.80	19.27%	0.00	0.80	0.68
	2 2	ICT expenditure	1.95	1.57	0.38	19.38%	0.00	0.38	0.32
	2 3	Movable property and Current Operating expenditure	0.15	0.03	0.12	82.74%	0.00	0.12	0.28
Total Title 2			6.27	4.96	1.31	20.83%	0.00	1.31	1.28

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2022 (in Mio €) for IEEA									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2021	Total of commitments to be settled at end of financial year 2022	Total of commitments to be settled at end of financial year 2021
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
3	3 1	Programme management expenditure	2.03	0.68	1.35	66.66%	0.00	1.35	0.82
Total Title 3			2.03	0.68	1.35	66.66%	0.00	1.35	0.82
Total :			45.74	41.80	3.94	8.61 %	0.00	3.94	2.70

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

TABLE 4 : BALANCE SHEET for IEEA

BALANCE SHEET	2022	2021
A.I. NON CURRENT ASSETS	927,313.64	955,942.49
A.I.1. Intangible Assets	0.00	0.00
A.I.2. Property, Plant and Equipment	927,313.64	955,942.49
A.II. CURRENT ASSETS	5,612,783.68	4,572,549.17
A.II.2. Current Pre-Financing	0.00	0.00
A.II.3. Curr Exch Receiv & Non-Ex Recoverables	225,215.41	437,152.71
A.II.6. Cash and Cash Equivalents	5,387,568.27	4,135,396.46
ASSETS	6,540,097.32	5,528,491.66
P.I. NON CURRENT LIABILITIES	0.00	0.00
P.I.3. Non-Current Financial Liabilities	0.00	0.00
P.II. CURRENT LIABILITIES	-5,074,135.57	-4,161,154.26
P.II.2. Current Provisions	-28,180.10	-49,670.13
P.II.3. Current Financial Liabilities	0.00	0.00
P.II.4. Current Payables	-1,909,176.67	-1,502,718.00
P.II.5. Current Accrued Charges & Defrd Income	-3,136,778.80	-2,608,766.13
LIABILITIES	-5,074,135.57	-4,161,154.26
NET ASSETS (ASSETS less LIABILITIES)	1,465,961.75	1,367,337.40
P.III.2. Accumulated Surplus/Deficit	-1,367,337.40	-1,093,797.81
Non-allocated central (surplus)/deficit*	-98,624.35	-273,539.59
TOTAL	0.00	0.00

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

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

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

TABLE 5 : STATEMENT OF FINANCIAL PERFORMANCE for IEEA

STATEMENT OF FINANCIAL PERFORMANCE	2022	2021
II.1 REVENUES	-44,581,145.66	-41,305,605.44
II.1.1. NON-EXCHANGE REVENUES	-2,545.00	
II.1.1.8. OTHER NON-EXCHANGE REVENUES	-2,545.00	
II.1.2. EXCHANGE REVENUES	-44,578,600.66	-41,305,605.44
II.1.2.2. OTHER EXCHANGE REVENUE	-44,578,600.66	-41,305,605.44
II.2. EXPENSES	44,482,521.31	41,032,065.85
II.2. EXPENSES	44,482,521.31	41,032,065.85
II.2.10. OTHER EXPENSES	10,731,141.65	9,797,856.54
II.2.6. STAFF AND PENSION COSTS	33,751,329.66	31,232,935.47
II.2.8. FINANCE COSTS	50.00	1,273.84
STATEMENT OF FINANCIAL PERFORMANCE	-98,624.35	-273,539.59



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

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

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

TABLE 5bis : OFF BALANCE SHEET for IEEA

OFF BALANCE	2022	2021
OB.1. Contingent Assets	0.00	14,850.00
GR for performance	0.00	0.00
GR for pre-financing	0.00	0.00
OB.1.3. CA Other	0.00	14,850.00
OB.2. Contingent Liabilities	-50,883.85	-99,900.00
OB.2.6. CL Other	-4,383.85	-43,400.00
OB.2.7. CL Legal cases OTHER	-46,500.00	-56,500.00
OB.3. Other Significant Disclosures	-4,600,765.00	-5,557,837.09
OB.3.2. Comm against app. not yet consumed	-1,398,762.50	-1,242,094.59
OB.3.5. Operating lease commitments	-3,202,002.50	-4,315,742.50
OB.4. Balancing Accounts	4,651,648.85	5,642,887.09
OB.4. Balancing Accounts	4,651,648.85	5,642,887.09
OFF BALANCE	0.00	0.00



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

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

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

TABLE 6: AVERAGE PAYMENT TIMES FOR 2022 for IEEA

Legal Times									
Maximum Payment Time (Days)	Total Nbr of Payments	Nbr of Payments within Time Limit	Percentage	Average Payment Times (Days)	Nbr of Late Payments	Percentage	Average Payment Times (Days)	Late Payments Amount	Percentage
30	696	694	99.71 %	11.32	2	0.29 %	63.5	7,126.19	0. %
45	16	16	100.00 %	18.1875				0.00	0. %
60	16	16	100.00 %	23.6875				0.00	0. %

Total Number of Payments	728	726	99.73 %		2	0.27 %		7,126.19	0. %
Average Net Payment Time	11.89			11.75			63.5		
Average Gross Payment Time	12.42			12.28			63.5		

Suspensions							
Average Report Approval Suspension Days	Average Payment Suspension Days	Number of Suspended Payments	% of Total Number	Total Number of Payments	Amount of Suspended Payments	% of Total Amount	Total Paid Amount
0	30	13	1.79 %	728	179,115.50	1.84 %	9,759,392.04

DG	GL Account	Description	Amount (Eur)

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

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

TABLE 7 : SITUATION ON REVENUE AND INCOME IN 2022 for IEEA								
Chapter		Revenue and income recognized			Revenue and income cashed from			Outstanding balance
		Current year RO	Carried over RO	Total	Current Year RO	Carried over RO	Total	
		1	2	3=1+2	4	5	6=4+5	7=3-6
2 0	Subsidy	46,027,373.00	0.00	46,027,373.00	46,027,373.00	0.00	46,027,373.00	0.00
9 0	Other income	9,558.00	1,764.71	11,322.71	9,558.00	1,764.71	11,322.71	0.00
Total IEEA		46,036,931.00	1,764.71	46,038,695.71	46,036,931.00	1,764.71	46,038,695.71	0.00

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

TABLE 8 : FINANCIAL IMPACT OF EX-ANTE AND EX-POST CONTROLS in for IEEA

EX-ANTE CONTROLS		Total undue payments recovered
NON ELIGIBLE IN COST CLAIMS		
CREDIT NOTES		
RECOVERY ORDERS ON PRE-FINANCING		
Sub-Total		

EX-POST CONTROLS		Total undue payments recovered
INCOME LINES IN INVOICES		
RECOVERY ORDERS OTHER THAN ON PRE-FINANCING		
Sub-Total		
GRAND TOTAL (EX-ANTE + EX-POST)		

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

TABLE 9: AGEING BALANCE OF RECOVERY ORDERS AT 12/31/2022 for IEEA

	Number at 1/1/2022 1	Number at 12/31/2022	Evolution	Open Amount (Eur) at 1/1/2022 1	Open Amount (Eur) at 12/31/2022	Evolution
2021	1		-100.00 %	1,764.71		-100.00 %
2022		1			22,420.94	
	1	1	0.00 %	1,764.71	22,420.94	

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

TABLE 10 :Recovery Order Waivers >= 60 000 € in 2022 for IEEA						
Waiver Central Key	Linked RO Central Key	RO Accepted Amount (Eur)	LE Account Group	Commission Decision	Comments	

Total DG	
-----------------	--

Number of RO waivers	
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There are no waivers below 60 000 €

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

Annex 3 Financial Reports - DG IEEA Operational Budget - Financial Year 2022**Table 1 : Commitments****Table 2 : Payments****Table 3 : Commitments to be settled****Table 4 : Balance Sheet****Table 5 : Statement of Financial Performance****Table 5 Bis: Off Balance Sheet****Table 6 : Average Payment Times****Table 7 : Income****Table 8 : Recovery of undue Payments****Table 9 : Ageing Balance of Recovery Orders****Table 10 : Waivers of Recovery Orders****Table 11 : Negotiated Procedures****Table 12 : Summary of Procedures****Table 13 : Building Contracts****Table 14 : Contracts declared Secret****Table 15 : FPA duration exceeds 4 years****Table 16 : Commitments co-delegation type 3 in 2022**

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

Additional comments



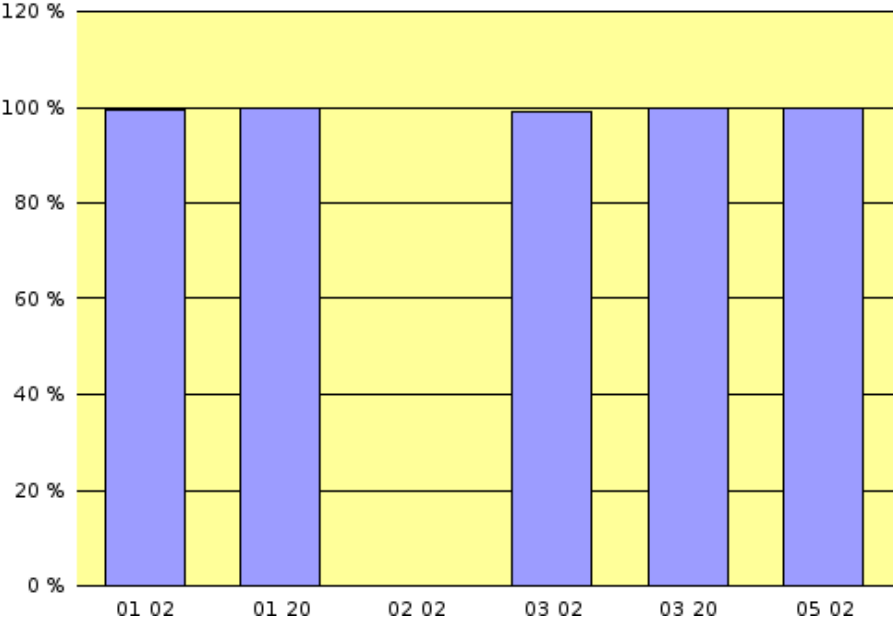
Note: The figures are those related to the provisional accounts and not yet audited by the Court of Auditors

TABLE 1: OUTTURN ON COMMITMENT APPROPRIATIONS IN 2022 (in Mio €) for DG IEEA					
			Commitment appropriations authorised*	Commitments made	%
			1	2	3=2/1
Title 01 Research and Innovation					
01	01 02	Horizon Europe	1,401.65	1,391.88	99.30 %
	01 20	Pilot projects, preparatory actions, prerogatives and other actions	0.89	0.89	100.00 %
Total Title 01			1,402.54	1,392.78	99.30 %
Title 02 European Strategic Investments					
02	02 02	InvestEU Fund	0.00	0.00	0.00 %
Total Title 02			0.00	0.00	0.00 %
Title 03 Single Market					
03	03 02	Single Market Programme	187.19	185.67	99.18 %
	03 20	Pilot projects, preparatory actions, prerogatives and other actions	3.00	3.00	100.00 %
Total Title 03			190.19	188.67	99.20 %
Title 05 Regional Development and Cohesion					
05	05 02	European Regional Development Fund (ERDF)	77.32	77.32	100.00 %
Total Title 05			77.32	77.32	100.00 %
Total Excluding NGEU			1,670.05	1,658.76	99.32 %
Title 01 Research and Innovation					
01	01 02	Horizon Europe	436.88	436.88	100.00 %
Total Title 01			436.88	436.88	100.00 %
Total NGEU Only			436.88	436.88	100.00 %
Total DG IEEA			2,106.93	2,095.64	99.46 %

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

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

% Outturn on Commitment Appropriations in 2022 for DG IEEA



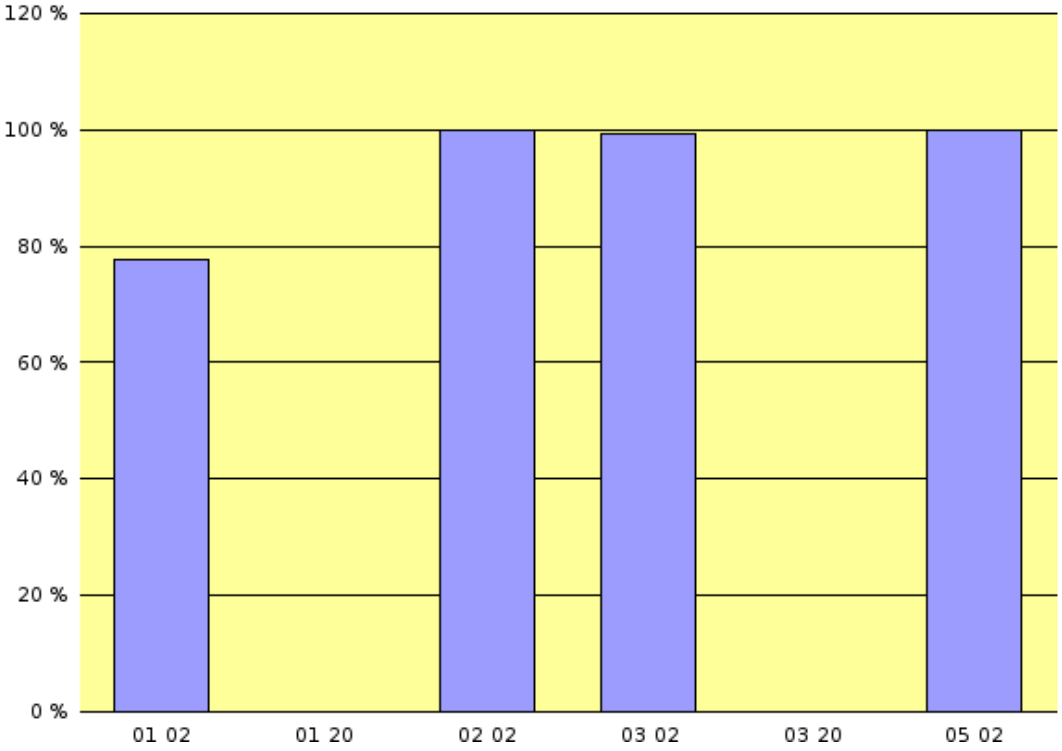
Note: The figures are those related to the provisional accounts and not yet audited by the Court of Auditors

TABLE 2: OUTTURN ON PAYMENT APPROPRIATIONS in 2022 (in Mio €) for DG IEEA					
			Payment appropriations authorised *	Payments made	%
			1	2	3=2/1
Title 01 Research and Innovation					
01	01 02	Horizon Europe	1,397.61	1,042.14	74.57 %
	01 20	Pilot projects, preparatory actions, prerogatives and other actions	0.00	0.00	0.00 %
Total Title 01			1,397.61	1,042.14	74.57%
Title 02 European Strategic Investments					
02	02 02	InvestEU Fund	0.18	0.18	100.00 %
Total Title 02			0.18	0.18	100.00%
Title 03 Single Market					
03	03 02	Single Market Programme	157.69	156.56	99.29 %
	03 20	Pilot projects, preparatory actions, prerogatives and other actions	0.00	0.00	0.00 %
Total Title 03			157.69	156.56	99.29%
Title 05 Regional Development and Cohesion					
05	05 02	European Regional Development Fund (ERDF)	49.18	49.18	100.00 %
Total Title 05			49.18	49.18	100.00%
Total Excluding NGEU			1,604.65	1,248.06	77.78%
Title 01 Research and Innovation					
01	01 02	Horizon Europe	322.24	294.70	91.45 %
Total Title 01			322.24	294.70	91.45%
Total NGEU Only			322.24	294.70	91.45%
Total DG IEEA			1,926.89	1,542.76	80.06 %

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

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

% Outturn on Payment Appropriations in 2022 for DG IEEA



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

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2022 (in Mio €) for DG IEEA									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2021	Total of commitments to be settled at end of financial year 2022	Total of commitments to be settled at end of financial year 2021
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
01	01 02	Horizon Europe	1,391.88	66.97	1,324.91	95.19%	1,081.43	2,406.34	2,121.50
	01 20	Pilot projects, preparatory actions, prerogatives and other actions	0.89	0.00	0.89	100.00%	0.40	1.29	0.40
Total Title 01			1,392.78	66.97	1,325.80	95.19%	1,081.83	2,407.63	2,121.90
TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2022 (in Mio €) for DG IEEA									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2021	Total of commitments to be settled at end of financial year 2022	Total of commitments to be settled at end of financial year 2021
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
02	02 02	InvestEU Fund	0.00	0.00	0.00	0.00%	0.00	0.00	0.43
Total Title 02			0.00	0.00	0.00	0.00%	0.00	0.00	0.43
TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2022 (in Mio €) for DG IEEA									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2021	Total of commitments to be settled at end of financial year 2022	Total of commitments to be settled at end of financial year 2021
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
03	03 02	Single Market Programme	185.67	45.19	140.48	75.66%	214.09	354.57	327.22
	03 20	Pilot projects, preparatory actions, prerogatives and other actions	3.00	0.00	3.00	100.00%	0.00	3.00	0.00
Total Title 03			188.67	45.19	143.48	76.05%	214.09	357.57	327.22

