



European
Commission

Annual Activity Report 2020

Annexes

INEA

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

For the Director in charge of risk management and internal control:

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

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

Brussels, 23 March 2021

Paloma Aba Garrote

e-signed

For the Director taking responsibility for the completeness and reliability of management reporting on results and on the achievement of objectives:

I hereby certify² 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.

Brussels, 23 March 2021

Dirk Beckers

e-signed

¹ C(2017)2373 of 19.04.2017.

² On the basis on the AOSD reports submitted by the Heads of Departments in INEA.

ANNEX 2: Performance tables

CEF Transport

Specific Objective DG MOVE (from 2016-2020 Strategic Plans): A modern European transport infrastructure: Ensure the effective implementation of funding for the Trans-European Transport Network under the Connecting Europe Facility and under the innovative financial instruments (EFSI).

Related to spending programme: CEF Transport

Main outputs in 2020

Source of data: INEA

Output	Indicator	Target	Result: all targets have been reached except for the target on time to pay for first pre-financings.
Organisation of information days	Satisfaction rate of participants	>95%	N/A – no info days in 2020
Timely reimbursement of external experts	Time to pay (TTP)	>98% within the TTP	100 % of payments within the TTP (78 payments)
Evaluation of project proposals –number: 270	Time to inform	100% of the applicants informed on time	100 % of the applicants informed on time
Preparation and signature of grant agreements – number: 154	Time to grant	>98% of the grant agreements signed on time	100 % of the grant agreements signed on time

Execution of first pre-financing payment for projects - number: 170	Time to pay	100% within the TTP	99.40 % within the TTP due to one late payment.
Execution of further pre-financing, following the reception of Action Status Reports (ASRs)- number of ASRs: 526 Number of further pre-financings: 256	Time to pay	100% within the TTP	100 % within the TTP
Receipt and evaluation of progress/interim reports, execution of interim payments –number: 155	Time to pay	>98% within the TTP	100 % within the TTP
Receipt, evaluation of final reports and execution of final payments – number: 54	Time to pay	>98% within the TTP	98.1% within the TTP

Specific Objective DG ENER (from 2016-2020 Strategic Plans): Further work towards a well-functioning and fully integrated internal energy market, including with interconnections.

Specific Objective DG ENER (from 2016-2020 Strategic Plans): Contributing to security of supply, based on solidarity and trust.

Related to spending programme: CEF ENER

Main outputs in 2020

Source of data: INEA

Output	Indicator	Target	Result: all targets have been reached except for the time to grant target and the target on time to pay for interim payments.
Organisation of information days	Satisfaction rate of participants	>95%	N/A – no info days in 2020
Timely reimbursement of external experts	Time to pay (TTP)	>98% within the TTP	100 % of payments within the TTP (19 payments)
Evaluation of proposals – number: 24	Time to inform	100% of the applicants informed on time	100 % of the applicants informed on time
Preparation and signature of grant agreements – number: 4	Time to grant	>98% of the grant agreements signed on time	75 % of the grant agreements signed on time due to one late signature for reasons outside the Agency's remit.

Execution of first pre-financing payment for actions - number: 9	Time to pay	100% within the TTP	100 % within the TTP
Execution of further pre-financing, following the reception of Action Status Reports (ASRs)– number of ASRs: 41 Number of further pre-financings: 11	Time to pay	100% within the TTP	100 % within the TTP
Receipt and evaluation of progress/interim reports, execution of interim payments –number: 11	Time to pay	>98% within the TTP	90.9 % within the TTP due to one late payment.
Receipt, evaluation of final reports and execution of final payments – number: 20	Time to pay	>98% within the TTP	100 % within the TTP

Specific objective DG CNECT (from 2016-2020 Strategic Plans): The digital economy can develop to its full potential underpinned by initiatives enabling full growth of digital and data technologies.

Related to spending programme: CEF ICT

Specific objective DG CNECT (from 2016-2020 Strategic Plans): All Europeans enjoy effective world-class connectivity through future-proof and ubiquitous digital networks and service infrastructures as underlying basis for the digital society and data economy.

Main outputs in 2020

Source of data: INEA

Output	Indicator	Target	Result: all targets have been reached except for the target on time to pay for first pre-financings.
Organisation of information days	Satisfaction rate of participants	>95%	100 % of satisfaction reached
Timely reimbursement of external experts	Time to pay (TTP)	>98% within the TTP	100 % of payments within the TTP (37 Payments)
Evaluation of project proposals – number: 212 DSI and 8,644 WiFi4EU	Time to inform	100% of the applicants informed on time	100 % of the applicants informed on time

Preparation and signature of the grant agreements for Digital Service Infrastructures (DSIs)–number: 79	Time to grant	>98% of the grant agreements signed on time	98.7 % of the grant agreements signed on time
Preparation and signature of the grant agreements for call WiFi4EU-2020-1 – number: 960	Time to grant	>98% of the Grant agreements signed on time	99.58 % of the grant agreements signed on time
Execution of pre-financing payment for projects - number: 82	Time to pay	100% within the TTP	98.78 % within the TTP due to one late payment.
Receipt, evaluation of final reports and execution of final payments –number: 91 for DSIs and 2716 for WiFi4EU	Time to pay	>98% within the TTP	99.74 % within the TTP

H2020 Energy

Specific objective DG RTD (from 2016-2020 Strategic Plans): To ensure an effective and efficient implementation of Horizon 2020 and other RTD programmes and maximise synergies and contribute to the transition to a low-carbon economy by stimulating the development of new cost-effective technologies and services via R&I policy and actions - in particular with regard to the Energy Union key priorities and related EU energy and climate policies for 2030 and 2050.

Related to spending programme: Horizon 2020 Energy

Specific Objective DG ENER (from 2016-2020 Strategic Plans): Tapping the job and growth potential of the energy sector and further developing energy technologies.

Specific Objective DG CNECT (from 2016-2020 Strategic Plans): The digital economy can develop to its full potential underpinned by initiatives enabling full growth of digital and data technologies.

Main outputs in 2020

Source of data: INEA

Output	Indicator	Target	Result: all targets have been reached.
Organisation of information days	Satisfaction rate of participants	>95%	N/A – no info days in 2020
Evaluation of project proposals –number: 648	Time to inform	100% of the beneficiaries informed on time	100 % of the applicants informed on time

Preparation and signature of grant agreements from 2019 and 2020 calls – number: 91	Time to grant	>98% of the grant agreements signed on time	98.9 % of the grant agreements signed on time
Execution of pre-financing payment for projects - number: 92	Time to pay (TTP)	100% within the TTP	100 % within the TTP
Receipt and evaluation of progress/interim reports, execution of interim payments –number: 97	Time to pay	>98% within the TTP	100 % within the TTP
Receipt, evaluation of final reports and execution of final payments –number: 49	Time to pay	>98% within the TTP	100 % within the TTP

H2020 Transport

Specific objective DG RTD (from 2016-2020 Strategic Plans): To ensure an effective and efficient implementation of Horizon 2020 and other RTD programmes and maximise synergies, contributing to the achievement of a European transport system that is resilient, resource efficient, climate and environmentally friendly, safe and seamless for the benefit of all citizens, the economy and society.

Specific objective DG MOVE (from 2016-2020 Strategic Plans): An innovative transport sector: Ensure the effective implementation of funding for research and innovation activities in the transport area under Horizon 2020.

Related to spending programme: Horizon 2020 Transport

Main outputs in 2020

Source of data: INEA

Output	Indicator	Target	Result all targets have been reached.
Organisation of information days	Satisfaction rate of participants	>95%	N/A – no info days in 2020
Evaluation of project proposals – number: 416	Time to inform	100% of the beneficiaries informed on time	100 % of the applicants informed on time
Preparation and signature of grant agreements from 2019 and 2020 calls – number: 74	Time to grant	>98% of the grant agreements signed on time	100 % of the grant agreements signed on time

Execution of pre-financing payment for projects - number: 68	Time to pay (TTP)	100% within the TTP	100 % within the TTP
Receipt and evaluation of progress/interim reports, execution of interim payments -number: 87	Time to pay	>98% within the TTP	100 % within the TTP
Receipt, evaluation of final reports and execution of final payments -number: 45	Time to pay	>98% within the TTP	100 % within the TTP

Innovation Fund

Specific Objective DG CLIMA (from 2016-2020 Strategic Plans): Optimisation and efficient management of financial incentives to support the innovation-based shift towards a low carbon and climate-resilient EU economy through the EU budget (LIFE, mainstreaming) and the (ETS) funds in cooperation with all DGs.

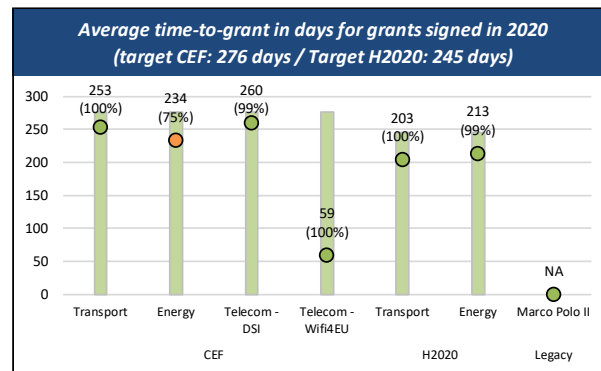
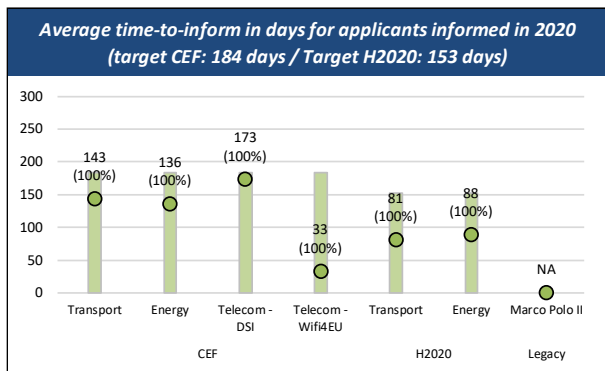
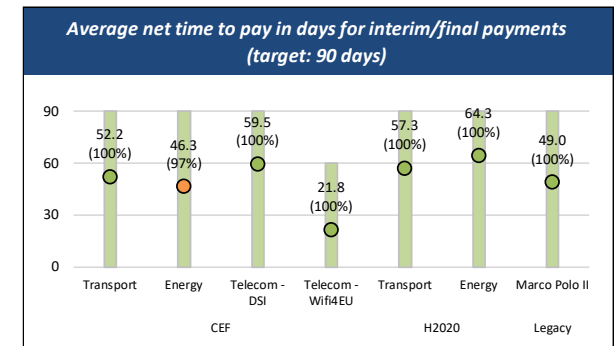
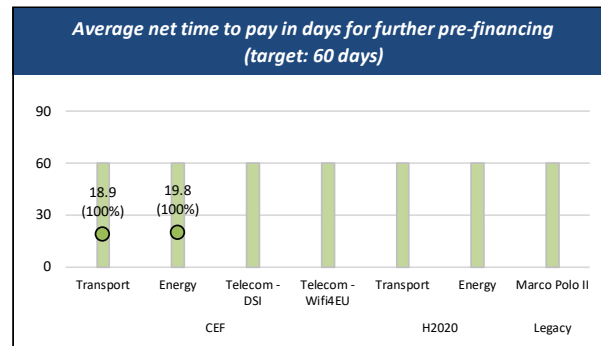
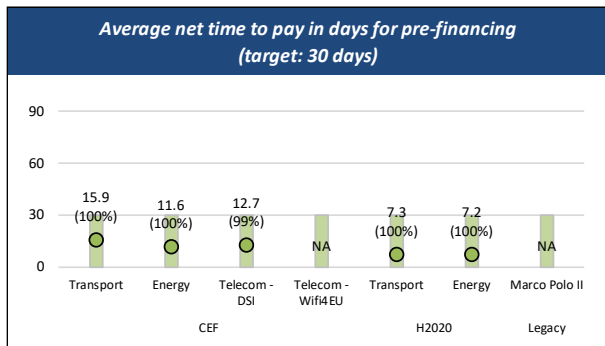
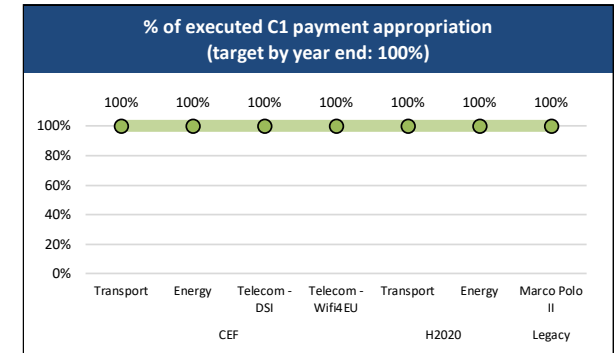
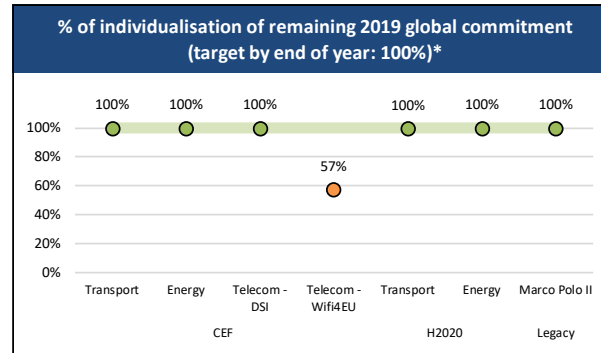
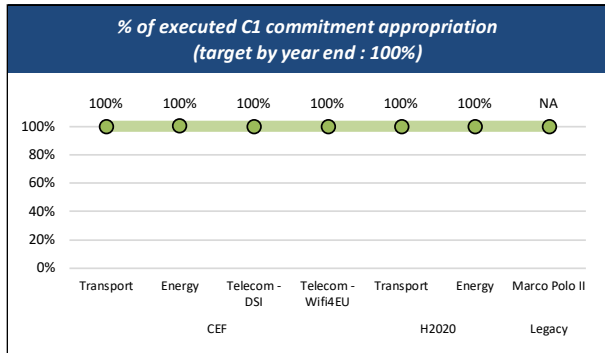
Related to spending programme: Innovation Fund