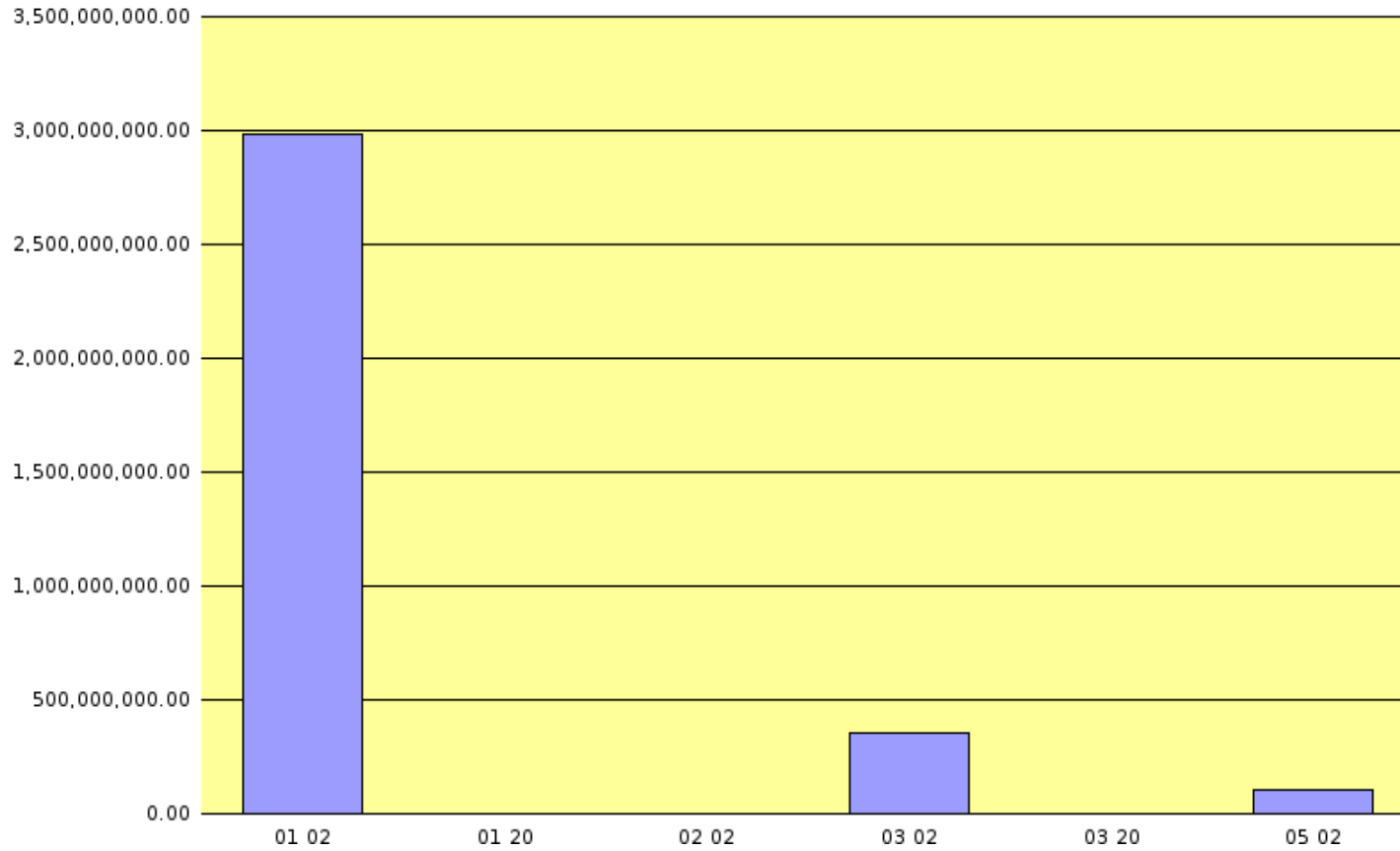
Note: The figures are those related to the provisional accounts and not yet audited by the Court of Auditors

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2022 (in Mio €) for DG IEEA									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2021	Total of commitments to be settled at end of financial year 2022	Total of commitments to be settled at end of financial year 2021
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
05	05 02	European Regional Development Fund (ERDF)	77.32	0.06	77.25	99.92%	26.69	103.94	75.80
Total Title 05			77.32	0.06	77.25	99.92%	26.69	103.94	75.80
Total Excluding NGEU			1,658.76	112.22	1,546.53	93.23%	1,322.61	2,869.14	2,525.35

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2022 (in Mio €) for DG IEEA									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2021	Total of commitments to be settled at end of financial year 2022	Total of commitments to be settled at end of financial year 2021
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
01	01 02	Horizon Europe	436.88	101.40	335.48	76.79%	244.86	580.34	438.16
Total Title 01			436.88	101.40	335.48	76.79%	244.86	580.34	438.16
Total NGEU Only			436.88	101.40	335.48	76.79%	244.86	580.34	438.16
Total for DG IEEA			2,095.64	213.62	1,882.02	89.81 %	1,567.47	3,449.49	2,963.51

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

Breakdown of Commitments Remaining to be Settled (in Mio EUR) in 2022 IEAA



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

TABLE 4 : BALANCE SHEET for DG IEEA

BALANCE SHEET	2022	2021
A.I. NON CURRENT ASSETS	499,927,554.76	270,822,552.39
A.I.1. Intangible Assets	1,791,778.81	1,386,074.86
A.I.4. Non-Current Financial Assets	299,484,795.68	172,560,466.68
A.I.5. Non-Current Pre-Financing	198,650,980.27	96,876,010.85
A.I.6. Non-Cur Exch Receiv & Non-Ex Recoverab		0.00
A.II. CURRENT ASSETS	1,207,284,451.32	825,208,686.55
A.II.1. Current Financial Assets	229,480,169.00	69,276,757.00
A.II.2. Current Pre-Financing	573,964,311.84	461,848,073.80
A.II.3. Curr Exch Receiv & Non-Ex Recoverables	26,793,708.48	18,489,673.75
A.II.6. Cash and Cash Equivalents	377,046,262.00	275,594,182.00
ASSETS	1,707,212,006.08	1,096,031,238.94
P.II. CURRENT LIABILITIES	-118,570,715.91	-130,470,713.60
P.II.2. Current Provisions	0.00	-3,705,187.00
P.II.4. Current Payables	-41,714,013.04	-42,960,181.95
P.II.5. Current Accrued Charges & Defrd Income	-76,856,702.87	-83,805,344.65
LIABILITIES	-118,570,715.91	-130,470,713.60
NET ASSETS (ASSETS less LIABILITIES)	1,588,641,290.17	965,560,525.34
P.III.2. Accumulated Surplus/Deficit	6,289,748,558.94	6,321,472,059.10
Non-allocated central (surplus)/deficit*	-7,878,389,849.11	-7,287,032,584.44
TOTAL DG IEEA	0.00	0.00

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

Furthermore, since the accumulated result of the Commission is not split amongst the various Directorates General, it can be seen that the balance sheet presented here is not in equilibrium.

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

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

TABLE 5 : STATEMENT OF FINANCIAL PERFORMANCE for DG IE EA

STATEMENT OF FINANCIAL PERFORMANCE	2022	2021
II.1 REVENUES	-12,448,263.07	-731,678.32
II.1.1. NON-EXCHANGE REVENUES	-12,489,789.65	284,880.73
II.1.1.6. RECOVERY OF EXPENSES	-8,784,602.65	284,880.73
II.1.1.8. OTHER NON-EXCHANGE REVENUES	-3,705,187.00	
II.1.2. EXCHANGE REVENUES	41,526.58	-1,016,559.05
II.1.2.1. FINANCIAL INCOME	-10,008.00	-118,617.00
II.1.2.2. OTHER EXCHANGE REVENUE	51,534.58	-897,942.05
II.2. EXPENSES	916,708,717.06	-30,991,821.84
II.2. EXPENSES	916,708,717.06	-30,991,821.84
II.2.10. OTHER EXPENSES	23,458,742.45	22,217,865.95
II.2.2. EXP IMPLM BY COMMISS&EX.AGENC. (DM)	880,304,062.28	-55,734,021.64
II.2.8. FINANCE COSTS	12,945,912.33	2,524,333.85
STATEMENT OF FINANCIAL PERFORMANCE	904,260,453.99	-31,723,500.16



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

TABLE 5bis : OFF BALANCE SHEET for DG IEEA

OFF BALANCE	2022	2021
OB.1. Contingent Assets	2,168,100.20	1,333,151.20
GR for pre-financing	2,168,100.20	1,333,151.20
OB.2. Contingent Liabilities	-184,120.22	
OB.2.7. CL Legal cases OTHER	-184,120.22	
OB.3. Other Significant Disclosures	-3,345,045,949.74	-2,855,657,167.12
OB.3.2. Comm against app. not yet consumed	-3,345,045,949.74	-2,855,657,167.12
OB.4. Balancing Accounts	3,343,061,969.76	2,854,324,015.92
OB.4. Balancing Accounts	3,343,061,969.76	2,854,324,015.92
OFF BALANCE	0.00	0.00



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

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

Legal Times									
Maximum Payment Time (Days)	Total Nbr of Payments	Nbr of Payments within Time Limit	Percentage	Average Payment Times (Days)	Nbr of Late Payments	Percentage	Average Payment Times (Days)	Late Payments Amount	Percentage
30	4,071	3,920	96.29 %	12.51	151	3.71 %	35.90	1,904,826.32	0. %
45	4	4	100.00 %	21.00				0.00	0. %
60	191	186	97.38 %	38.15	5	2.62 %	65.40	1,860,286.25	2. %
90	928	919	99.03 %	62.78	9	0.97 %	91.44	4,158,556.23	2. %

Total Number of Payments	5,194	5,029	96.82 %		165	3.18 %		7,923,668.80	1. %
Average Net Payment Time	23.20			22.65			39.82		
Average Gross Payment Time	30.60			30.18			43.27		

Suspensions							
Average Report Approval Suspension	Average Payment Suspension Days	Number of Suspended Payments	% of Total Number	Total Number of Payments	Amount of Suspended Payments	% of Total Amount	Total Paid Amount
0	45	856	16.48 %	5,194	254,728,757.89	17.12 %	1,487,505,361.44

Late Interest paid in 2022			
DG	GL Account	Description	Amount (Eur)
EACI	65010100	Interest on late payment of charges New FR	1,018.33
			1,018.33

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

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

TABLE 7 : SITUATION ON REVENUE AND INCOME in 2022 for DG IEEA								
Chapter		Revenue and income recognized			Revenue and income cashed from			Outstanding balance
		Current year RO	Carried over RO	Total	Current Year RO	Carried over RO	Total	
		1	2	3=1+2	4	5	6=4+5	
33	Other administrative revenue	2,000.00	0.00	2,000.00	2,000.00	0.00	2,000.00	0.00
60	Single market, innovation and digital	20,165,727.91	5,274,535.61	25,440,263.52	11,761,907.02	627,960.94	12,389,867.96	13,050,395.56
66	Other contributions and refunds	-141,730.71	0.00	-141,730.71	-141,730.71	0.00	-141,730.71	0.00
67	Completion for outstanding recovery orders prior to 2021	-12,974.08	6,635,945.24	6,622,971.16	-12,974.08	1,470,180.64	1,457,206.56	5,165,764.60
Total DG IEEA		20,013,023.12	11,910,480.85	31,923,503.97	11,609,202.23	2,098,141.58	13,707,343.81	18,216,160.16

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

TABLE 8 : FINANCIAL IMPACT OF EX-ANTE AND EX-POST CONTROLS in 2022 for DG IEEA

EX-ANTE CONTROLS	Irregularity	Total undue payments recovered
NON ELIGIBLE IN COST CLAIMS	6,388,453.64	6,388,453.64
CREDIT NOTES	491,782.93	491,782.93
RECOVERY ORDERS ON PRE-FINANCING		
Sub-Total	6,880,236.57	6,880,236.57

EX-POST CONTROLS	Irregularity	Total undue payments recovered
INCOME LINES IN INVOICES	326,733.40	326,733.40
RECOVERY ORDERS OTHER THAN ON PRE-FINANCING	3,473,139.23	3,473,139.23
Sub-Total	3,799,872.63	3,799,872.63
GRAND TOTAL (EX-ANTE + EX-POST)	10,680,109.20	10,680,109.20

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

TABLE 9: AGEING BALANCE OF RECOVERY ORDERS AT 12/31/2022 for DG IEEA

	Number at 1/1/2022 1	Number at 12/31/2022	Evolution	Open Amount (Eur) at 1/1/2022 1	Open Amount (Eur) at 12/31/2022	Evolution
2012	1	1	0.00 %	8,798.74	8,798.74	0.00 %
2017	1	1	0.00 %	1,556,453.71	1,527,222.52	-1.88 %
2018	2	2	0.00 %	122,120.37	122,120.37	0.00 %
2019	2	2	0.00 %	496,943.44	496,943.44	0.00 %
2020	20	15	-25.00 %	4,456,501.03	2,903,472.98	-34.85 %
2021	23	15	-34.78 %	5,389,265.04	4,753,781.22	-11.79 %
2022		22			8,403,820.89	
	49	58	18.37 %	12,030,082.33	18,216,160.16	51.42 %

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

TABLE 10 :Recovery Order Waivers >= 60 000 € in 2022 for DG IEEA					
Waiver Central Key	Linked RO Central Key	RO Accepted Amount (Eur)	LE Account Group	Commission Decision	Comments

Total DG IEEA	
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Number of RO waivers	
-----------------------------	--

There are no waivers below 60 000 €

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

TABLE 11 : Negotiated Procedures in 2022 for DG IEEA

Internal Procedures > € 60,000

Negotiated Procedure Legal base	Number of Procedures	Amount (€)
Annex 1 - 11.1 (e) - New services/works consisting in the repetition of similar services/works	1	1,000,000.00
Total	1	1,000,000.00

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

TABLE 12 : Summary of Procedures in 2022 for DG IEEA

Internal Procedures > € 60,000

Procedure Legal base	Number of Procedures	Amount (€)
Negotiated procedure without prior publication (Annex 1 - 11.1)	1	1,000,000.00
Open procedure (FR 164 (1)(a))	10	35,482,933.93
Total	11	36,482,933.93

Additional Comments:

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

TABLE 13 : BUILDING CONTRACTS in 2022 for DG IEEA

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

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

TABLE 14 : CONTRACTS DECLARED SECRET in 2022 for DG IEEA

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

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

TABLE 15 : FPA duration exceeds 4 years - DG IEEA

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

TABLE 16 : Commitments co-delegation type 3 in 2022 for DG IEEA

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

ANNEX 4: Financial Scorecard

Annex 4 summarises the annual result of the standard financial indicators measurement. Ten standard financial indicators are presented below, each with its objective and result for the Commission service and for the EC as a whole (for benchmarking purposes)[1]:

Commitment Appropriations (CA)
Implementation

CA Forecast Implementation

Payment Appropriations (PA) Implementation

PA Forecast Implementation

Global Commitment Absorption

Timely Payments

Timely Decommittments

Invoice Registration Time

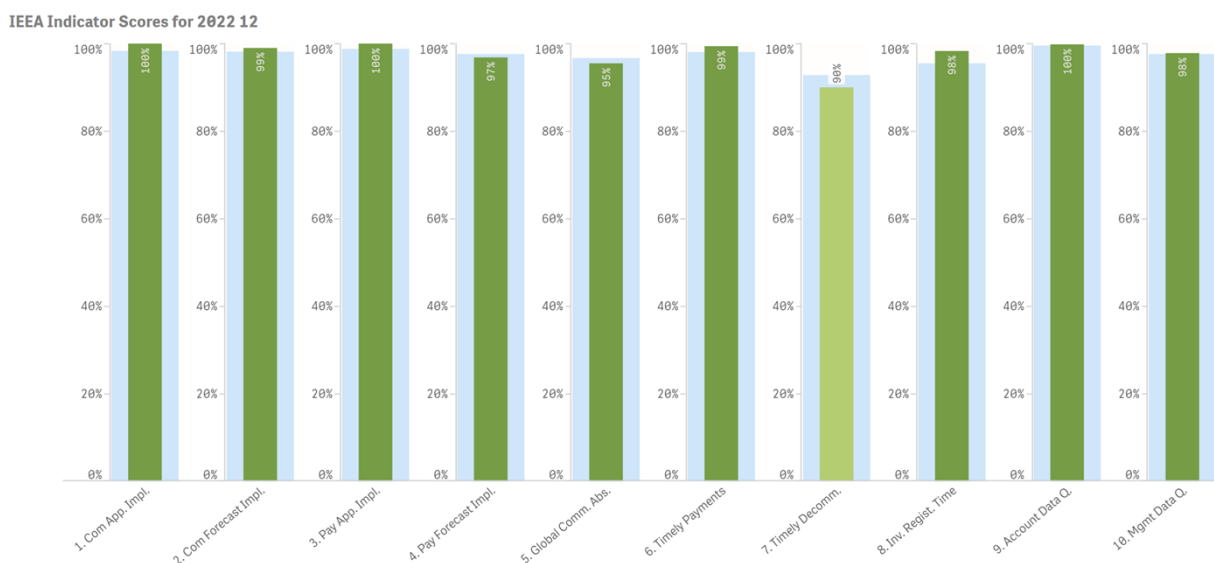
Accounting Data Quality

Management Data Quality

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

Colours and shades legend				
↑ High scores > 90%	→ Moderate scores above 85% to 90%	↓ Low scores 85% and less	No score (indicative value)	EC score
Dark green	Yellow	Dark red	Grey*	Overall EC score
Light green		Light red	*until November or subject to materiality	