Main outputs in 2020

Source of data: INEA

Output	Indicator	Target	Result: N/A
Organisation of information days	Satisfaction rate of participants	>90%	No statistics yet as feedback is collected later via surveys with applicants.
Evaluation of project proposals-number: 309 (1 st stage)	Time to inform	100% of the beneficiaries informed on time	N/A (applicants will be informed in 2021)

Achievement of the KPIs per sector



* The 57% individualisation of the 2019 global commitment for Wifi4EU is due to 36 terminations of grant agreements following the 3rd call for proposals, which could not be replaced.

Legend

State-of-play: 31/12/2020

● Target achieved

● Target not achieved

Target area of the indicator



ANNEX 3: Draft annual accounts and financial reports

Annex 3 Financial Reports - INEA - Financial Year 2020

Table 1 : Commitments

Table 2 : Payments

Table 3 : Commitments to be settled

Table 4 : Balance Sheet

Table 5 : Statement of Financial Performance

Table 5 Bis: Off Balance Sheet

Table 6 : Average Payment Times

Table 7 : Income

Table 8 : Recovery of undue Payments

Table 9 : Ageing Balance of Recovery Orders

Table 10 : Waivers of Recovery Orders

Additional comments

NOT APPLICABLE

TABLE 1: OUTTURN ON COMMITMENT APPROPRIATIONS IN 2020 (in Mio €) for INEA

			Commitment appropriations authorised	Commitments made	%
			1	2	3=2/1
Title 1 STAFF EXPENDITURES					
1	1 1	Remuneration allowances charges	24,346247	24,33392007	99,95 %
	1 2	Socio medical & training expenditure	1,442003	1,4364971	99,62 %
Total Title 1			25,78825	25,77041717	99,93 %

Title 2 INFRASTRUCTURE & OPERATING EXPENDITURE					
2	2 1	Building expenditure	3,067953	3,06795234	100,00 %
	2 2	ICT expenditure	1,123717	1,07324103	95,51 %
	2 3	Movable property & current operating expenditure	0,175512	0,16948642	96,57 %
Total Title 2			4,367182	4,31067979	98,71 %

Title 3 PROGRAMME SUPPORT EXPENDITURE					
3	3 1	Programme Support Expenditure	0,830568	0,83055649	100,00 %
Total Title 3			0,830568	0,83055649	100,00 %

Total INEA			30,986	30,91165345	99,76 %
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*Commitment appropriations authorised include, in addition to the budget voted by the legislative authority, appropriations carried over from the previous exercise, budget amendments as well as miscellaneous commitment appropriations for the period (e.g. internal and external assigned revenue).

% Outturn on Commitment Appropriations in 2020 for INEA

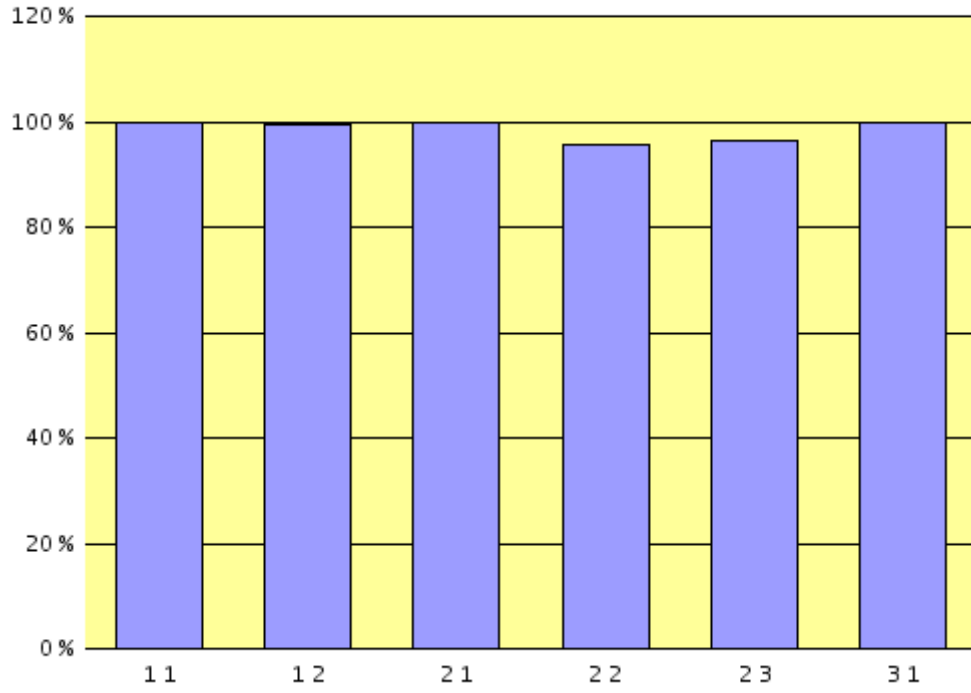


TABLE 2: OUTTURN ON PAYMENT APPROPRIATIONS IN 2020 (in Mio €) for INEA					
			Payment appropriations authorised *	Payments made	%
			1	2	3=2/1
Title 1 STAFF EXPENDITURES					
1	1 1	Remuneration allowances charges	24,4010752	24,30083522	99,59 %
	1 2	Socio medical & training expenditure	1,62481865	1,15111567	70,85 %
Total Title 1			26,02589385	25,45195089	97,79%
Title 2 INFRASTRUCTURE & OPERATING EXPENDITURE					
2	2 1	Building expenditure	3,33841396	2,96227618	88,73 %
	2 2	ICT expenditure	1,19874373	0,86407421	72,08 %
	2 3	Movable property & current operating expenditure	0,21583266	0,12320238	57,08 %
Total Title 2			4,75299035	3,94955277	83,10%
Title 3 PROGRAMME SUPPORT EXPENDITURE					
3	3 1	Programme Support Expenditure	1,18915233	0,72991946	61,38 %
Total Title 3			1,18915233	0,72991946	61,38%
Total INEA			31,96803653	30,13142312	94,25 %

* 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).

% Outturn on Payment Appropriations in 2020 for INEA

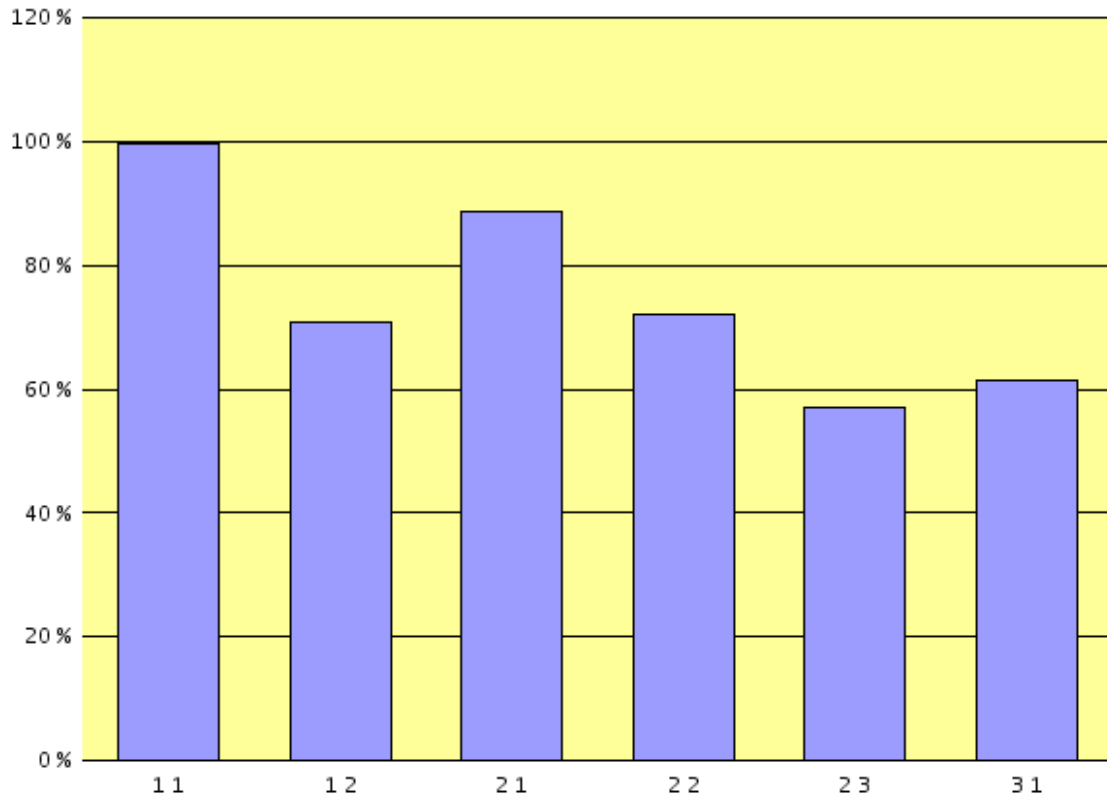


TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2020 (in Mio €) for INEA									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2019	Total of commitments to be settled at end of financial year 2020	Total of commitments to be settled at end of financial year 2019
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
1	1 1	Remuneration allowances charges	24,33	24,26	0,07	0,29%	0,00	0,07	0,05
	1 2	Socio medical & training expenditure	1,44	1,10	0,34	23,76%	0,00	0,34	0,18
Total Title 1			25,77	25,36	0,41	1,60%	0,00	0,41	0,24

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2020 (in Mio €) for INEA									
			Commitments to be settled				Commitments to be settled from financial years previous to 2019	Total of commitments to be settled at end of financial year 2020	Total of commitments to be settled at end of financial year 2019
Chapter			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	3,07	2,75	0,32	10,45%	0,00	0,32	0,27
	2 2	ICT expenditure	1,07	0,83	0,24	22,61%	0,00	0,24	0,08
	2 3	Movable property & current operating expenditure	0,17	0,09	0,08	48,89%	0,00	0,08	0,04
Total Title 2			4,31	3,66	0,65	14,99%	0,00	0,65	0,39

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2020 (in Mio €) for INEA

			Commitments to be settled				Commitments to be settled from financial years previous to 2019	Total of commitments to be settled at end of financial year 2020	Total of commitments to be settled at end of financial year 2019
Chapter			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
3	3 1	Programme Support Expenditure	0,83	0,43	0,40	48,54%	0,00	0,40	0,36
Total Title 3			0,83	0,43	0,40	48,54%	0,00	0,40	0,36
Total :			30,91	29,45	1,46	4,73 %	0,00	1,46	0,98