Figure 1 - Colours and shades legend for the IEAA Indicator Scores for 2022



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

Figure 2 - IEAA Indicator Scores (Financial Scorecard) for 2022

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

Indicator	Objective	Comment[1]	IEEA Score	EC Score
CA Implementation	Ensure efficient use of commitment appropriations expiring at the end of Financial Year	Commitments appropriations of 1.579.518.653 EUR consumed out of a total available of 1.579.801.233 EUR, thus exceeding the key performance indicator.	100%	99%
CA Forecast Implementation	Ensure the cumulative alignment of the commitment	Cumulative alignment of the commitment implementation (2.141.380.898 EUR)	99%	99%

	implementation with the commitment forecast in a financial year	with the commitment forecast (2.116.441.896 EUR) achieved, thus meeting the key performance indicator.		
PA Implementation	Ensure efficient use of payment appropriations expiring at the end of Financial Year	Payment appropriations of 1.273.803.252 EUR consumed out of a total available of 1.279.207.146 EUR, thus exceeding the key performance indicator.	100%	99%
PA Forecast Implementation	Ensure the cumulative alignment of the payment implementation with the payment forecast in a financial year	Cumulative alignment of the payment implementation (1.586.078.548 EUR) with the payment forecast (1.592.751.508 EUR), thus exceeding the key performance indicator.	97%	96%
Global Commitment Absorption[2]	Ensure efficient use of already earmarked commitment appropriations (at L1 level)	676.844.756 EUR of Level 1 commitment appropriations consumed out of a total available of 708.752.031 EUR, thus placing this indicator in the high score range (green) but 1% below the key performance indicator.	95%	96%
Timely Payments	Ensure efficient processing of payments within the legal deadlines	Timely payments have exceeded the key performance indicators, with an execution of 1.407.919.858 EUR of payments on time out of a total amount of payments of 1.415.775.603 EUR.	99%	98%
Timely Decommitments	Ensure efficient decommitment of outstanding RAL at the end of commitment life cycle	Timely decommitments are in the high score range (light green) but 1% below the key performance indicator, with 189 out of 210 decommitments taking place on time.	90%	91%
Invoice Registration Time	Monitor the accounting risk stemming from late registration of invoices in the central	Invoice registration time has exceeded the key performance indicators, with the registration of 1.617 out of a total of 1.653 invoices on time.	98%	96%

	accounting system ABAC			
Accounting Data Quality	Ensure the good data quality of ABAC transactions with the focus on fields having a primary impact on the accounts	Accounting data quality has exceeded the key performance indicators, with 26.240 successful (passing) accounting tests out of a total performed of 26.284.	100%	99%
Management Data Quality	Ensure the good data quality of ABAC transactions with the focus on fields having a primary impact on the management decisions	Management data quality has exceeded the key performance indicators, with 50.407 successful (passing) management tests out of a total performed of 52.147.	98%	98%

[2] Due to technical limitation, the indicator does not take into account the Com L1 Consumption between the FDC ILC date and the FA FDI allowed as an exception in the external actions for Com L1 of type GF, i.e. with Financing Agreement, under the FR2018 Article 114.2. As a result, the actual Indicator score may be slightly higher than the one reported for DGs using the GF commitments.

ANNEX 5: Materiality criteria

This annex provides a detailed explanation on how the AOD defined the materiality threshold as a basis for determining whether significant weaknesses should be subject to a formal reservation to his/her declaration.

Introduction

Deciding whether a weakness is significant is a matter of judgement by the Authorising Officer by Delegation (AOD), who remains responsible for the declaration of assurance, including any reservations to it. In doing so, the AOD should identify the overall impact of a weakness and judge whether it is material enough so that the non-disclosure of the weakness is likely to have an influence on the decisions or conclusions of the users of the declaration. The benchmark for this judgement is the materiality criteria which the AOD sets at the moment of designing the internal control system under his/her responsibility. For EISMEA, the materiality of residual weaknesses identified (i.e. after mitigating and corrective measures) is assessed on the basis of qualitative and/or quantitative criteria, in line with the instructions for the preparation of the Annual Activity Report.

The qualitative assessment includes an analysis of the causes and the types of error (including whether they are repetitive) to conclude on the nature, context and/or scope of the weaknesses identified. This may refer to significant control system weaknesses or critical issues reported by the Directors, the Authorising Officers by Sub-Delegation, the European Court of Auditors (ECA), the Internal Audit Service (IAS), DG BUDG or OLAF. Also, the duration and any mitigating controls or corrective actions are taken into consideration.

The quantitative assessment aims at estimating any financial impact ("amount at risk") resulting from the errors detected. EISMEA has set the materiality level for each distinct research framework programme with coherent risk characteristics for the amount at risk over the programming period. This analysis and the conclusions are presented concisely in the body of the Annual Activity report.

Chapter A – Qualitative criteria for defining significant weaknesses

For all methods of implementation under its operational budget, the different parameters relevant in EISMEA for determining significant weaknesses are the following ones:

Significant control system weaknesses

Control system weaknesses (whether this is in a system operated by the Commission or by a third party) may be identified by management itself (for example through ex-post audits or through the assessment of the effectiveness of internal control systems), by internal or external auditors or by third party control instances. They may relate to the design or operational effectiveness of a control or of an entire system.

Critical issues outlined by the European Court of Auditors, the Internal Audit Service, DG BUDG and OLAF.

Any critical recommendations made by the European Court of Auditors, the IAS, DG BUDG or OLAF, which have not been effectively addressed should be assessed in terms of their significance. Here, the term "critical recommendation" is used in a wider sense; it includes those recommendations labelled by the auditor as "critical" as well as those not labelled at all which is assessed as having a critical impact on the assurance. The impact on assurance of recommendations labelled "very important" for which there is a significant delay in the implementation of the action plan will also be taken into account.

Significant reputational events

Events or weaknesses which have a significant reputational impact on EISMEA, or indirectly on the Commission, will be reported irrespective of the amount of damage to EISMEA administrative and operational budget and will be considered for issuing a reservation on a reputational basis.

- When assessing the significance of any weaknesses, the following factors are taken into account:
- the nature and scope of the weakness;
- the duration of the weakness;
- the existence of compensatory measures (mitigating controls which reduce the impact of the weakness)
- the existence of effective corrective actions to correct the weaknesses (action plans and financial corrections) which have had a measurable impact.
- When significant weaknesses are identified, a quantification of the amount at risk should be carried out when possible (See Chapter B).

Chapter B – Quantitative criteria for defining reservations

This section provides the methodology for measuring the residual amount at risk and determining its materiality.

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

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

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

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

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

Assessment of the effectiveness of controls

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

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

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

This results in a residual error rate, which is calculated as follows:

$$\text{ResER}\% = \frac{(\text{RepER}\% * (P - A)) - (\text{RepERsys}\% * E)}{P}$$

:

where:

ResER% residual error rate, expressed as a percentage.

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

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

P total requested EC contribution (€) in the auditable population (i.e. all paid financial statements).

- A** total requested EC contribution (€) as approved by financial officers of all audited financial statements. This will be collected from audit results.
- E** total non-audited requested EC contribution (€) of all audited beneficiaries.

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

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

Should a calculation of the residual error rate based on a representative sample not be possible for a FP for reasons not involving control deficiencies,[1] the consequences are to be assessed quantitatively by making a best estimate of the likely exposure for the reporting year based on all available information. The relative impact on the Declaration of Assurance would then be considered by analysing the available information on qualitative grounds and considering evidence from other sources and areas. This should be clearly explained in the AAR.

Multiannual approach

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

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

In addition, basing materiality solely on ABB Activity Based Budgeting expenditure for one year may not provide the most appropriate basis for judgements, as ABB expenditure often includes significant levels of pre-financing expenditure (e.g. during the initial years of a new generation of programmes), as well as reimbursements (interim and final payments) based on cost claims that 'clear' those pre-financings. Pre-financing expenditure is very low risk, being paid automatically after the signature of the contract.

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

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

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

[Adequacy of the audit scope](#)

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

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

[2020 Revised Methodology for the calculation of the error rate for Horizon 2020](#)

European Court of Auditors observations

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

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

In this respect, an additional 0.38 % (calculated on 1 937 H2020 audit participations by difference with the previous methodology) has been used to top up the cumulative detected error rate for 2022.

IAS limited review on the 2020 error rate calculation for H2020

The IAS has carried out a limited review on the methodology for calculation of the error rates of Horizon 2020 in the year 2020. The findings of this limited review confirmed that there is no weakness in the calculation of the detected error rate and that the impact of these findings on the accuracy of the calculation of the residual error rate is minor. The IAS recommended that:

The CIC should:

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

The CAS should:

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

The recommendations 1.1 to 2.2 above are fully implemented. The recommendation 2.3 which refers to Horizon Europe and will be completed once the audit campaign for Horizon Europe start. Nevertheless, the new methodology, without the need for a top up calculation, is already being implemented for H2020 audits.

Research Framework programmes – specific aspects

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

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

Horizon 2020 Framework Programme

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

This is based on the provision of the Commission's proposal for the Regulation establishing the Horizon 2020 Framework Programme³ states that:

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

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

Horizon 2020 introduces a significant number of important simplification measures that will lower the error rate in all the categories of error. However, [...] the continuation of a funding model based on the reimbursement of actual costs is the favoured option. A systematic resort

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

to output based funding, flat rates or lump sums appears premature at this stage [...]. Retaining a system based on the reimbursement of actual costs does however mean that errors will continue to occur.

An analysis of errors identified during audits of the Seventh Framework Programme (FP7) suggests that around 25-35 % of them would be avoided by the simplification measures proposed. The error rate can then be expected to fall by 1.5 %, i.e. from close to 5 % to around 3.5 %, a figure that is referred to in the Commission Communication striking the right balance between the administrative costs of control and the risk of error.

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

Horizon Europe Framework Programme

For Horizon Europe Framework Programme⁴, the general control objective, following the standard quantitative materiality threshold proposed in the standing instructions for Annual Activity Reports, is to ensure that the cumulative residual error rate, i.e. the level of errors which remain undetected and uncorrected, does not exceed 2%.

Non-H2020 & non-HE programmes

For non-H2020 and non-HE programmes, the Agency's quantitative materiality threshold is set at a residual error rate of 2%, in application of the Commission's standard practice. In qualitative terms, the following factors are considered: nature and scope of any significant weaknesses, duration, compensatory measures such as mitigating controls and existence of corrective actions to correct any significant weaknesses.

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

⁴ Regulation (EU) 2021/695 of the European Parliament and of the Council of 28 April 2021 establishing Horizon Europe

⁵ While this sampling is not deemed to be fully statistically representative, value-based audits are considered – in line with the guidelines of DG BUDG – to be a non-biased 'proxy', i.e. they are a random enough sample from which one is able to draw conclusions. Note that a sampling based on a purely random approach would bring a risk of insufficient coverage, thus affecting significantly the proper disclosure of the residual error rate for the un-audited population and the corrective capacity.

non-audited part of the payment population. For the audited population, EISMEA deducts any corrections made by implementing the audit results from the total amount of errors detected.

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

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

1. The Agency's Ex Post Control Strategy⁷ has been revised in 2022 to integrate the legacy programmes transferred to the Agency as of April 2021, namely the Consumer Programme and Internal Market & support to Standardisation activities and to remove from its scope the LIFE and EMFF, programmes transferred to CINEA.

The Ex post Control Strategy covers the following programmes: 3 delegated programmes COSME, Consumer and Standardisation covering the programming period 2014-2020. For COSME and the Consumer programme, a sample covering 12,5% of the programme's cumulative funding is audited⁹, the audit results are implemented (corrections made) and a cumulative residual error rate is calculated.

Under the Standardisation programme, the European Commission concludes operating grants and action grants with European standardisation organisations which functions in a monopoly situation. The detected error rate related to the grants part of MFF 2014-2020 is 0,21% and at the time of handover DG GROW considered that the audit cycle for the programme is closed. Therefore no further audits are foreseen.

2. Taking into account the limited ex-post control resources, the ex-post control strategy aims to detect and correct the most significant errors (amount in absolute terms). In that respect, EISMEA focuses on value-based audits (aiming at cleaning the largest amounts and thus maximising assurance). This type of approach is considered more control-effective, resulting in higher returns on investment and having a dissuasive effect, as well as being cost-effective. For EISMEA's programmes' populations, based on our experience from managing

⁶ We consider that the part of payments remaining un-audited and un-corrected is affected by errors of the same magnitude of the representative detected error rate.

⁷ Ares(2022)6312291 from 13 September 2022

⁸ Ex-post audits for H2020 and HE are performed by the Common Support Centre (lead DG is RTD), through a Common Representative audit Sample (CRS). Please see section above.

⁹ The value based audits shall represent 10% of the programme cumulative funding.

the legacy programmes and to the best of our knowledge, there are no indications (at ex-post level¹⁰) for inherently higher error rates (error in %) in the larger participations, thus the value-based audits are considered to be a non-biased 'proxy' – i.e. random enough to be able to draw conclusions from them.

3. Auditing a statistically representative or even a random sample would not be cost-effective, given that then rather small participations will also be sampled. With an expected detected error rate and thus potential correction of, say, 5% and a typical audit cost of, say, 10,000 EUR, participations audited should be in principle larger than 200,000 EUR. Furthermore, a 'stratified' approach would not be appropriate given that there appear to be no solid grounds for a clear segmentation of the programmes populations, based on distinct grant modalities, features, etc., and leading to 'distinctly' lower/higher risk profile segments (e.g. less than 2% and/or above 10%).

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

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

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

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

8. The question of being on track towards this objective is to be (re)assessed annually, in view of the results of the implementation of the ex-post audit strategy and taking into

¹⁰ i.e. after having applied differentiated ex-ante controls for the largest participations. For example, according to the grant vademecum, the certificate on the financial statements and underlying accounts is recommended a) grants for an action for which the amount awarded in the form referred to in Article 121(1)(a) of the Financial Regulation is EUR 750 000 or more, when the cumulative amounts of payment requests under that form is at least EUR 325 000. b) operating grants for which the amount awarded in the form referred to in Article 121(1)(a) of the Financial Regulation is EUR 100 000 or more.

account both the frequency and importance of the errors found as well as a cost-benefit analysis of the effort needed to detect and correct them.

The Agency's Ex-Post Audit Strategy for the delegated programmes of EASME was issued on 22/02/2016. Building on the experience gathered until now on the implementation of the Ex-Post Audit Strategy, the Agency revised it in 2022, in terms of audit coverage and closing targets (i.e. number of audit reports) and adapted the annual targets accordingly. The Ex-Post Audit Strategy is implemented in line with the advancement of the lifecycle of the projects.

[Revision of the calculation method following ECA and IAS recommendations for COSME and the Consumer programmes](#)

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

In response to these findings, the Agency had adopted a new methodology even in the report of 2020 - in line with the Court's observations - to calculate the error rate on the current programmes.

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

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

The Agency recalculated the error rates from the beginning of COSME and the Consumer programme for all audit reports closed by the reporting date.

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

['De minimis' threshold for financial reservations:](#)

"Since 2019¹¹, a 'de minimis' threshold for financial reservations has been introduced. Quantified AAR reservations related to residual error rates above the 2% materiality threshold, are deemed not substantial for segments representing less than 5% of a DG's total payments and with a financial impact below EUR 5 million. In such cases, quantified reservations are no longer needed."

¹¹ Agreement of the Corporate Management Board of 30/4/2019.

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

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

The RCS for Horizon Europe, is similar to that of H2020. The main improvements for Horizon Europe are the co-creation of the work programme by the Directors' Groups according to the work of the various instances, and the simplification introduced with the single daily rate for personnel costs and the rollout of simplified cost forms, in particular lump sum funding and unit costs for personnel costs.

The Control Strategy for Horizon Europe grant management is under preparation and will be finalised by the first quarter of 2023. The ex ante control guidance is already available, and the ex-post audit strategy is expected to be adopted by the HE steering board in January. However, the new controls already in place are reported in section 1 "Ex-ante controls" (sub-sections A, C and D) and highlighted in grey.

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

1. Ex ante controls

Effectiveness, efficiency are detailed per stages A to D.

Economy is calculated overall for the ex-ante controls and detailed at the end of paragraph 1.

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

Main control objectives: Ensuring that the Commission selects the proposals that contribute the most towards the achievement of the policy or programme objectives (effectiveness); Compliance (legality & regularity); Prevention of fraud (anti-fraud strategy); due consideration of other horizontal priorities (ethics, gender balance, security aspects).

Main risks It may happen (again) that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness (effectiveness, efficiency, economy)
The work programmes and the subsequent calls for proposals do not adequately	For Horizon 2020 and Horizon Europe, hierarchical	Coverage / Frequency: 100%	Effectiveness: The work programmes are adopted by the Commission.