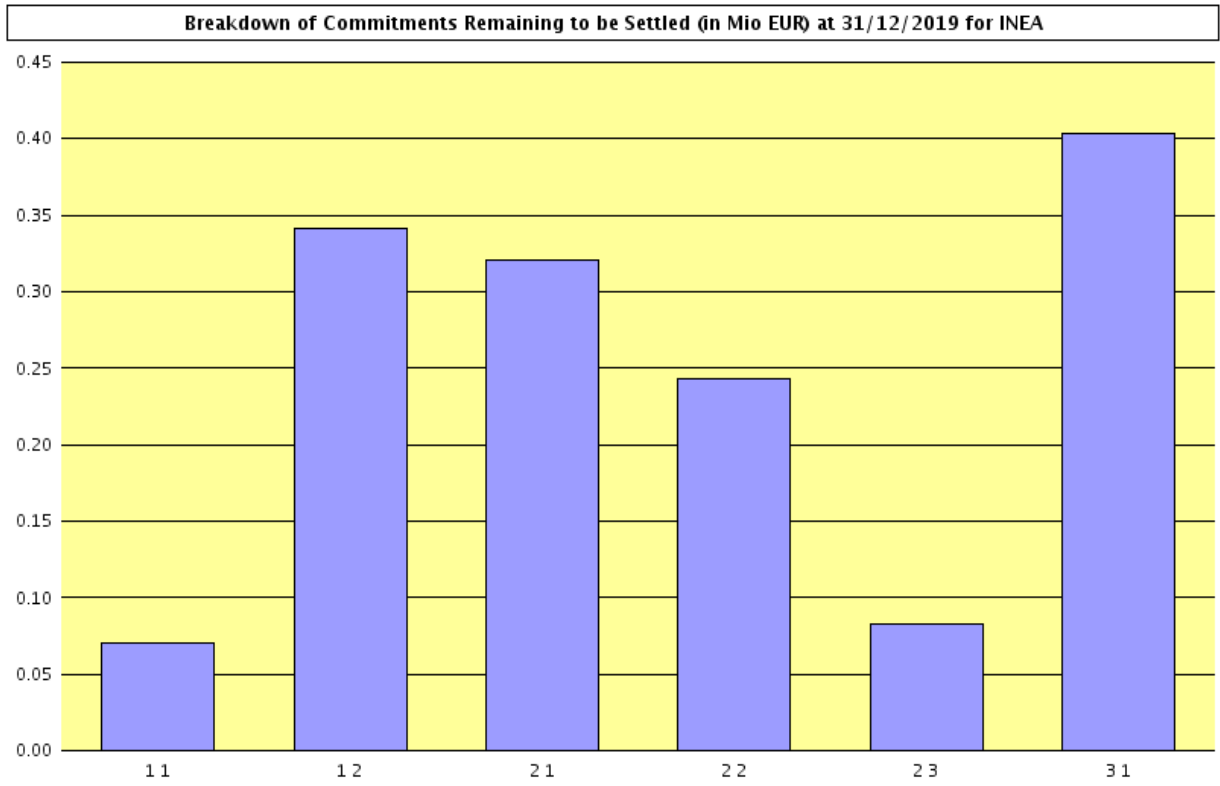


TABLE 4 : BALANCE SHEET for INEA

BALANCE SHEET	2020	2019
A.I. NON CURRENT ASSETS	279.594,00	566.806,80
A.I.1. Intangible Assets	18.181,00	38.393,00
A.I.2. Property, Plant and Equipment	136.413,00	217.646,00
A.I.6. Non-Cur Exch Receiv & Non-Ex Recoverab	125.000,00	310.767,80
A.II. CURRENT ASSETS	1.978.836,39	1.483.809,09
A.II.2. Current Pre-Financing	0,00	0,00
A.II.3. Curr Exch Receiv & Non-Ex Recoverables	117.497,57	180.124,81
A.II.6. Cash and Cash Equivalents	1.861.338,82	1.303.684,28
ASSETS	2.258.430,39	2.050.615,89
P.II. CURRENT LIABILITIES	-1.613.908,90	-1.336.833,37
P.II.2. Current Provisions	-7.500,00	0,00
P.II.3. Current Financial Liabilities	0,00	0,00
P.II.4. Current Payables	-405.963,93	-367.722,93
P.II.5. Current Accrued Charges & Deferred Income	-1.200.444,97	-969.110,44
LIABILITIES	-1.613.908,90	-1.336.833,37
NET ASSETS (ASSETS less LIABILITIES)	644.521,49	713.782,52

P.III.2. Accumulated Surplus/Deficit	-713.782,52	-1.281.817,87
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Non-allocated central (surplus)/deficit*	69.261,03	568.035,35
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TOTAL	0,00	0,00
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It should be noted that the balance sheet and statement of financial performance presented in Annex 3 to this Annual Activity Report, represent only the assets, liabilities, expenses and revenues that are under the control of this Directorate General. Significant amounts such as own resource revenues and cash held in Commission bank accounts are not included in this Directorate General's accounts since they are managed centrally by DG Budget, on whose balance sheet and statement of financial performance they appear. Furthermore, since the accumulated result of the Commission is not split amongst the various Directorates General, it can be seen that the balance sheet presented here is not in equilibrium.

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

TABLE 5 : STATEMENT OF FINANCIAL PERFORMANCE for INEA

STATEMENT OF FINANCIAL PERFORMANCE	2020	2019
II.1 REVENUES	-30.592.993,15	-28.618.487,21
II.1.2. EXCHANGE REVENUES	-30.592.993,15	-28.618.487,21
II.1.2.1. FINANCIAL INCOME	-126,58	
II.1.2.2. OTHER EXCHANGE REVENUE	-30.592.866,57	-28.618.487,21
II.2. EXPENSES	30.662.254,18	29.186.522,56
II.2. EXPENSES	30.662.254,18	29.186.522,56
II.2.10. OTHER EXPENSES	6.267.622,73	6.740.845,73
II.2.6. STAFF AND PENSION COSTS	24.394.629,50	22.445.676,82
II.2.8. FINANCE COSTS	1,95	0,01
STATEMENT OF FINANCIAL PERFORMANCE	69.261,03	568.035,35

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TABLE 5bis : OFF BALANCE SHEET for INEA

OFF BALANCE	2020	2019
OB.3. Other Significant Disclosures	-8.157.102,87	-2.158.023,77
OB.3.2. Comm against app. not yet consumed	-752.619,21	-247.887,03
OB.3.3.7. Other contractual commitments	-18.539,90	-24.184,40
OB.3.5. Operating lease commitments	-7.385.943,76	-1.885.952,34
OB.4. Balancing Accounts	8.157.102,87	2.158.023,77
OB.4. Balancing Accounts	8.157.102,87	2.158.023,77
OFF BALANCE	0,00	0,00

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

TABLE 6: AVERAGE PAYMENT TIMES FOR 2020 for INEA

Legal Times						
Maximum Payment Time (Days)	Total Number of Payments	Nbr of Payments within Time Limit	Percentage	Average Payment Times (Days)	Late Payments Amount	Percentage
30	360	360	100,00 %	8,46	0,00	0, %
45	1	1	100,00 %	32	0,00	0, %

Total Number of Payments	361	361	100,00 %		0,00	0, %
Average Net Payment Time	8,52			8,52		
Average Gross Payment Time	9,88			9,88		

Suspensions							
Average Report Approval Suspension Days	Average Payment Suspension Days	Number of Suspended Payments	% of Total Number	Total Number of Payments	Amount of Suspended Payments	% of Total Amount	Total Paid Amount
0	23	21	5,82 %	361	102.561,47	1,70 %	6.042.620,36

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).