<p>reflect the policy objectives, priorities, are incoherent and/or the essential eligibility, selection and award criteria are not adequate to ensure the evaluation of the proposals.</p> <p>The Horizon 2020 and Horizon Europe implementation (procedures, monitoring arrangements, communication with beneficiaries, budget planning, etc) has serious shortcomings.</p>	<p>validation within the authorising department Inter-service consultation, including all relevant services.</p> <p>Adoption by the Commission.</p> <p>Explicit allocation of responsibility. Under Horizon Europe, the work programmes proposed by the Directors' Groups according to the Commission decision C(2021)4472 are co-created with the work of the various entities and with the processes established in this decision.</p> <p>In particular, the Common Implementation Centre (CIC) in DG Research and Innovation provides all</p>	<p>Depth:</p> <p>All work programmes are thoroughly reviewed at all levels, including for operational and legal aspects and all underlying implementation tools are defined and developed according to common rules.</p> <p>Under Horizon Europe, all business processes follow a governance system under the due supervision of entities such as the Steering Board, the Executive Committee, the Directors Groups and key user groups.</p>	<p>Success rates in terms of "over-subscription": number of proposals retained for funding compared to number of eligible proposals received.</p> <p>Qualitative Benefits:</p> <p>A good Work Programme and well publicised calls should generate a large number of good quality projects, from which the best can be chosen. There will therefore be real competition for funds.</p> <p>Optimised procedures, common approach on multiple issues (audits, fraud, legal aspects, reporting...); better reporting on the whole programme – better management of the programme[1].</p>
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	<p>DGs involved in the implementation of Horizon 2020 and Horizon Europe research with harmonised procedures, guidance and IT tools.</p> <p>The Common Policy Centre (CPC) in DG Research and Innovation under Horizon Europe centralises the budget planning and the monitoring of the Horizon Europe and Horizon 2020's budget implementation.</p> <p>The CIC/CPC governance structure ensures that programme implementation experience gathered feeds back to the programme design.</p>		
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[1] The mutualisation of the support services represents a quantitative benefit which is certain but not accurately quantifiable in the context of reorganisations, new programme's setting up, general HR offsetting through the Commission.

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

Main internal control objectives: Ensuring that the most promising projects for meeting the policy objectives are among the proposals selected; Compliance; Prevention of fraud and other horizontal priorities (ethics, gender balance, security aspects).

Main risks It may happen (again) that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (effectiveness, efficiency, economy)
<p>The evaluation, ranking and selection of proposals is not carried out in accordance with the established procedures, the policy objectives, priorities and/or the essential eligibility, or with the selection and award criteria defined in the work programme and subsequent calls for proposals.</p> <p>Conflict of interest regarding the expert evaluators.</p>	<p>Selection and appointment of external expert evaluators</p> <p>Conflict of interest checks.</p> <p>Assessment by independent experts.</p> <p>Appropriate briefing of experts, including on the evaluation of cost estimations in lump sum proposals.</p> <p>Comprehensive IT system supporting the evaluation of proposals and allowing better</p>	<p>100% vetting (including selection) of experts for technical expertise and independence (e.g. conflicts of interests, nationality bias, ex-employer bias, collusion).</p> <p>100% of proposals are evaluated.</p> <p>Coverage: 100% of ranked list of proposals.</p> <p>Supervision of work of evaluators.</p> <p>100% of contested decisions are analysed by</p>	<p>Effectiveness: Number of proposals evaluated.</p> <p>Efficiency Indicators: % of Time-To-Inform on time. % of number of (successful) redress challenges upheld / total number of proposals evaluated.</p> <p>Qualitative benefits: Expert evaluators from outside the Commission bring independence, state of the art knowledge in the field and a range of different opinions. This will have an impact on the whole project cycle : better planned, better implemented projects.</p>

	<p>monitoring of the process. Involvement of external observers in the evaluation process.</p> <p>Validation by the AOSD of ranked list of proposals. In addition, if applicable: Opinion of advisory bodies; comitology; inter-service consultation and adoption by the Commission; publication.</p> <p>Systematic checks on operational and legal aspects performed before signature of the Grant Agreement</p> <p>Redress procedure.</p>	<p>redress committee.</p>	
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C - Contracting

Main control objectives: Ensuring that the most promising projects for meeting the policy objectives are among the proposals contracted; Sound Financial Management (optimal allocation of the budget available); Compliance; Prevention of fraud and other horizontal priorities (ethics, gender balance, security aspects).

Main risks It may happen (again) that...	Mitigating controls	coverage, frequency and depth of controls	Cost-Effectiveness indicators (effectiveness, efficiency, economy)
<p>The beneficiary lacks operational and/or financial capacity to carry out the actions.</p> <p>Procedures do not comply with regulatory framework.</p> <p>The evaluation stage has not detected a potentially fraudulent proposal/beneficiary .</p> <p>The project implementation might not comply with Ethics requirements.</p> <p>Sensitive/classified information in future deliverables of a selected projects might not be handled with the adequate Security measures.</p>	<p>Validation of beneficiaries (financial capacity checks on demand).</p> <p>Systematic checks on operational and legal aspects performed before signature of the grant agreement.</p> <p>Risk assessment and risk based checks before the grant agreement signature and reinforced monitoring flagging if necessary.</p> <p>Ad hoc anti-fraud checks for riskier beneficiaries.</p> <p>Signature of the grant agreement by the AO.</p>	<p>100% of the selected proposals and beneficiaries are scrutinised.</p> <p>Coverage: 100% of draft grant agreements.</p> <p>Depth will be differentiated following the conclusion of the risk assessment.</p> <p>Controls implemented when justified by the call/proposal content.</p>	<p>Effectiveness: Number of grants signed.</p> <p>Efficiency Indicators:</p> <p>% of Time-to-grant on time</p> <p>Average Time-to-grant</p>

	<p>Financial verification where necessary</p> <p>Mutual Insurance Mechanism (MIM) (ex Horizon 2020 Participants Guarantee Fund (PGF)).</p> <p>An ethics review is carried out systematically in all HE calls, starting with an ethics pre-screening, which results in detailed screening or assessment if necessary.</p> <p>Ad hoc security checks and screenings.</p> <p>Security review is carried out systematically in all HE calls, starting with pre-screening, which may result in detailed security scrutiny.</p>		
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D - Monitoring the implementation

Main control objectives: ensuring that the operational results (deliverables) from the projects are of good value and meet the objectives and conditions; ensuring that the related financial operations comply with regulatory and contractual provisions; prevention of fraud; ensuring appropriate accounting of the operations.

Main risks It may happen (again) that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (effectiveness, efficiency, economy)
<p>The actions foreseen are not, totally or partially, carried out in accordance with the technical description and requirements foreseen in the grant agreement (for examples deliverables, open access to results and publications,...).</p> <p>The amounts paid exceed what is due in accordance with the applicable contractual and regulatory provisions.</p> <p>The cost claims and/or deliverables are irregular or fraudulent.</p>	<p>Kick-off meetings and "launch events" involving the beneficiaries in order to avoid project management and reporting errors.</p> <p>Specialized webinars targeting reduction of errors.</p> <p>Guidance on reporting for lump sum grants (notion of work package completion).</p> <p>Specialized aid with web based tools to inform most error-prone beneficiaries (i.e SMEs who participate for the first time) about cost calculation practices.</p> <p>Effective external communication about guidance to the beneficiaries (eg Funding and Tender portal, info days for the calls, coordinators' days on grant</p>	<p>100% of the projects are controlled, including only value-adding checks.</p> <p>Riskier operations subject to more in-depth controls.</p> <p>The depth depends on risk criteria. However, as a deliberate policy to reduce administrative burden, and to ensure a good balance between trust and control, the level of control at this stage is reduced to a minimum.</p>	<p>Effectiveness:</p> <p>Number of payments (interim and final).</p> <p>Efficiency:</p> <p>Time-to-pay: % of payments (in value) made on time.</p> <p>Time-to pay: Average number days net/gross + suspension days.</p> <p>Qualitative Benefits:</p> <p>Projects are executed and produce benefits for the community.</p>

<p>Lack of harmonised approach within the family with the consequence of unequal treatment of the beneficiaries.</p> <p>Ethics requirements are not fulfilled.</p>	<p>preparation and grant management).</p> <p>Anti-fraud awareness raising training for the project officers</p> <p>IT Plagiarism detection tool for deliverables.</p> <p>Enhanced family approach (anti-fraud cooperation; common legal and audit service; comprehensive and common IT system for all the family).</p> <p>Operational and financial checks in accordance with the financial circuits.</p> <p>Operation authorisation by the AO</p> <p>For riskier operations, reinforced monitoring.</p> <p>Selection and appointment of expert for scientific reviews of intermediate and/or final reporting.</p> <p>If needed: application of Suspension/interruption of payments,</p>	<p>High risk operations identified by risk criteria.</p> <p>Red flags: suspicions raised by staff, audit results, EDES, individual or "population" risk assessment.</p> <p>Audit certificates required for any beneficiary claiming more than: EUR 325 000 (Horizon 2020).</p> <p>EUR 430 000 (Horizon Europe)</p> <p>except lump sum grants).</p>	
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	Referral of grant/beneficiary to OLAF/EPPO.		
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Overall economy for ex-ante control

Main risks It may happen (again) that...	Mitigating controls	coverage, frequency and depth of controls	Cost-Effectiveness indicators (effectiveness, efficiency, economy)
			<p>Economy</p> <p>(The estimation is established for the grant process, which includes both Horizon 2020 and Horizon Europe).</p> <p>a. Estimation of cost of staff involved in the ex-ante checks:</p> <ul style="list-style-type: none"> -Programme management and monitoring; -Financial management; -Budget and accounting; -General Coordination incl. Strategic Programming and Planning, internal control, assurance and quality management; -Anti-fraud; -Development and support of IT systems linked to managing funding programmes. <p>b. Estimation of other costs linked to ex-ante checks:</p>

			<p>Cost of experts;</p> <p>Costs of IT external contracts of CIC.</p> <p>Details of the estimated cost of controls related to shared/pooled control activities carried out by REA and hosted by DG R&I (Common Implementation Centre including Common Audit Service) for the Research and Innovation family are reported in the Annual activity reports of REA and RTD.</p>
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2. Ex post controls

Effectiveness, efficiency, and qualitative benefits are detailed per stages A to D.

Economy is calculated overall for the ex-post controls and detailed at the end of paragraph 2.

A - Reviews, audits and monitoring

Main control objectives: Measuring the level of error in the population after ex-ante controls have been undertaken; detect and correct any error or fraud remaining undetected after the implementation ex-ante controls; identifying possible systemic weaknesses in the ex-ante controls, or weaknesses in the rules.

Non-Horizon 2020 & Non-Horizon Europe programmes

Main risks It may happen (again) that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
The ex ante controls fail to prevent, detect and correct erroneous payments or attempted fraud; errors (ineligible costs reimbursed due to the complexity of the rules) remain undetected and	Ex-post control strategy: the ex-post audits are carried out on a multi-annual basis (programme's lifecycle). The ex-post control strategy involves value targeted sampling, aiming at cleaning the	Coverage: Value targeted sampling, for maximising the value of the audited transactions and the cost-effectiveness of controls based on selection criteria such as high amounts granted.	Effectiveness Multi-annual indicators • Number of audits finalised Detected error amount = EC share ineligible costs = EC share Costs accepted ex-ante minus EC Share

<p>uncorrected before the end of the control cycle; "irregularities" (intentional over-claims, fictitious subcontracting/outputs) are not detected and corrected beyond a tolerable rate of error.</p>	<p>largest amount and thus maximising assurance and the cost-effectiveness of controls based on selection criteria such as high amounts granted, high number of projects etc. In addition a number of risk-based audits (targeted audits) to address specific risks. The on-the-spot audits are carried out independently by an external contractor (i.e. absence of conflict of interest) and in conformity with detailed procedures and guidelines. The Agency's ex-post control function is responsible for the selection of the beneficiaries and projects to be audited, the quality review of the audit reports drafted by the external contractor and the follow up of the implementation of audit results. The function is independent from the ex-ante control organisation. Lessons learned from the audit results are used to reinforce the control systems for example improvement of guidelines for beneficiaries. Notification to OLAF in cases of suspicions of fraud</p>	<p>In addition, a number of risk-based audits for addressing specific risks and/or cases of irregularities or potential fraud.</p> <p>Depth: Detailed review and testing of supporting documents and transactions related to the cost claims submitted by the audited beneficiary</p>	<p>costs accepted during audit $\text{Detected error rate} = \frac{\text{EC share ineligible costs}}{\text{EC share costs tested during audit}}$ Due to their specific nature, error rates of targeted audits are not included in the detected error rate calculation. Residual error rate versus materiality threshold (2%) • $\text{Audit coverage} = \frac{\% \text{ audited part of payments made}}{\text{materiality threshold}}$</p> <p>Efficiency Implementation rate of the Annual Work Programme in terms of closing audit targets</p> <p>Economy External costs: cost of the audit firm for the outsourced ex-post controls</p> <p>Internal costs: estimation of internal staff costs involved in the coordination and execution of the audit costs are measured for stage 4 strategy, considering two levels of FTEs for staff working directly in ex-post team and staff of operational units dedicated to review of audit reports (this is calculated over the number of audit reports closed during the reporting year).</p>
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Horizon 2020 and Horizon Europe programmes

Main risks It may happen (again) that...	Mitigating controls	coverage, frequency and depth of controls	Cost-Effectiveness indicators (effectiveness, efficiency, economy)
<p>The ex-ante controls (as such) do not prevent, detect and correct erroneous payments or attempted fraud to an extent going beyond a tolerable rate of error.</p> <p>Lack of consistency in the audit strategy within the family.</p> <p>Lack of efficiency for absence of coordination: multiple audits on the same beneficiary, same programme: reputational risk and high administrative burden on the beneficiaries' side.</p>	<p>Common Ex-post control strategy for the entire Research and Innovation family (Horizon 2020 and Horizon Europe), implemented by a central service ((Common Audit Service (CAS) part of the Common Implementation Centre, DG Research and Innovation):</p> <ul style="list-style-type: none"> - At intervals carry out audits of a representative sample of operations to measure the level of error in the population after ex-ante controls have been performed. - Calculate the representative error rate for the R&I programme. - Additional sample to address specific risks. - When relevant, joint audits with the Court of Auditors 	<ul style="list-style-type: none"> - Common Representative audit Sample (CRaS): MUS sample across the programme to draw valid management conclusions on the error rate in the population. - Research and Innovation risk-based sample, determined in accordance with the selected risk criteria aimed to maximise deterrent effect and prevention of fraud or serious error. 	<p>Effectiveness:</p> <p>Representative and residual error rate identified.</p> <p>Number of audits finalised % of beneficiaries & value coverage.</p> <p>Efficiency:</p> <p>Percentage of implementation of CAS audit plan.</p>

	<p>Multi-annual basis (programme's lifecycle) and coordination with other AOs concerned.</p> <p>Validate audit results with beneficiary.</p> <p>In case of systemic error detected, extrapolation to all the ongoing projects run by the audited beneficiary (or closed within two years).</p>		
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B - Implementing results from ex-post audits/controls

Main control objectives: Ensuring that the (audit and extensions) results from the ex-post controls lead to effective recoveries; Ensuring appropriate accounting of the recoveries made.

Non-Horizon 2020 & Non-Horizon Europe programmes

Main risks It may happen (again) that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
The errors, irregularities and cases of fraud detected are not addressed or not addressed in a timely manner	<p>Monitoring the implementation of the audit findings</p> <p>The operational units have to confirm the implementation of the corrective actions (recovery, payment) by completing the audit-follow-up sheets</p> <p>The operational and financial units are taking into account the results of the prior ex post audits revealing systemic errors when assessing new grant</p>	<p>Coverage: 100% of final audit results with a financial impact.</p> <p>Depth: All audit results which lead to a recovery are examined in-depth. Systemic errors are taken into account when assessing new grant payments of the same beneficiary.</p>	<p>Effectiveness</p> <p>Multi-annual indicators</p> <ul style="list-style-type: none"> • Errors corrected • Errors not corrected • Uncorrected error rate <p>Efficiency</p> <p>Recovery status (%): Recoveries/detected error (multi-annual cumulative basis)</p> <p>Economy</p> <p>Embedded in the execution of ex post controls above.</p>

	<p>payment requests of the same beneficiary</p> <p>Financial operational validation of recoveries is carried out in accordance with the financial circuits</p> <p>Authorisation by the AOSD</p> <p>In case AOSD decides not to implement audit finding, this could happen only after consultation with EPC team and informing the Head of Dep. accordingly.</p> <p>Regular follow-up of OLAF's recommendations.</p>		
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Horizon 2020 and Horizon Europe programmes

Main risks It may happen (again) that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (effectiveness, efficiency, economy)
The financial recommendations stemming from the ex-post audit are not implemented.	<p>Systematic registration of audit / control results to be implemented and actual implementation.</p> <p>Guidance on monitoring and reporting on implementation of ex-post audit results.</p> <p>Validation of recovery in accordance with financial circuits.</p>	<p>Coverage: 100% of final audit results with a financial impact.</p> <p>Depth: All audit results are examined in depth in making the final recoveries. Systemic errors are extended to all the ongoing non-audited projects of the same beneficiary (or</p>	<p>Effectiveness: Amounts being recovered and offset.</p> <p>Efficiency: Number/value/% of audit results pending implementation, Number/value/% of audit results implemented.</p>

<p>Cases of potential fraud detected are not addressed in a timely manner or not addressed at all.</p>	<p>Authorisation by AOSD.</p> <p>Coordination at the level of the R&I family : FAIR committee.</p> <p>If needed:</p> <ul style="list-style-type: none"> -Notification to OLAF and regular follow up of detected potential fraud. - Reinforced monitoring implemented on ongoing projects. 	<p>closed within two years).</p>	
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Overall economy for ex-post control

<p>Main risks It may happen (again) that...</p>	<p>Mitigating controls</p>	<p>Coverage, frequency and depth of controls</p>	<p>Cost-Effectiveness indicators (effectiveness, efficiency, economy)</p>
			<p>Economy</p> <p>(The estimation is established for the grant process which includes both Horizon 2020 and Horizon Europe).</p> <p>Estimation of cost of staff involved in the coordination and</p>

			<p>execution of the ex-post audit strategies and in the implementation of audits.</p> <p>Costs of the appointment of audit firms and missions.</p> <p>Details of the estimated cost of controls related to shared/pooled control activities hosted by DG R&I (Common Implementation Centre including Common Audit Service) for the Research and Innovation family are reported in the Annual activity reports of DG R&I.</p>
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The procedure included all relevant financial actors, including the AOSD responsible for this operation and the AOD, who has signed the final payment order. This procedure has been documented .

The control strategy for the EIC Fund is in the process of being developed in compliance with the common action plan sent to the IAS on 22 February 2023.

The Board of the EIC is responsible for the overall supervision of the EIC Fund. The Board ensures that controls are carried out on the EIC Fund’s implementation of the EIC Accelerator investment component in accordance with its rules, policies and procedures, including, where appropriate, on-the-spot checks on representative or risk-based samples of transactions, to ensure that the EIC is effectively and correctly implemented by the Alter Domus Management Company, and in order, inter alia, to prevent and correct irregularities and fraud. Financial transactions must be signed by the Director of the EIC Fund. The Board monitors the Company’s implementation of the EIC by means of the reporting and the financial statements, the internal and external audits available and any controls carried out by the Company, including an analysis of the nature and extent of errors and weaknesses identified in the systems as well as corrective actions taken or planned. Since 2021, an IT application for the payment management ensuring that payments can be only made by the signature by the person empowered by the EIC Fund Board has been introduced. In line with the relevant laws of the EU, The Court of Auditors, the European Public Prosecutor’s Office (EPPO), the and European Anti-Fraud Office (OLAF) and the Commission (including the Internal Audit Service) have the power to audit the Company’s implementation of the EIC.

The EIC Fund manages the individual investments in SMEs and (in rare cases) in small mid-caps. This encompasses monitoring and acting on milestone funding, financing events

(conversions, top-ups, etc), write downs and restructurings, exits, etc. This monitoring role should be implemented through the appointment of board representatives in the investee companies (i.e., board members or observers) who should ensure proper oversight to protect the interests of the EIC Fund and to help the investee company develop and grow. The monitoring of the investments has been supported by a 'portfolio monitoring report' prepared by EISMEA on a monthly basis since May 2021 and shared with the Board Members to inform them on the progress of the investments made. This report includes information on the state of play of the investments, an analysis of all of the investment agreements signed, information about the ownership stakes of the fund in the investee companies, an analysis of the Fund's right to appoint a members or observers to the Boards of investee companies and their actual appointments.

Until the restructuring of October 2022, EISMEA applied a procedure with Alter Domus Administrative Agent (ADAA) by which any disbursement of the EIC Fund was checked by EISMEA after the internal check by ADAA. Subsequently, the disbursement was then authorised by a Director B of the EIC Fund Board from ADAA and eventually authorised by a Director A of the EIC Fund Board or an individual empowered by a Board resolution. It applied for both disbursements related to investments (equity or convertible loans) and invoices related to administrative expenses.

After restructuring of October 2022, disbursements which are not related to investments are checked by ADAA with the support of EISMEA particularly for own invoices of ADAA/ADMC and EIB related to fees. These disbursements are then authorized by a Director B of the EIC Fund Board from ADAA and eventually authorized by a Director A of the EIC Fund Board. Disbursements related to investments are checked and authorised by ADMC.

With regards to the reporting requirements, the following reports related to the 2022 closure have been provided to EISMEA by Alter Domus on behalf of the EIC Fund:

- Unaudited annual report (financial statements) under European Accounting rules for both Pilot and Horizon Europe compartments,
- Reporting package in excel for both Pilot and Horizon Europe compartments,
- Semi-annual financial statements as of 30/06/2022 and 31/12/2022 under Luxembourg and European accounting rules,
- Semi-annual reports as of 30/06/2022 and 31/12/2022 foreseen in articles 13.12 and 13.19 of the private Placement memorandum (PPM)
- Quarterly bank statements for Q1 to Q4 2022,
- Unaudited 2022 annual report under Luxembourg accounting rules
- Activity and monitoring report on the implementation of the EIC foreseen in article 13.15 of the PPM (including ISAE certification considered by EISMEA as equivalent to an overview of the monitoring activities and report based on agreed upon procedures, certifying the analysis related to the control systems)
- Declaration of assurance.

On the basis of the 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 describe fairly the procedures implemented by the fund, disclose positive testing of these procedures and is validated without reservation by an external auditor. 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, we can provide a reasonable assurance regarding the sound financial management of the EIC Fund.

ANNEX 7: Specific annexes related to "Financial Management"

EISMEA: IAS AUDITS OVERVIEW 2021-2022		
IAS audit	Status and results	Responsible Unit
Design and early implementation of the European Innovation Council in the European Innovation Council and Small and Medium Enterprises Executive Agency (EISMEA), the Directorate-General for Research and Innovation (DG RTD) and the Directorate-General for Communications Networks, Content and Technology (DG CNECT)	<p>The audit started in November 2021. The final report was received on 31.01.2023. The final Joint Action Plan formulated by DG RTD, DG CNECT and EISMEA was communicated to DG IAS on 22/02/2023</p> <p>Finding n°1) (Critical) GOVERNANCE FRAMEWORK OF THE EIC PROGRAMME Rec. n°1) DG RTD (lead), together with EISMEA and DG CNECT (as parent DG), should:</p> <p>1.1) Finalise the MoU for Horizon Europe ensuring that it reflects all the key activities performed by EISMEA, including those related to the EIC Fund. To achieve this objective, DG RTD should, with the support of the other actors, analyse the key tasks and the roles of EISMEA, DG RTD and DG CNECT and make sure that they are properly covered by the MoU.</p> <p>1.2) Prepare a proposal to revise the delegation instrument (Commission Decision C(2021)949) in view of the revised governance of the EIC Fund, and clearly define the roles and responsibility of DG RTD and EISMEA towards the management of the EIC Fund.</p> <p>1.3) Define clear rules on the conflict of interest / (in)compatibility between functions and make sure that they are applied when the different roles are assigned. In the context of the implementation of the Commission decision on the bridging solution, prepare a mapping of the various roles and responsibilities of all the actors (parent DGs, EISMEA, the EIC Board, the EIC Fund and its Board members, the AIFM/fund manager other companies involved in the management and control functions of the EIC Fund and the EIB) to address remaining cases not addressed by the Commission decision itself.</p> <p>1.4) Analyse the staffing needs related to the responsibility of DG RTD to supervise and monitor the EIC Fund (see also recommendation No 2) and to prepare the EIC Work Programme and align the level of the staffing to those needs.</p> <p>Finding n°2) (Very Important) ROAD MAP FOR THE TRANSITION TO THE LONG-TERM SOLUTION FOR THE EIC FUND Rec. n°2) DG RTD (lead), together with EISMEA and the support of the central services, should:</p> <p>2.1) Carry out a comprehensive assessment of the implications (for DG RTD and EISMEA) of the new set up (indirect management for the investment component of the EIC Accelerator, and its co-existence with direct management for the grant component) in terms of supervision strategy, control environment, staffing, relations with the key stakeholders (notably the EIB and</p>	DG RTD, DG CNECT, EISMEA

	<p>the EIC Fund (AIFM)) etc. The assessment should include an evaluation of the resources (quantity and quality) necessary for DG RTD to be able to exercise its supervisory role on EISMEA (see also recommendation n°1),</p> <p>2.2) Based on the assessment above, develop a roadmap or an action plan encompassing the transition period (insofar as still necessary) and the future set-up (for the implementation of the EIC through both direct and indirect management), in which the key actions, resources, milestones and corresponding responsible entities are identified.</p> <p>Finding n°5) (critical) DESIGN OF THE EISMEA'S INTERNAL CONTROL ENVIRONMENT IN RELATION TO THE EIC Rec.n°6) EISMEA (lead) with the support of DG RTD should</p> <p>6.1) update its control and anti-fraud strategies to reflect specificities of the EIC programme;</p> <p>6.2) perform an assessment of the internal control components to check their alignment to the specificities of the EIC programme;</p> <p>6.3) complete its internal guidance/manual of procedures for the evaluation process to cover adequately for all strands of the EIC programme.</p> <p>Finding n°7) (Very Important) EVALUATION PROCESS FOR THE EIC CALLS Rec.n°9) EISMEA should</p> <p>9.1) Take the necessary steps to monitor the presence of the experts in the briefings;</p> <p>9.2) Define the internal process for performing the eligibility check for the EIC Pathfinder in line with the corporate guidelines and revise the existing internal guidance accordingly. Make sure eligibility checks are performed in line with the corporate guidance and are properly documented;</p> <p>9.3) Analyse the effectiveness of the various tools/solutions currently used by the units and define the approach for the Agency as regards conflicts of interest checks;</p> <p>9.4) Formalise EIC-specific guidance on EURMs (defining the detailed and regular checks to be performed by EISMEA to detect EIC proposals and projects that are related to Russian and Belarus entities, shareholders, and ultimate beneficial owners) based on advice from DG RTD's CLSS and the SG Russia Clearing House, as regards the equity component;</p> <p>9.5) Perform a lessons learned exercise following the implementation of the rebuttal pilot/approach in 2021 and provide DG RTD/CIC with the conclusions for the future definition of the corporate instructions on this process;</p> <p>9.6) Appoint observers in the Accelerator calls as stipulated in Horizon Europe Guidance.</p> <p>Finding n°8) (Very Important)</p>	
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	<p>EIC FUND – ASSURANCE BUILDING BLOCKS (REPORTING PROCESS AND MONITORING OF THE ADMINISTRATIVE BUDGET)</p> <p>Rec.n°10) EISMEA (lead), together with DG RTD and the AIFM/Fund manager, under direct management, should:</p> <p>10.1) Ensure that all reporting obligations of the EIC Fund towards the Commission/EISMEA, as stipulated in the statutory and governing documents of the Fund, are timely and duly performed;</p> <p>10.2) report on key elements related to the management of the EIC Fund in its AAR;</p> <p>10.3) monitor and report on the administrative budget of the EIC Fund and its compliance with the relevant threshold, as defined in the EIC work programmes.</p> <p>Rec. n°11) For the 2023 fiscal year, depending on the final management arrangements decided for the EIC Fund, DG RTD (lead), together with EISMEA, the AIFM/Fund manager, under direct management, and/or the EIB under indirect management) should ensure that the tasks and responsibilities related to the monitoring and reporting obligations of the EIC Fund (including the administrative budget of the EIC Fund) are clearly specified in: a) the amended/revised delegated instrument; b) the MoU between DG RTD/DG CNECT and EISMEA; and c) any operational agreement to be concluded between DG RTD/DG CNECT, EISMEA, EIB and EIC Fund (AIFM) as far as the coordination between the grant and the investment component of the EIC Accelerator contracts is concerned.</p> <p>Finding n°9) (Very Important)</p> <p>EIC ACCELERATOR IT SERVICES AND TOOLS, AND EXTERNAL IT SERVICE PROVIDERS</p> <p>Rec. n°12) EISMEA (lead), together with DG RTD (CIC) should:</p> <p>12.1) in the short term: a) finalise the IT security plan and perform the vulnerability testing for the various components of the EIC IT tools for the EIC Accelerator; b) inform the ITCB of the latest developments (ongoing procurement) by providing updated and completed project charter of all EIC IT tools and update the relevant information in GovIS2; and c) perform a legal and technical (IT) analysis of the current contracts and agreements signed with the IT service provider to assess the relevance of the services provided for the user needs and their alignment with the EIC Work programmes and assess whether the support provided by the EIC IT tools could be offered in due course by the eGrants suite;</p> <p>12.2) in the mid to long-term: d) define an EIC IT strategy covering the specific IT tools to support the implementation of the three EIC strands (in particular the EIC Accelerator) based on a comprehensive assessment of the users' needs and on the lessons learned from the EIC pilot; e) complement the strategy with a detailed roadmap defining the steps to be followed and the documents to be produced to support the key decisions; f) submit the IT strategy to the relevant services/bodies (DG RTD and ITCB) for endorsement; and g) in the event</p>	
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	of a decision of the integration to the eGrants suite (ideally full-fledged), including the use of the corporate solution for proposal submission and evaluation, submit to the eGrants and eProcurement Steering Board (GPSB) any further on-boarding request.	
Management of experts in Horizon 2020 grants (EASME, RTD, CONNECT, REA, INEA)	On 30 June 2021, EISMEA marked the Action Plan as completed, transmitting to IAS the supporting documents via TeamCentral. The follow-up of the Agency's recommendation is currently under review of the IAS and should be finalised for closure in the coming weeks.	EISMEA/ Evaluation Team
Implementation of anti-fraud actions in the research area (EASME, RTD, CONNECT, REA, INEA, ERCEA)	In December 2022, EISMEA marked the Action Plan as completed, transmitting to IAS the supporting documents via TeamCentral. The follow-up of the Agency's recommendation is currently under review of the IAS and should be finalised for closure in the coming weeks.	1) Team Leader C.01; 1(ii) ACTIONS a), b), c): All operational sectors dealing with H2020 legacy and Horizon Europe 2) RTD/CIC with support of research implementing bodies
Protection of personal data of beneficiaries (EASME/EISMEA, EACEA, INEA)	Action Plan agreed with IAS on 9.09.2022 (Ares(2022)6260737) Launched in 2020, this is a multi-Agency audit. Before the publication of this report, the IAS issued the Final Audit Report, which included six recommendations specifically for EISMEA, notably to improve the efficiency and effectiveness of the processes within the Agency. During 2022 EISMEA has implemented some of the actions identified in the Action Plan, i.e. creation of the procedure for the follow-up with EDPS and Procedure for data subjects requests. However, the implementation of the action plan is due in 2023.	1-3,6 Director (DPO) 2a. Director (DPO) + all responsible controllers (HoU/HoD) 5 HoS C-01
Implementation of audit results in H2020 (RTD/CIC, CNECT, ERCEA, REA, INEA, EISMEA/EASME)	FINAL audit report issued on 27 January 2022(Ares(2022)643152). Action Plan submitted 8.04.2022 Launched in 2020, the multi-DG audit (RTD, CNECT, ERCEA, REA, EISMEA and CINEA) examines the effectiveness of the implementation of ex-post audit results, with particular attention to sensitive and/ or contentious audits. EISMEA has implemented all actions.	EISMEA Financial Unit

ECA audits on the operational budget

The ECA sampled ten transactions for EISMEA in the context of the DAS 2021 with the following results:

- for six audits, the error rate was 0.00%.
- for one audit, the error rate was 9.90% due to ineligible bonuses and an ineligible salary increase of the SME owner. The findings have been implemented.
- for one audit, the error rate was 23.72% mainly due to ineligible goods and services. In particular: the beneficiary rented special equipment where the total rental costs charged to the project exceeded the depreciation cost for similar equipment; the beneficiary failed to use the hourly rates calculated based on the last closed financial year data and used an incorrect conversion exchange rate; there were ineligible elements included in the travel costs claimed. The findings have been implemented.
- for one audit, the error rate was 4.41% due to the beneficiary not having used hourly rates based on data from the last closed financial year at the time of the submission of the financial statement. The findings have been implemented.
- for one audit, the error rate was 20.22% due to ineligible expenditure in the categories of personnel costs and other goods and services. The findings have been implemented.

As regards the DAS 2022, the Court of Auditors sampled four transactions for which the audits are ongoing.

Please see below the detailed list of ECA audits performed on the operational budget (in the context of DAS 2021 and DAS 2022), with a summary of their conclusions and opinions.