TABLE 7 : SITUATION ON REVENUE AND INCOME IN 2020 for INEA

Chapter		Revenue and income recognized			Revenue and income cashed from			Outstanding balance
		Current year RO	Carried over RO	Total	Current Year RO	Carried over RO	Total	
		1	2	3=1+2	4	5	6=4+5	
2 0	EU Budget Contribution to the Executive Agency	30.986.000,00	0,00	30.986.000,00	30.985.705,10	0,00	30.985.705,10	294,90
9 0	Miscellaneous revenue	28.727,88	7.500,00	36.227,88	24.526,92	7.500,00	32.026,92	4.200,96
Total INEA		31014727,88	7500	31022227,88	31010232,02	7500	31017732,02	4495,86

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

Year of Origin (commitment)	Total undue payments recovered		Total transactions in recovery context (incl. non-qualified)		% Qualified/Total RC	
	Nbr	RO Amount	Nbr	RO Amount	Nbr	RO Amount
No Link			1	126,58		
Sub-Total			1	126,58		

EXPENSES BUDGET	Irregularity		OLAF Notified		Total undue payments recovered		Total transactions in recovery context (incl. non-qualified)		% Qualified/Total RC	
	Nbr	Amount	Nbr	Amount	Nbr	Amount	Nbr	Amount	Nbr	Amount
INCOME LINES IN INVOICES										
NON ELIGIBLE IN COST CLAIMS										
CREDIT NOTES							1	26.324,83		
Sub-Total							1	26324,83		
GRAND TOTAL							2	26451,41		

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

	Number at 01/01/2020	Number at 31/12/2020	Evolution	Open Amount (Eur) at 01/01/2020	Open Amount (Eur) at 31/12/2020	Evolution
2019	1		-100,00 %	7.500,00		-100,00 %
2020		2			4.495,86	
	1	2	100,00 %	7.500,00	4.495,86	-40,06 %

TABLE 10 :Recovery Order Waivers >= 60 000 € in 2020 for INEA

	Waiver Central Key	Linked RO Central Key	RO Accepted Amount (Eur)	LE Account Group	Commission Decision	Comments
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Total DG	
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Number of RO waivers	
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Annex 3 Financial Reports - DG INEA - Financial Year 2020

Table 1 : Commitments

Table 2 : Payments

Table 3 : Commitments to be settled

Table 4 : Balance Sheet

Table 5 : Statement of Financial Performance

Table 5 Bis: Off Balance Sheet

Table 6 : Average Payment Times

Table 7 : Income

Table 8 : Recovery of undue Payments

Table 9 : Ageing Balance of Recovery Orders

Table 10 : Waivers of Recovery Orders

Table 11 : Negotiated Procedures

Table 12 : Summary of Procedures

Table 13 : Building Contracts

Table 14 : Contracts declared Secret

Table 15 : FPA duration exceeds 4 years

Additional comments

NOT APPLICABLE

TABLE 1: OUTTURN ON COMMITMENT APPROPRIATIONS IN 2020 (in Mio €) for DG INEA					
			Commitment appropriations authorised	Commitments made	%
			1	2	3=2/1
Title 06 Mobility and transport					
06	06 02	European transport policy	4.315,25	4.314,65	99,99 %
	06 03	Horizon 2020 - Research and innovation related to transport	166,91	166,66	99,85 %
Total Title 06			4.482,16	4.481,31	99,98 %
Title 08 Research and innovation					
08	08 02	Horizon 2020 - Research	788,12	787,90	99,97 %
Total Title 08			788,12	787,90	99,97 %
Title 09 Communications networks, content and technology					
09	09 03	Connecting Europe Facility (CEF) - Telecommunications networks	85,13	85,07	99,94 %
Total Title 09			85,13	85,07	99,94 %
Title 32 Energy					
32	32 02	Conventional and renewable energy	1.279,91	1.279,91	100,00 %
	32 04	Horizon 2020 - Research and innovation related to energy	275,51	275,51	100,00 %
Total Title 32			1.555,42	1.555,42	100,00 %
Title 34 Climate action					
34	34 03	Innovation Fund - Operational expenditure	2,40	2,40	100,00 %
Total Title 34			2,40	2,40	100,00 %
Total DG INEA			6.913,24	6.912,11	99,98 %

*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).

% Outturn on Commitment Appropriations in 2020 for DG INEA

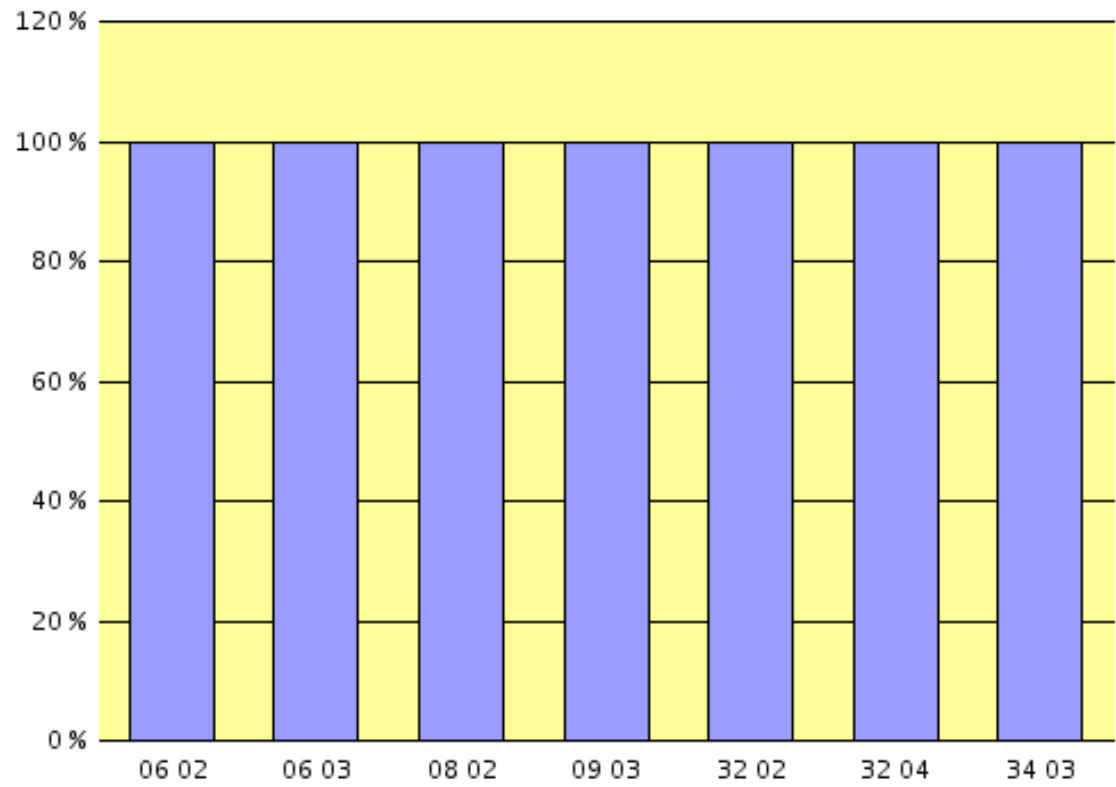


TABLE 2: OUTTURN ON PAYMENT APPROPRIATIONS in 2020 (in Mio €) for DG INEA					
			Payment appropriations authorised *	Payments made	%
			1	2	3=2/1
Title 06 Mobility and transport					
06	06 02	European transport policy	2.654,72	2.643,48	99,58 %
	06 03	Horizon 2020 - Research and innovation related to transport	146,04	73,28	50,18 %
Total Title 06			2.800,76	2.716,76	97,00%
Title 08 Research and innovation					
08	08 02	Horizon 2020 - Research	780,16	618,63	79,30 %
Total Title 08			780,16	618,63	79,30%
Title 09 Communications networks, content and technology					
09	09 03	Connecting Europe Facility (CEF) - Telecommunications networks	95,15	95,06	99,90 %
Total Title 09			95,15	95,06	99,90%
Title 32 Energy					
32	32 02	Conventional and renewable energy	387,78	387,02	99,81 %
	32 04	Horizon 2020 - Research and innovation related to energy	223,29	179,96	80,60 %
Total Title 32			611,06	566,99	92,79%
Title 34 Climate action					
34	34 03	Innovation Fund - Operational expenditure	0,00	0,00	0,00 %
Total Title 34			0,00	0,00	0,00%
Total DG INEA			4.287,13	3.997,44	93,24 %

* 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).