Results EISMEA DAS 2021 (10 transactions sampled)						
Reference (incl. clearing letter n°)	Transaction number	Parent DG	Error rate	Results	Responsible Unit	Corrective action implemented?
H2020 SMEI IMEC 822134	3108	RTD	0,00%	Closing letter CL-12804 of 01/09/2021. No findings	E03.02/C01.1	N/A
H2020 SMEI PIQL-GO 804	3111	RTD	23,72%	Closing letter CL-12807 of 14/12/2021 The audit covered the cost declared for the second reporting period(01/04/2019-30/09/2020). The beneficiary failed to use the hourly rates calculated based on the last closed financial year data. Ineligible elements were included in the travel cost claimed (such as recoverable VAT for domestic train ticket, private expenditure, cost of hospitality dinners). The beneficiary rented special equipment, invention of the project from one of its shareholders (who manufactured these equipments). The total rental costs charged to the project exceeded the depreciation cost for similar equipment. The beneficiary has used an incorrect conversion rate.	E03.01/C01.1	Implemented Ares(2022)2114465 - 23/03/2022
H2020 SMEI BIOHEALX 848631	3113	RTD	0,00%	Closure letter CL-12809 of 04/10/2021. No findings	E03.02/C01.1	N/A
H2020 SMEI LEGO 85001	3122	RTD	9,90%	Clearing letter CL-12907 of 07/12/2021 The audit covered the costs declared for the second and final reporting period (01/02/2020 - 31/01/2021) and the costs adjustment reported for period 1 (01/02/2019 to 31/01/2020). Ineligible bonuses, not part of the beneficiary's usual remuneration practice and is not based on objective criteria. Ineligible salary increase rejected as excessive and not being documented. Closure letter CL-12907 received on 01/02/2022	E03.01/C01.1	Implemented Ares(2022)3237514 - 26/04/2022
H2020-FETOPEN-2018-2019-2020-01 /-RP1=IP LIGHT4LUNGS-863102	3128	CNECT	0,00%	Closing letter CL-12936 of 18/11/2021 No finding	E01.02/C.01.1	N/A
H2020-EIC-FTI-2018-2020 /-RP2=FP BD-KNEE-853943	3147	RTD	20,22%	CL-12967 Ares(2022)4525131 dated 20/06/2022 Audited periods: -the second and final reporting period (01/04/2020 - 31/03/2021) and -the adjustment reported for period 1 (01/04/2019 - 31/31/2020). Findings under personnel: - the beneficiary submitted an adjustment for RP1, in which he recalculated the hourly rates of two staff members hired during the reporting period, taking into account the salary costs from November 2019 to March 2020. This is not compliant with the rule of calculating the hourly rates on the data stemming from the last closed financial year at the time of reporting; the same method was used for the calculation of the hourly rate of one employee in RP2. -the beneficiary overclaimed costs of self employed consultant paid based on invoices by not deducting cancelled invoices from the total amount claimed; by including costs incurred outside of contractual agreement and by miscalculating the related VAT; -the beneficiary did not include by mistake an eligible component - severance pay - in the annual costs for the hourly rate calculation for one staff member; -formula error in the excel table used to calculate salary costs, which led to an understatement of the rate of one employee. Findings under other goods and services: The Beneficiary claimed cost of services provided by consultants for the project through "business development agreements". The auditor considers that the consultants were implementing specific tasks which are part of the action. Consequently, the claimed costs are not eligible under the category of "other goods and services" but potentially as costs of subcontracting. However, such subcontracting costs are not listed in Annex I of the grant agreement or in the technical reports. Neither is there evidence that they have been incurred respecting the "best value for money" principle. These costs are also considered high and not fully justified; therefore not compliant with the principle of sound financial management.	E03.01/C01.1	Implemented Ares(2022)8352548 02/12/2022
H2020-INNOSUP-2018-2019-05 /-RP1=FP MEETING-949186	3148	GROW	0,00%	Clearing Letter-12968 of 10/12/2021 No findings	I01.01/C01.1	N/A
H2020-EIC-FTI-2018-2020 /-RP2=FP G-IMAGER - 820591	3161	RTD	4,41%	Closing letter-13003 of 14/06/2022 Audited periods: -the final reporting period 2 (RP2) (01/09/2019 - 28/02/2021) -the adjustment presented for the first reporting period (RP1) (01/09/2018 - 31/08/2019) The beneficiary declared adjustments to the costs of the previous period RP1. These adjustments resulted from the recalculation of the costs based on the 2019 actual hourly rates as the 2018 hourly rates were used for RP1 (the 2019 hourly rates were not available at the time of submission of the claim as the financial year was not yet closed).	E03.01/C01.1	Implemented Ares(2022)5156528- 15/07/2022
EIC-Fund (Investement Agreement HIBER B.V.)	3408	RTD	0,00%	CL-13137 of 22/04/2022 No findings	E03.03/C01.1	-
n/a - transaction done by RTD (request of files ongoing) - Audit of EIF-INNOVFIN IFE - Icebreaker Fund II KY	3407	RTD	0,00%	Clearing letter CL-13168 of 21/04/2022. No findings	E03.03/C01.1/RTD	-

I. ECA audit results - operational budget - Statement of Assurance 2022 - follow up						
Results EISMEA DAS 2022 (4 transactions sampled)						
Reference (incl. clearing letter n°)	Transaction number	Parent DG	Error rate	Results	Responsible Unit	Corrective action implemented?
H2020 FETOPEN-1-2016-2017 PROCHIP 801336/=RP2=FP	3143	CNECT			E01.01/C01.1	
H2020-FETOPEN-2018-2019-2020-01 GAMMA-MRI 964644/=RP1=I	3158	CNECT			E01.02/C01.1	
H2020-SMEInst-2018-2020-2 BRAVE 880496/=RP2=FP	3167	RTD			E03.02/C01.1	
EIC FUND 2022 - HORIZON EUROPE - EIC ACCELERATOR	3412	EIC fund			E.03.03/C01.1	

ECA performance audits

In the course of 2022 two performance audits were finalised, one of them launched in 2020 and the second in 2021, as follows:

II. ECA performance audits - follow up			
Audit	Results	Responsible Unit	Corrective action implemented?
Internationalisation of SMEs (GROW, RTD, EISMEA, EEAS, TRADE, CNECT)	Finalised 15 May 2022	I.02 SMP/COSME Pillar	Ongoing
External Consultancy services (BUDG, SG, HR, NEAR, JRC, SRSS, GROW, ENV, EMPL, ESTAT, AGRI, EISMEA)	Finalised 30 June 2022	I.02 SMP/COSME Pillar	Ongoing

Table Y - Overview of DG's/EA's estimated cost of controls at Commission (EC) level^{12,13}:

EISMEA	Ex ante controls ^{***}			Ex post controls			Total	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Relevant Control System (RCS) / Other as defined in Annex 6 of the AAR*	EC total costs	related payments Made	Ratio (%)** (a)/(b)	EC total costs	total value verified and/or audited	Ratio (%) (d)/(e)	EC total estimated cost of controls (a)+(d)	Ratio (%)** (g)/(b)
H2020 / Horizon Europe	17,319,395.60 €	1,336,840,532.93 €	1.30%	41,238.35 €	- €	0.00%	17,360,633.95 €	1.30%
Non-H2020/Horizon Europe (SMP)	7,986,000.17 €	205,915,530.71 €	3.88%	454,843.87 €	5,030,222.91 €	9.04%	8,440,844.03 €	4.10%
Other - not attributable to a single RCS (finance + overheads)	10,563,330.79 €	- €	0.00%	- €	- €	0.00%	10,563,330.79 €	0.00%
OVERALL total estimated cost of control at EC level for expenditure	35,868,726.55 €	1,542,756,063.64 €	2.32%	496,082.22 €	5,030,222.91 €	9.86%	36,364,808.77 €	2.36%

Section 2.1.1. Control results. Additional Information.

¹² As for the RCS concerning direct management: Details of the estimated cost of controls related to shared/pooled control activities carried out by REA and hosted by DG RTD (Common Implementation Centre including Common Audit Service) for the Research and Innovation family are reported in the Annual activity reports of REA and RTD.

¹³ It is estimated that out of the total costs of controls for RCS H2020/HE, the costs equivalent of 1.5 FTE (EUR 288 300, as per the BUDG note Annual Average FTE costs Ares(2022)8312755) relate to controls of the EIC Fund

Reporting requirements relating to the 2018 Financial Regulation

Cases of ‘conformation of instructions’ (FR art 92.3)

None

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

For the ‘Women TechEU’ actions (under Horizon Europe) the amount of financing not linked to costs for each grant is fixed at EUR 75 000¹⁴.

Financial Framework Partnerships with a duration of more than 4 years (FR art. 130.4)

None

Cases of flat rates > 7% for indirect costs in 2022 (FR art. 181.6).

According to the Horizon 2020 and Horizon Europe Rules for Participation¹⁵, indirect eligible costs are determined by applying a flat rate of 25% of the total direct eligible costs.

It is the basic act that derogates from the Financial Regulation. This applies to all Horizon 2020 and Horizon Europe grants. However, in H2020 and Horizon Europe, in some cases, the 25% is directly embedded within a unit cost (e.g. in Horizon 2020, unit cost for clinical studies and in Horizon Europe, unit costs for providing trans-national and virtual access in Research Infrastructures actions). In other cases, the indirect costs are included within a larger unit cost or lump sum and the percentage of indirect costs cannot be determined separately (e.g. SME instrument Phase 1 or the unit costs for the institutional cost under Marie Skłodowska-Curie actions).

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

Cases of derogations from the from the principle of non-retroactivity of grants pursuant to Article 193 of the Financial Regulation.

During 2022, EISMEA signed two Grant Agreements that fall into the category of derogations from the principle of non-retroactivity of grants:

¹⁴ See RAO decision from DG RTD of 7 July 2021 available at: https://ec.europa.eu/info/funding-tenders/opportunities/docs/2021-2027/horizon/guidance/ls-decision_he-womentecheu_en.pdf.

¹⁵ Article 29 of Regulation (EU) No 1290/2013 of the European Parliament and of the Council of 11 December 2013 laying down the rules for participation and dissemination in “Horizon 2020 – the Framework Programme for Research and Innovation (2014-2020)” and Article 39 Regulation (EU) 2021/65 of the European Parliament and of the Council of 28 April 2021 establishing Horizon Europe – the Framework Programme for Research and Innovation, laying down its rules for participation and dissemination.

- “EU fertilising products in support of regulation (EU) 2019/1009 –C(2020)612 –M/564”¹⁶. This is a derogation from Art 193 FR” (FR art 193.2) which is however explicitly foreseen in the 2021 financing decision¹⁷. The derogation is also referred to in the signed grant agreement.

- “SESEC V –seconded European Standardization Expert in China –Phase V”¹⁸. This is a derogation from Art 193 FR” (FR art 193.2) which is however explicitly foreseen in the 2021 financing decision¹⁹.

1. Effectiveness - the control results and benefits

Legality and regularity of the transactions

The programmes managed by EISMEA are implemented under the direct management scheme²⁰, which entails direct financial contributions through cofinanced contracts signed with external parties. To have reasonable assurance that the payments authorised are accurate and compliant with the applicable contractual provisions, EISMEA carries out ex ante and ex post controls. The ex-post control strategy contributes to the legality and regularity of expenditure on a multi-annual basis by systematically detecting and correcting errors made by beneficiaries in the reporting phase. These elements complement the ex ante controls embedded in EISMEA's programme management processes.

COSME 2014-2020

The Agency’s multi-annual Ex-Post Strategy covers the period 2016-2024. It was revised in 2020 to assess if the results, after three years, were in line with the assumptions made when defining the strategy and in 2022 to integrate the legacy programmes delegated to the Agency. The last revision focused on the update of the scope of the strategy and an update of the audit coverage and closing targets of the programmes managed by the Agency. Due to its multi-annual nature, the effectiveness of the strategy can only be measured and assessed fully in the final stages of the programmes managed by EISMEA, once the ex-post control strategy has been fully implemented and errors have been detected and corrected.

16 Ares(2022)7469209 (start date 2021-01-01, signature date 2022-11-11, duration 62months).

17 See Annex 1 to the Commission implementing decision C(2021)3046 final of 06.05.2021, chapter 3.1.1.1, page 34

18 Project ID in Compass: 101099254 (start date 2022-05-06, signature date 2022-10-23, duration 42 months)

19 Annex 1 to the Commission implementing decision C(2021)3046 final, 06.05.2021, chapter 3.1.1.1, page 34

20 With the exception of the financial instrument under Horizon 2020 and Horizon Europe

Multi-annual key indicators (ex-post controls 2014-2022)	COSME	CP
Number of ex-post controls including value based and risk based audits	95	14
Ineligible costs = detected error amount in value based audits	1.050.999	10.284
Cost accepted and paid ex-ante tested in value based audit	35.380.269	3.702.078
Detected error rate	2,97%	0,28%
Errors corrected (recovery orders recorded in ABAC before 31.12.2022) in	994.673	9.382
Errors not corrected in value based audits	56.327	902
Uncorrected error rate	0,16%	0,02%
% audited including value and risk based audits	9,84%	8,63%
% not audited	90,16%	91,37%
Residual error rate = (% audited * uncorrected error rate) + (% non audited * detected error rate)	2,69%	0,26%

Table: Multi-annual Residual Error rate COSME and Consumer programme 2014-2020

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

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

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

In 2020, the results of the third audit campaign became available leading to the multi annual residual error rate of 2,96%. As the residual error rate was above the materiality threshold of 2%, a reservation was issued.

In 2021, the results of the fourth audit campaign became available. The mitigating actions put in place in 2020 to tackle the reservation had already a slight positive impact on the multi annual residual error rate of the programme at the end of 2021²¹, which evolved at 2,90%. However, the programme failed under the minimis rule and the reservation issued in 2020 has been lifted.

Following the introduction of the reservation on the COSME programme, an action plan with mitigating measures was put in place already in 2020, which continued to be implemented in 2021 as well in 2022.

²¹ Comprehensive results in terms of lower error rates are expected as from the 2022 AAR, as some of the measures described above will take time to produce a tangible impact.

In particular, the following actions were implemented in 2022:

i. Ex ante level

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

Specifically, the following measures were undertaken:

1. Financial officers performed a number of ad-hoc on-the-spot visits of beneficiaries identified as 'critical', in order to clarify potential questions related to financial reporting before its submission;
2. Financial Officers participated in the Evaluation of the Proposals submitted to a Call, in order to early identify possible weak points that could lead to errors;
3. At the stage of signature of the Grant Agreements, regular kick-off meetings with the Beneficiaries took place with the participation of Financial Officers, in order to provide guidance on the financial provisions and specificities of the Grant Agreement and on how to avoid the main common errors in the financial management of a Grant;
4. COSME communication campaigns, targeting in particular first time EU beneficiaries and beneficiaries located in third countries, were intensified; Under this action, the related operational unit organised various kick-off meetings and provided a number of webinars in relation to a number of calls;
5. The risk assessment done at the time of ex-ante checks, in order to flag beneficiaries as candidates for targeted audits timely, was improved. In particular, an internal guidance was prepared by the relevant operational unit and was communicated to project advisers and financial officers, in order to enhance the risk assessment of beneficiaries at ex-ante stage.

ii. Ex post level

1. The target set for the audit coverage, in the ex-post audit strategy was increased, with the aim to maximise the cleaning effect and reduce the residual error rate at the end of its implementation. We set a minimum target 10%²² of audit coverage stemming from value-based audits.
2. The implementation of audit results was monitored closely, in order to make leverage on the corrective capacity and reduce the residual error rate for the audited population.

²² The target of 10% is widely used to ensure representativeness of small-size samples. See e.g. EC Guidance on sampling methods for audit authorities, Programming periods 2007-2013 and 2014-2020

In 2022, the results of the fifth audit campaign, reflecting the distribution at programme level and including both COSME Actions and COSME Network, became available. By the end of 2022, on a cumulative basis, EISMEA issued 95 final audit reports at programme level. The residual error rate of the programme at the end of 2022²³ evolved at 2,69%.

Following guidance from Central Services, as of the AAR 2019, EISMEA has calculated the COSME detected error rate against the sampled costs as a denominator rather than the full value of audited financial statements (as in AARs prior to 2019). The main impact of the change to the error rate calculation methodology leads to an increase in detected and residual error rates.

The above-mentioned error rate must be treated with caution as the nature of expenditure audited in the first years of the programme may not be totally representative of the expenditure across the whole period of expenditure.

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

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

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

- the set of eligibility rules (based on the reimbursement of actual eligible costs declared by the beneficiaries) as laid down in the basic act is not always fit for all types of beneficiaries; the profile of some beneficiaries of the programme such as "one-time beneficiaries" which are not used to EU funding rules, beneficiaries located in third countries with limited knowledge of EU rules, and small entities which do not have a robust financial management system in place;
- changes introduced in the MFF 2014-2020 (hourly rates were calculated based on two-year period in the past, while now they are to be calculated on financial years) were not updated in the cost reporting of beneficiaries with a lot of experience in EU funds;
- ex-ante controls within the COSME programme, similarly to Horizon 2020 ones, have been designed to strike a balance between a trust-based approach and a full-scale set of controls. This type of design of ex-ante controls did not allow the erroneous payments to be sufficiently prevented, detected and corrected.

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

The programme meets the cumulative criteria to fall below the “de minimis rule”, therefore EISMEA does not make a quantified reservation. Details about the related calculations are shown in Annex 9.