% Outturn on Payment Appropriations in 2020 for DG INEA

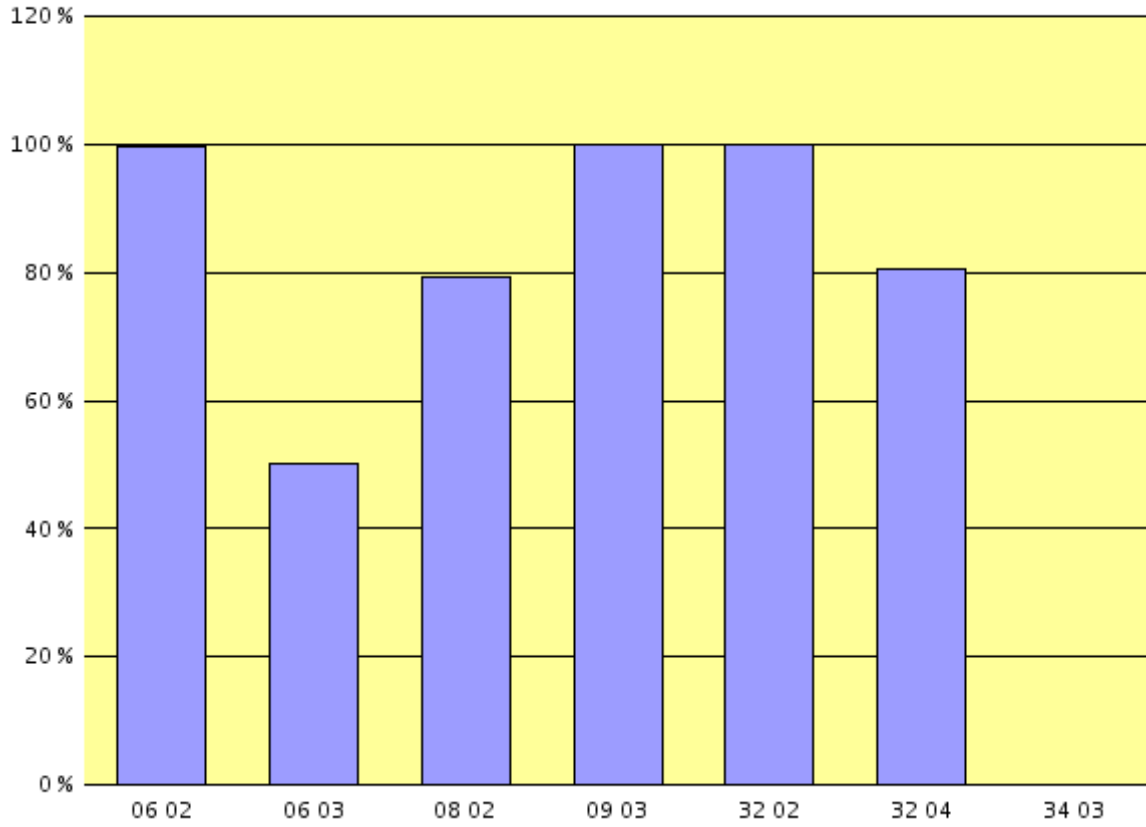


TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2020 (in Mio €) for DG INEA									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2019	Total of commitments to be settled at end of financial year 2020	Total of commitments to be settled at end of financial year 2019
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
06	06 02	European transport policy	4.314,65	53,15	4.261,50	98,77%	9.106,78	13.368,29	11.871,86
	06 03	Horizon 2020 - Research and innovation related to transport	166,66	10,39	156,28	93,77%	55,85	212,13	123,38
Total Title 06			4.481,31	63,53	4.417,78	98,58%	9.162,63	13.580,41	11.995,24

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2020 (in Mio €) for DG INEA									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2019	Total of commitments to be settled at end of financial year 2020	Total of commitments to be settled at end of financial year 2019
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
08	08 02	Horizon 2020 - Research	787,90	224,86	563,05	71,46%	587,92	1.150,97	1.003,00
Total Title 08			787,90	224,86	563,05	71,46%	587,92	1.150,97	1.003,00

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2020 (in Mio €) for DG INEA									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2019	Total of commitments to be settled at end of financial year 2020	Total of commitments to be settled at end of financial year 2019
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
09	09 03	Connecting Europe Facility (CEF) - Telecommunications networks	85,07	1,90	83,17	97,76%	151,70	234,87	260,35
Total Title 09			85,07	1,90	83,17	97,76%	151,70	234,87	260,35

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2020 (in Mio €) for DG INEA									
			Commitments to be settled				Commitments to be settled from financial years previous to 2019	Total of commitments to be settled at end of financial year 2020	Total of commitments to be settled at end of financial year 2019
Chapter			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
32	32 02	Conventional and renewable energy	1.279,91	107,03	1.172,88	91,64%	2.420,57	3.593,45	2.714,69
	32 04	Horizon 2020 - Research and innovation related to energy	275,51	93,50	182,02	66,06%	170,06	352,07	264,82
Total Title 32			1.555,42	200,52	1.354,90	87,11%	2.590,62	3.945,52	2.979,52

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2020 (in Mio €) for DG INEA

			Commitments to be settled				Commitments to be settled from financial years previous to 2019	Total of commitments to be settled at end of financial year 2020	Total of commitments to be settled at end of financial year 2019
Chapter			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
34	34 03	Innovation Fund - Operational expenditure	2,40		2,40	100,00%	0,00	2,40	0,00
Total Title 34			2,40		2,40	100,00%	0,00	2,40	0,00
Total for DG INEA			6912,113649	490,81	6421,301222	92,90 %	12492,87401	18914,17523	16238,10501

Breakdown of Commitments Remaining to be Settled (in Mio EUR) at 31/12/2019 for DG INEA