Consumer Programme 2014-2020

EISMEA adapted the methodology to calculate the error rates for the Consumer programme²⁴ in line with the methodology described in the Ex-Post Audit Strategy, used for COSME as well. By end of 2022, 14 audit reports have been finalised. The cumulative detected error rate calculated based on the errors stemming from the representative audits is 0,28%, while the residual error rate is 0,26%, compared to 0,45% in 2021.

Standardisation 2014-2020

We note that there are no audits finalised in 2022 for the Internal Market and support to Standardisation activities, as the audit cycle was closed at the moment the programme was transferred to EISMEA. The cumulative residual error rate of the programme is 0,35%²⁵.

Horizon 2020

By the end of 2022, the Research and Innovation Family audited 4 060 participations, covering 58.26% of total H2020 expenditure to date.

The percentage of H2020 expenditure covered by the audits (58.26%) refers to the value of the participations of the audited beneficiaries. It includes both fully audited participations (3.77%), also referred to as the 'direct' coverage, and the non-audited participations, also referred to as the 'indirect' coverage, which after the full treatment of audit results, are clean from systemic errors (54.49%).

Control benefits

Stage 1

The agency estimates the benefits of the Stage 1 – programming, evaluation and selection of proposals at more than EUR 189 million.

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

²⁴ The Consumer programme was managed by CHAFEA until 01 of April 2021. They included the results of the risk based audits in the calculation of the error rates, considering it representative for the riskier strata of the payments.

²⁵ Estimated for EISMEA AAR 2022 as follows: Average detected error rate 0,85% - Average recoveries and corrections rate 0,50% (both % available in table X of DG GROW AAR 2020) = 0,35%. DG GROW does not report on residual error rates, despite this has been established as a control objective in their materiality criteria.

Control effectiveness ratios - proposals	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 (legacy)	TOTAL
Submitted proposals	1356	451	3172	641	26	275	29	5	N/A	34	5989
Inadmissible proposals	4	32	2	5	6	8	0	0	1	0	58
Ineligible proposals	15	91	N/A	4	3	34	0	0	3	5	155
Withdrawn/duplicate proposals	1	1	10	0	0	2	0	0	0	1	15
Eligible proposals	1336	327	3159	632	17	178	29	5	45	28	5756
Proposals selected for funding - "main" list	101	54	228	91	11	91	18	5	40	27	666
Proposals selected for funding - "reserve" list	8	0	N/A	0	0	34	0	NA	0	0	42
Total selected proposals for funding	109	54	228	91	11	125	18	5	40	27	708
% success rate : number of selected (funded) vs eligible proposals	8.2%	16.5%	7.2%	14.4%	64.7%	70.2%	62.1%	100.0%	88.9%	96.4%	12.3%

Table 2: Control effectiveness ratios – proposals

Control effectiveness ratios - evaluation review requests	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
Proposals evaluated	1336	327	3172	632	17	178	29	5	45	28	5769
Evaluation review requests received	27	5	0	5	0	7	0	0	0	2	46
% of evaluation review requests vs proposals evaluated (target < 3%)	2.02%	1.53%	0.00%	0.79%	0.00%	3.93%	0.00%	0.00%	0.00%	7.14%	0.8%
% of review requests leading to re-evaluation vs proposals evaluated	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Table 3: Control effectiveness ratios – evaluation review requests

For the newly delegated programmes the Agency received a number of evaluation review requests ranging from 0,79% to 7,14% of the number of proposals evaluated. The highest numbers were for SMP Consumers programme (newly delegated) and Cosme pillar: 7,14% and 3,93% respectively. However, no review requests have led to re-evaluation which provides a good indication of the robustness of the grant award process and assurance on the effectiveness of the internal control system. The budget has been implemented to 100%. To be noted that for the legacy programme the budget has been partially implemented already in the previous year (e.g. Consumers programme (legacy) 80,2% in 2022 and 19,8% in 2021).

Control effectiveness ratios - calls	Future and Emerging Technologies (FET)	EIC Pathfinder	EIC Transition Open EIC Transition Challenges	Fast Track to Innovation (FTI)	EIC SME Instrument Phase 2; EIC Accelerator Pilot	EIC Accelerator Fund	EIC Press	Innovation in SMEs Pilots (INACSP) (H2020)	European Innovation Ecosystems (HE)	Interregional Innovation Investments Initiative (ERDF)	SMP (COSME Pillar)	Support to Standardisation (legacy)	Support to Standardisation (new)	Market Surveillance	Consumers (legacy)	Consumers (new)
% number of calls successfully launched / number of calls planned in the (revised) AWP	N/A	100.0%	100.0%	N/A	N/A	100.0%	100.0%	N/A	100.0%	100.0%	100.0%	N/A	100.0%	100.0%	N/A	100.0%
% of budget value implemented / budget allocated (for commitments from calls 2021 managed in 2022)	99.0%	99.3%	94.2%	100.0%	99.0%	99.8%	99.8%	47.3%	99.3%	92.6%	99.7%	100.0%	100.0%	95.2%	80.2%	100.0%
% of budget value implemented / budget allocated (for commitments from calls 2022 managed in 2022)	N/A	100.0%	100.0%	N/A	N/A	100.0%	100.0%	N/A	100.0%	100.0%	100.0%	N/A	100.0%	100.0%	N/A	100.0%

Table 4: Control effectiveness ratios – Stage 1

Stage 2

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

Financial impact of the adjustment process	EIC Pathfinder	EIC Transition Open EIC Transition Challenges	EIC Accelerator (HE)	Innovation in SMEs programme (INNOSUP) (H2020)	European Innovation Ecosystems (HE)	SMP (COSME Pillar)	Support to Standardisation	Market Surveillance	Consumers (legacy)	Consumers (new)	TOTAL
Number of GA signed	143	20	252	11	91	133	17	5	60	1	733
EC funding requested in proposals	€472,333,367	€45,650,000	€578,771,163	€30,705,062	€17,634,702	€221,151,293	€0	€3,469,044	€12,236,671	€2,400,000	€1,384,351,301
EC funding provided in signed GA	€434,436,317	€45,650,000	577,409,919.59	€30,705,062	€0	€221,151,293	€0	€3,469,044	€11,719,789	€2,400,000	€749,531,504
Difference EC funding	€37,897,050	€0	€1,361,243	€0	€17,634,702	€0	€0	€0	€516,882	€0	€57,409,877
Reduction rate	8.02%	0.00%	0.24%	0.00%	100.00%	0.00%	0.00%	0.00%	4.22%	0.00%	4.15%

Table 5: Control benefit – Stage 2

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

In the case of the Horizon Europe programmes, given that no adjustment phase is foreseen, the difference between the recommended funding and the final awarded grant usually is very limited. However, due to the fact that no association agreement has been signed with UK, there are some successful proposals with UK participants that are offered a choice during the grant preparation: either they are funded by the UK (resulting in a reduction of EU funding), or the tasks and the corresponding funding are redistributed among the other beneficiaries.

For the EIC Accelerator, figures are shown only for the grant component (for signed contracts), The number of Horizon Europe investment agreements signed in 2022 is too low to provide meaningful figures for the investment component.

Stage 3

Detected errors ex-ante controls	Future and Emerging Technologies (FET)	Fast Track to Innovation (FTI)	EIC SME Instrument Phase 2; EIC Accelerator Pilot	Innovation in SMEs programme (INNOSUP) (H2020)	COSME	Support to Standardisation	Consumers (legacy)	TOTAL
value of cost claims controlled ex-ante	42,948,690.54 €	16,445,210.08 €	227,865,904.22 €	10,055,978.35 €	38,550,550.17 €	23,388.86 €	5,402,744.21 €	341,292,466.43 €
value rejected costs	4,422,703.03 €	2,745,781.55 €	45,776,149.11 €	257,154.16 €	1,454,500.88 €	14,312.13 €	383,865.35 €	55,054,466.21 €
% detected errors ex-ante controls	10.30%	16.70%	20.09%	2.56%	3.77%	61.19%	7.11%	16.13%

Table 6: Control benefit – Stage 3

The ex-ante controls aim to identify and prevent irregularities, allowing for immediate correction and avoid time-consuming recovery actions. As can be concluded from the table, the ex-ante controls result in a considerable amount of detected errors and rejected costs in the cost claims submitted by the beneficiaries for a total value of more than EUR 55 million for legacy programmes managed by the Agency. This can be considered as a quantifiable benefit of the monitoring phase in 2022.

The benefits of ex-ante control stages 1, 2 and 3 are quantified by the reduction of funds awarded during the contracting procedure, equal to almost EUR 274 million.

Control benefits (Stage 4)

The benefits of Stage 4 – ex-post controls correspond to the detected errors, which amount to EUR 56, 397 for COSME and Consumer programmes.

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

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

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

Efficiency

Control efficiency - Average time to inform (TTI)	EIC Pathfinder	EIC Transition Open EIC Transition Challenges	EIC Accelerator (HE)	European Innovation Ecosystems (HE)	Interregional Innovation Investments Initiative (ERDF)	SMP (COSME Pillar)	Internal Market and Support to Standardisation	Consumers (new)
Target TTI	153	120	120	153	183	183	183	183
Result TTI	161	94	89	109	98	88	72	118

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

Control efficiency - Average time to grant (TTG)	EIC Pathfinder	EIC Transition Open EIC Transition Challenges	EIC Accelerator (HE)	European Innovation Ecosystems (HE)	Interregional Innovation Investments Initiative (ERDF)	SMP (COSME Pillar)	Internal Market and Support to Standardisation	Consumers (new)
Target TTG	245	183	245	245	274	274	274	274
Result TTG	282	181	329	247	267	198	154	217

Table 8: Control efficiency Stage 2 –average time to grant

As for the EIC Pathfinder, by the end of the year 56 grants were under preparation and more than 140 grants were signed in 2022. For most of these grants the time to inform and the time to grant deadline 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.

EIC Transition 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 entities were located in countries for which the finalisation of the association agreement was still pending.

Although the TTG for the EIC Accelerator grants was within the legal deadlines, due to the IT issues on the EIC platform negotiation module, there were delays in the transfer of data from

the EIC platform to COMPASS. In addition, in the case of EIC Accelerator, there was a delay of the implementation of the equity component (due to the all negotiations, including for grant-only projects). The procedure implies the Commission Implementing Decision/Single Award Decision at College level for all projects with investment component.

Control efficiency Stage 3

Control efficiency - Average time to pay	Future and Emerging Technologies (FET)	EIC Pathfinder	EIC Transition Open EIC Transition Challenges	Fast Track to Innovation (FTI)	EIC SME Instrument Phase 2	EIC Accelerator (HE)	EIC Prizes	Innovation in SMEs programme (INNOSUP) (H2020)	European Innovation Ecosystems (HE)	Interregional Innovation Investments Initiative (IRDF)	COSME	Internal Market and Support to Standardisation	Consumers (legacy)	Consumers (new)
Average time to pay: % of payments within the legal deadlines (number)	99.59%	95.89%	97.06%	100.00%	98.70%	100.00%	96.30%	100.00%	100.00%	97.54%	99.10%	96.00%	100.00%	100.00%
Average time to pay: % of payments within the legal deadlines (amount)	99.50%	99.97%	98.50%	100.00%	99.03%	100.00%	99.10%	100.00%	100.00%	93.60%	99.90%	96.50%	100.00%	100.00%

Table 9: Control efficiency Stage 3 – Average time to pay

Control efficiency Stage 4

Control Efficiency – ex post controls

- Ex-post audits carried out

Programme	Audit reports contracted earlier, still open at 01/01/2022	Audit reports launched in 2022	Final audit reports issued by 31/12/2022	Status of the on-going audits as of 31/12/2022			
				Fieldwork planned	Prepare the draft report	Draft report under review	Report under contradictory
Current programmes (2014-2021)							
COSME	9	13	10	0	5	4	3
CP	9	6	6	6	0	1	2
TOTAL	18	19	16	6	5	5	5

Table 10: Overview of audits

For COSME, the Agency closed eight out of the nine audits contracted in 2021 still open at the beginning of 2022. The remaining audit report is under contradictory procedure.

In addition, the Agency launched three new batches in May 2022, totalling 13 audits. Two audits are finalised, for two audits the reports are in the stage of the contradictory procedure, four reports are under quality review and five audit reports are under preparation by the external audit firm.

All 14 on-going audits are to be finalised in 2023.

For the Consumer Programme, the Agency closed six out of the nine audits contracted in 2021 still open at the beginning of 2022. Two out of the remaining three reports are under contradictory procedure, while one is under quality review.

In addition, the Agency launched two new batches of audits in November 2022, totalling six audit assignments. For all six audits contracted, the fieldwork is due to take place in early 2023. The related results are expected in 2023.

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

Completion rate of Horizon 2020 ex-post audits in 2022

The overall target (most probable scenario) in the Horizon 2020 Audit Strategy for 2022 was 611 audited participations. By 31 December 2022, the audits of 633 participations were closed, (completion rate 103.6%).

Implementation of audit results

Efficiency ratio		
Implementation of audit results excluding targeted audits (ex-post controls 2014- 2022)	COSME	CP
% of value-audits results implemented over detected errors	94,64%	91,23%
detected error amount	1.050.999 €	10.284 €
errors corrected (before 31.12.2022)	994.673 €	9.382 €

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

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

For COSME, by the end of 2022, on a cumulative basis from the beginning of the programme, 94,64% of the detected errors in value-based audits is recovered.

For the Consumer Programme, by the end of 2022, on a cumulative basis from the beginning of the programme, 91,23% of the detected errors in value-based audits is recovered.

The remaining 5,36% for COSME , respective 8,77% for the Consumer is linked to final audit reports which were closed near the year-end. The implementation of audit results of the cases above is expected to be finalised in 2023.

The following tables illustrate the implementation of the audit results and extensions:

Number of implemented AURI (cumulative from start of MFF)					
EISMEA	Audit results processed	% of audit results processed	Audit results pending	% of audit results pending	Total

Audits	167	85.64%	28	14.36%	195
Extensions	97	96.04%	4	3.96%	101
Total	264	89.19%	32	10.81%	296

Time to implement closed AURI in a financial year

EISMEA	0-6 months	% within 6 months (0-6 months)	above 6 months	% above 6 months	total
Closed projects	28	82.35%	6	17.65%	34
negative adjustents with recovery	4	57.14%	3	42.86%	7
negative adjustents without recovery	2	40.00%	3	60.00%	5
positive or zero adjustments	22	100.00%	0	0.00%	22
On-going projects	13	100.00%	0	0.00%	13
negative adjustments	4	100.00%	0	0.00%	4
positive or zero adjustments	9	100.00%	0	0.00%	9
Total	41	87.23%	6	12.77%	47

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

Main outputs in 2022			
Output	Indicator	Target	Result
Timely and qualitative analysis of annual Internal control effectiveness assessment	Review of the status of the control system	Weak and/or inefficient control systems are reviewed and measures for next year are identified	<p>Analysis of the results of the Internal Control survey contributed with qualitative analysis and demonstrated that the controls in place are working in the overall effectively (91% of management and 85% of staff answered positively in the survey). The main challenges were identified within the Internal Control components (ICC) 11, 12 and 14. The process owners of each ICC and ICP were provided with the results defining perceived strengths and weaknesses and with their involvement the action plan for 2023 was prepared, specifying the measures addressing the identified weaknesses.</p> <p>Based on the other assessment exercises (risk assessment, results of reporting on exceptions and non-compliances, audit results etc.), it was identified that also ICP 3, 10 and 12 need major improvements.</p> <p>However, the Agency also took into account the very positive results for these ICP in the Staff Survey, where they have scored positively at 90.5%, 91% and 88% across the agency (including staff and management) respectively²⁶. Each Principle was evaluated based on the results of several questions asked in the survey (4, 3 and 6) respectively, which together gave the agency a more holistic overview of the functioning of the principles.</p> <p>All of the identified deficiencies will be addressed not only through the above-mentioned EISMEA action plan, but also through the Joint Action Plan of EISMEA, DG RTD and DG CNECT that relates to the audit on the design and early implementation of the EIC.</p>

²⁶ The relevant questions asked were:

			It has been concluded that the ICF in the Agency is partially effective as internal control principle(s) 3, 8, 10, 11, 12,13 and 14 need minor or major improvements.
Report on issues linked to audit, internal control, antifraud activities are part of the mid-year and annual activity report to parent DGs and Steering Committee	Report is available (Y/N)	Mid-year Report (30/06/2022) Annual Activity Report (31/3/2023)	The reports included all relevant information were submitted on time and are available.

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

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

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	0,06	0,06	0,50%	0,00	0,00%	0,00	0,00
Sub-total	1.542,76	809,65	557,51	1.290,62		24,51		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%

Notes to the table X

(1) Relevant Control Systems [if possible] differentiated per relevant portfolio segments and at a level which is lower than the DG total

(2) Payments made or equivalent, e.g. expenditure registered in the Commission's accounting system, accepted expenditure or cleared pre-financing. In any case, this means after the preventive (ex-ante) control measures have already been implemented earlier in the cycle.

In all cases of Co-Delegations (Internal Rules Article 3), "payments made" are reported by the Delegated DGs. For Cross-SubDelegations (Internal Rules Article 12), the reporting remains with the Delegating DGs.

(3) New pre-financing actually paid by out by the department itself during the financial year (i.e. excluding any pre-financing received as a transfer from another department). as per note 2.5.1 to the Commission annual accounts thus excluding "Other advances to Member States" which are covered on a purely payment-made basis (note 2.5.2). Pre-financing paid/cleared" are always covered by the Delegated DGs, even for Cross-SubDelegations.

Retentions: in Cohesion, the 10% retention applied during the year.

(4) Pre-financing actually cleared during the financial year (i.e. their 'delta' in the Financial Year 'actuals', not their 'cut-off' based estimated 'consumption').

Retentions: in Cohesion, the retentions released during the year by the Commission.

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

(6) In this column, we disclose the detected error rates or equivalent estimates. [Equivalents might be e.g. the "adjusted error rates", AGRI, or the "residual total error rates", REGIO, EMPL, MARE. In other cases, e.g. DEVCO and NEAR, they are derived by a backwards calculation based on results from the residual error rate studies; i.e. by adding the estimated future corrections (if not assumed to be zero) to the risk at closure.]

For low-risk types of expenditure, where there are indications that the equivalent error rate might be close to 'zero' (e.g. administrative expenditure, operating contributions to agencies), the rate which should be used is 0.5% as a conservative estimate, unless the DG has a more precise estimate based on evidence.

(8) The historical average of recoveries and financial corrections (ARC) received from the central services is 0,17%.

However EISMEA has used as an adjusted average of recoveries and financial corrections (ARC), for grant management expenditure, the value of 0,18% for all programmes but Horizon 2020 and Horizon Europe. This estimation of the recovery capacity is based on average of recoveries stemming from implementation of ex-post audit results during the period 2019-2022 divided by average payments for grants for the same period. For H2020 and Horizon Europe, in line with the Research and Innovation family, EISMEA adjusted this value for grant management expenditure and used as best estimation the difference between the family expected representative error rate for the full sample (2,71%), and the EISMEA residual error rate (2,32%). For other types of expenditures (procurement, experts, and operating budget), we assumed that the ex-post future corrections would be 0%.

The average amount of the implemented corrections over the past 3 years (2020-2022) is 0,9 million euros (0,08% of the average amount of relevant expenditure of that period), compared to an average amount of estimated future corrections during the same period of 2,36 million euros (0,20% of the average amount of relevant expenditure of that period). The deviation of 0,12% between the two averages is considered marginal can be attributed to a significant decrease of the number of audits closed within the past two years, firstly due to approaching the end of the implementation of the ex-post audit strategy for the MFF 2014-2021 and also due to the reshuffling of the programme portfolio of the Agency.


(9) For some programmes with no set closure point (e.g. EAGF) and for some multiannual programmes for which corrections are still possible afterwards (e.g. EAFRD and ESIF), all corrections that remain possible are considered for this estimate.

Reservations

Reservation fiche

DG	EISMEA
Title of the reservation, including its scope	Reservation on reputational grounds concerning the late implementation and weaknesses affecting the governance and control systems of the investment component of the European Innovation Council (EIC) Accelerator scheme within the EIC Programme.
Domain	Direct management mode (transition to indirect management of the investment component due to the restructuring of the EIC Fund) in Horizon Europe framework programme
Programme (or other relevant segment) in which the reservation is made and total (annual) amount of this programme	<p>Horizon Europe</p> <p>Estimated indicative investment component budget based on the results of the evaluation of the calls 2022 for the EIC Accelerator, and subject to the EIC Fund decisions: EUR 736 326 194.</p> <p>EISMEA's contribution to the EIC Fund in 2022 was of EUR 400 million (representing a first instalment to cover estimated 2022 investment decisions by the EIC Fund).</p>
Reason for the reservation	<p>The late restructuring of the EIC Fund, bringing it in line with the Horizon Europe Regulation (indirect management), led to significant delays in the implementation of the investment component of the EIC Accelerator scheme, with operational consequences for the beneficiaries as individual investment decisions and payments were put on hold, leading also to delays on the grant component. These delays were absorbed to a large degree by the end of 2022.</p> <p>In addition, criticisms have been received from institutional actors and from potential beneficiaries of the EIC Accelerator (blended finance/equity support) due to the legal and financial uncertainty provoked by the delays in its implementation.</p> <p>In addition, in January 2023, the IAS issued the audit report on the design and early implementation of the European Innovation Council, highlighting key shortcomings. The identified weaknesses resulted in two critical recommendations concerning (i) the insufficiently defined and implemented governance framework of the EIC and (ii) the design of EISMEA's internal control and anti-fraud strategies in relation to the EIC specificities, notably for the EIC Accelerator (blended finance/equity part). The auditees timely adopted a common Action Plan containing remedial measures and a timetable for their implementation, to address the weaknesses identified.</p>
Materiality criteria	<ul style="list-style-type: none"> - Critical findings outlined by the Internal Audit Service (audit on the design and early implementation of the EIC) <p>The recommendations made by the IAS are being effectively addressed. However, the overall significance of the entire report is critical, and the weaknesses identified, namely the governance framework of the EIC Programme and the design of the EISMEA's Internal control anti-fraud strategies in relation to the EIC specificities (notably for the EIC Accelerator (blended finance/equity part), may have a serious incidence on the assurance building process.</p> <ul style="list-style-type: none"> - Significant reputational events

	Reputational reservation due to the criticism received from institutional partners, and also from potential beneficiaries of the EIC Accelerator (blended finance/equity support) due to the legal and financial uncertainty provoked by the delays in its implementation, corresponding to the issues raised in the IAS report.
Quantification of the financial impact (amount at risk)	Non-quantified exposure (reputational reservation).
Impact on the assurance	Weaknesses in the governance and control systems of the investment component of the Accelerator scheme of the European Innovation Council (EIC) Programme within Horizon Europe, possibly affecting the assurance that resources are used for the intended purpose.
Responsibility for the weakness	<p>DG Research and Innovation for the design of the governance framework of the EIC Fund and defining the respective roles and responsibilities of the Commission vs EISMEA, and EISMEA for the update of the internal control environment in relation, notably, to the EIC Fund.</p> <p>The EIC programme has undergone major developments since 2021 for the EIC Fund for which the governance set up and budget implementation management mode are finally being brought in conformity with the Horizon Europe Regulation (indirect management). However, key operational decisions on the structure of the EIC fund have not yet been fully implemented due to the ongoing technical discussions and policy considerations.</p>
Responsibility for the corrective action	<p>EISMEA will:</p> <ul style="list-style-type: none"> - Contribute, as associated party (Lead: RTD), to the drafting of the Memorandum of Understanding (MoU) between EISMEA, DG RTD and DG CNECT through the working set up and will sign the MoU that sets out the cooperation modalities between the Commission and EISMEA and the supervision responsibility of the parent DGs. - Contribute, as associated party (Lead: RTD), to a proposal for a revision of the Delegation instrument reflecting the interim solution and clarifying the exact tasks and role of EISMEA under the long-term solution, where the investment component of the EIC Accelerator will be implemented in indirect management. - Subject to the above points, reflect on the pertinence to review consequently its internal organisation and possibly present a reorganisation to its Steering Committee. - Update, as lead party, its anti-fraud and control strategies to reflect the specificities of the EIC programme, and will submit them to the EISMEA Steering Committee for approval and adoption; it will subsequently perform an assessment of the internal control components to check their alignment to the specificities of the EIC programme and update its Manual of Procedures that will be submitted to the EISMEA Steering Committee for approval and adoption and published in GoFund.

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- Contribute, as associated party (Lead: RTD), to the drafting of the quadripartite Memorandum of Understanding (Commission, EISMEA, EIC Fund, AIFM and EIB) so that it includes clear definition and attribution of roles, responsibilities and cooperation modalities of the different actors and precise instructions on conflict of interest/incompatibility.

These actions will be implemented by the end of 2023 at the latest

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

HR Management performance table

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

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

Source of data: DG HR

Baseline	Interim Milestone		Final Target	Latest known results
	2021			
(female representation in middle management positions) 45%	45% (5 out of 11)		50% in 2024 ²⁷	2022 41% (5 out of 12)

Indicator 2: EISMEA staff engagement index

Source of data: Commission staff survey [data provided by DG HR]

Baseline	Interim Milestone (please add as many columns as the number of defined milestones)		Target (2024) (year + explanation how the target was agreed)	Latest known results (year)
	(year)	(year)		
69% (2021)	At least 76% and maintain above the Commission average of 72%	69% in 2021 as the Commission staff survey is not done on yearly basis and there was not any EISMEA staff survey on this topic in 2022.

²⁷ End of this Commission's mandate
eismae_aar_2022_annexes

Indicator 3: Occupation rate of the establishment plan

Source of data: EISMEA/ Establishment Plan

Baseline	Interim Milestone (please add as many columns as the number of defined milestones)		Target (2022) (year + explanation how the target was agreed)	Latest known results (year)
	(year)	(year)		
88% (2021)	90%	89% in 2022

Main outputs in 2022:

Output	Indicator	Target	Latest known result
BUILDING UP AND REACHING OUT			
Revision of the selection procedure guide	Updated selection procedure guide.	June 2022	The Staff Selection Procedure was finished at the end of June, and it entered into force in July 2022.
Competency-based assessments	Completion of competency-based assessments	December 2022	Due the Inter Executive Agency (IEA) HR strategy, such an exercise was to put on hold to wait for the EAs' Directors endorsement expected in January 2023;
Training strategy	Completion of strategy	December 2022	Draft Strategy V1 ready. To be finalised once IEA HR strategy is endorsed
Induction Day	Number of sessions - one every 3 months.	4 completed by December 2022	No induction day sessions organised in 2022 due to understaffing in HR team (50% of capacity). Each new comer receives a hands-on information e-mail for quick on boarding on administrative topics with referral to the intranet and manual of procedures. The procedure will be re-assessed when HR is in full capacity.
CREATING A NEW ORGANISATIONAL CULTURE			
'Coffee with the Director' meetings	Number of meetings.	9 meetings / 50 staff members participated by end 2022	7 meetings 59 participants
Migration of intranet from Drupal to the corporate EC platform	Successful launch and increase in visits	Launch by June 2022, 10% increase in readership by end 2022 (compared to end 2021).	Intranet launched on 1st June 2022 The Sharepoint in-built tool for statistics doesn't allow for an accurate comparison with the previous Drupal website as it uses different metrics.

Output	Indicator	Target	Latest known result
Establishment of bottom-up groups (EISMEA Initiatives)	Number of groups established and working actively on initiatives of common interest	4 active groups with min 30 colleagues involved by end 2022	4 groups were established: -EISMEA Greening group -EISMEA Cycling group -EISMEA Football team men and women -EISMEA Mind & Body Around 65 people participated in the bottom-up groups in 2022
TED-style lunchtime talks (EIS_MEALS)	Number of talks, participation rate, feedback	8 talks in 2022, average of 70 participants per session, positive feedback via survey.	6 talks organised Average number of participants: 80 Satisfaction rate:90.6%
Visit to innovative company	Launch pilot visit in 2022	1 visit (pilot) in 2022	Pilot visit of 10 trainees to an innovative company in Ghent
IMPLEMENTING A MODERN HR SERVICE			
Awareness raising on ethical rules	Ethics training for management HR-Awareness raising each quarter via email to staff	Twice per year by December 2022 3 emails by December 2022	EU Data Protection week in January 2022. Info session on exception & non-compliance in May 2022. Managers reminded in person to follow the ethics training (instead of sending emails). EISMEA was involved in Inter-Agency Respect & dignity @ work week which took place in October 2022
Whistleblowing session	Whistleblowing training session for all staff	2 times/ year by December 2022	No whistleblowing sessions organised in 2022 due to understaffing in HR team (50% of capacity)
Development of Human Resources Management (HRM) system	Launch investigation and development of a smart IT tool in the agency	Development to take place in 2022-2023. Launch in 2023.	Start investigating and developing a smart IT tool in the Agency will start in 2023 last quarter to continue in 2024
360° appraisal of all EISMEA managers	Launch first batch of 360° appraisals	December 2022	A first proposal to organise 360° was launched in November
STAFF ENGAGEMENT			

Output	Indicator	Target	Latest known result
Harmonise staff job descriptions and update the job holder objectives to the mandate of each unit within the agency	90% of Agency staff having a job description corresponding to the harmonised approach agreed among EAs end 2021. + 90% of job holder objectives updated.	December 2022	Harmonisation of job description and titles finished in July 2022. The job holders' objective update has been postponed to the 2023 appraisal exercise
PROMOTING GENDER BALANCE			
Performance management: Agency will roll out a full women talent programme (WTP)	Inter-Agency programme is available for EISMEA staff	2022 edition of WTP to be launched by November 2022	The first Inter-Agency women talent programme ended on 13 October 2022 (Final event). The report on the pilot for lessons learnt will be finalised in January 2023. New edition put on hold waiting for the new IEA HR Strategy.

Digital Transformation and Information Management Performance Table

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

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

Source of data: EEN and EIC

Baseline (2020)	Interim Milestone	Target (2024) (year + explanation how the target was agreed)	Latest known results (2022)
	(2022)		
31% EEN 40% EIC	68% EEN 81% EIC	90% EEN 95% EIC	70% 72,64 %

Indicator 2: Percentage of the agency's key data assets for which corporate principles for data governance have been implemented

Source of data: EISMEA

Baseline (2020)	Interim Milestone ⁽²⁸⁾		Target (2024) (year + explanation how the target was agreed)	Latest known results (2022)
	(2022)	(2023)		
A data inventory will be realised by EISMEA in 2022 based on which a realistic indicator will be set in 2022.	50%	65%	80%	50%

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

Source of data: DPO and HR

Baseline (2018)	Interim Milestone (please add as many columns as the number of defined milestones)		Target (2024) (year + explanation how the target was agreed)	Latest known results (2022)
	(2022)	(2023)		
40%	95% of staff in post for 6 months or longer	96% of staff	100% of staff in post for 6 months or longer	51% (participation in training sessions), although wider awareness activities (emails info) reached all staff

Main outputs in 2022:

Output	Indicator	Target	Latest known result
Development of AI platform and marketplace for EIC applications and information sharing.	Procurement done in time to ensure business continuity.	Procurement procedure completed by end 2022.	Completed as foreseen by end 2022
Data protection awareness events, training sessions	Number of activities organised per year	four times per year	13 activities organised by EISMEA

Output	Indicator	Target	Latest known result
Review of the agency's Data protection Action plan	Reporting to Director on the implementation of the agency's Data protection Action plan	once per year	Reviewed in 2021; Review in progress for 2022

Sound Environmental Management performance table

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

Main outputs in 2022:

Indicator 1: More efficient use of resources (energy, water, paper)

Source of data: EISMEA C.02.2 / DIGIT

Output	Indicator	Target	Latest known result
Paperless working methods at EA level (such as paperless working: e-signatories, financial circuits, collaborative working tools) and staff awareness actions to reduce office paper use in line with the EMAS corporate action on resource efficiency (March) and/or raise awareness about EA's office paper use in collaboration with OIB where appropriate.	Number or % of staff informed	Address all staff	All staff addressed
	Number of actions	1 action per year	Publication regarding management of paper archives a manual of procedures was published on the intranet
	% reduction	Reduce paper consumption (10%) <i>compared with previous year</i>	This reduction could not be measured at the level of EISMEA but at the level of the central services (data requested from DIGIT). Figures not comparable with figures of 2021 when teleworking measures were in place due to the COVID-19 pandemic.
Participation in the end of the year energy saving action, by closing down EA's buildings during the Christmas and New Year's holiday period. , Number of buildings participating , % of DG buildings participating	Number of new actions introduced	1 action per year	2 actions performed: COV2 building was closed during the summer break (3 weeks) and the Christmas/New Year weeks (2 weeks)

Indicator 2: Reducing CO2, equivalent CO2 and other atmospheric emissions

Source of data: EISMEA C.02.2

Output	Indicator	Target	Latest known result
Gradual increased use (and number) of VC meeting rooms in the EA, in collaboration with DG SCIC.	Number of VC meeting rooms	8	9
Staff awareness on digital pollution and gradual change of behaviours avoiding heavy emails, encouraging the use of ICT platforms, avoiding unnecessary storage of data	Number of events organised	2	2 events: Green week at Covent Garden (28/11-02/12) and Digital Frugality Campaign started on 05/12

Indicator 3: Reducing and managing waste

Source of data: EISMEA C.02.2

Output	Indicator	Target	Latest known result
Implement the EC Guidelines for sustainable meetings and events, e.g. reduce/eliminate single-use plastics, gadgets/gifts	Number of events	100% of events following guidelines	100% events following guidelines

Indicator 4: Promoting green public procurement

Source of data: EISMEA C.02.2

Output	Indicator	Target	Latest known result
Staff awareness actions about GPP among EA's staff ("green items" among EC office supplies' catalogue in line with the EMAS corporate action on resource efficiency and/ or staff awareness actions (for example, introduce an EA-specific office supplies' catalogue, including only 100% "green items (if available)	Yes	Address all staff	Our tender specifications encourage green and social procurement. Green characteristics of the purchases carry more points in the internal evaluations. For the activities related to external communication GPP specifications were used for the purchase of promotional material for the organisation of the Away Day.
	Number of actions	100% of "green" items ordered	100%
	Number or % of staff informed	100%	100%