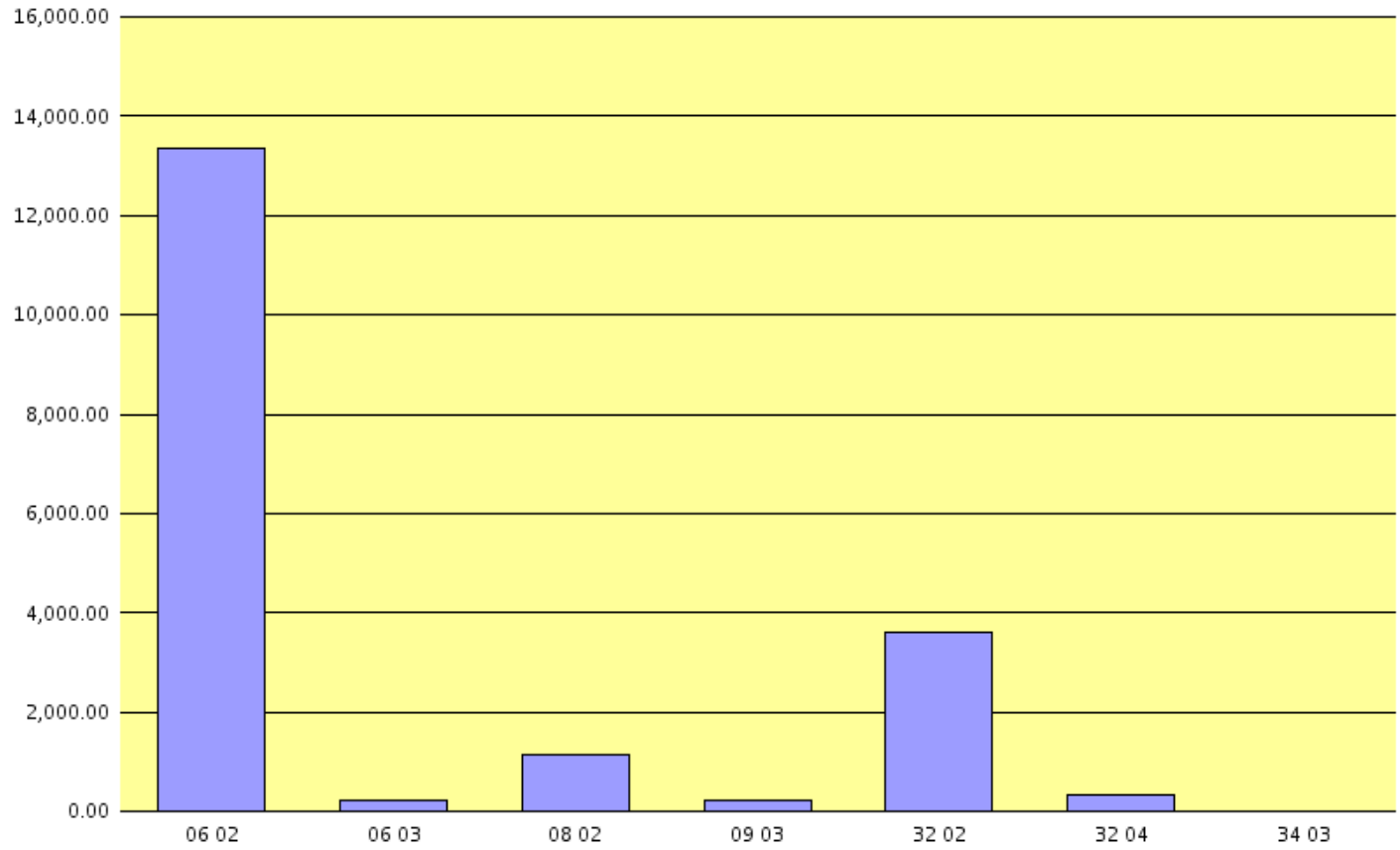


TABLE 4 : BALANCE SHEET for DG INEA

BALANCE SHEET	2020	2019
A.I. NON CURRENT ASSETS	568379373,6	280052547,4
A.I.5. Non-Current Pre-Financing	568.379.373,55	280.052.547,41
A.II. CURRENT ASSETS	1283898808	952419198,3
A.II.2. Current Pre-Financing	1.245.248.102,94	937.054.842,50
A.II.3. Curr Exch Receiv & Non-Ex Recoverables	38.650.704,88	15.364.355,78
ASSETS	1852278181	1232471746
P.III. NET ASSETS/LIABILITIES	0	0
P.III.1. Reserves	0,00	0,00
P.II. CURRENT LIABILITIES	-4.347.246.816,08	-3214648985
P.II.4. Current Payables	-597.636.778,89	-313.502.788,20
P.II.5. Current Accrued Charges & Defrd Income	-3.749.610.037,19	-2.901.146.196,42
LIABILITIES	-4.347.246.816,08	-3214648985
NET ASSETS (ASSETS less LIABILITIES)	-2.494.968.634,71	-1.982.177.238,93
P.III.2. Accumulated Surplus/Deficit	15.951.748.901,10	11517016405
Non-allocated central (surplus)/deficit*	-13.456.780.266,39	-9534839166
TOTAL DG INEA	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.

TABLE 5 : STATEMENT OF FINANCIAL PERFORMANCE for DG INEA

STATEMENT OF FINANCIAL PERFORMANCE	2020	2019
II.1 REVENUES	-7656267,37	-9612811,01
II.1.1. NON-EXCHANGE REVENUES	-8204154,37	-10087958,15
II.1.1.5. RECOVERY OF EXPENSES	-8.204.154,37	-10.087.958,15
II.1.2. EXCHANGE REVENUES	547887	475147,14
II.1.2.2. OTHER EXCHANGE REVENUE	547.887,00	475.147,14
II.2. EXPENSES	4488369719	4444345307
II.2. EXPENSES	4488369719	4444345307
II.2.10. OTHER EXPENSES	400.866,09	274.424,09
II.2.2. EXP IMPLM BY COMMISS&EX.AGENC. (DM)	4.487.961.171,19	4.444.070.882,84
II.2.8. FINANCE COSTS	7.681,45	
STATEMENT OF FINANCIAL PERFORMANCE	4.480.713.451,36	4.434.732.495,92

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

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

TABLE 5bis : OFF BALANCE SHEET for DG INEA

OFF BALANCE	2020	2019
OB.1. Contingent Assets	66493509,42	80078924,45
GR for pre-financing	66.493.509,42	80.078.924,45
OB.3. Other Significant Disclosures	-17487549158	-20704412191
OB.3.2. Comm against app. not yet consumed	-13.024.149.372,04	-13.024.149.372,04
OB.3.3.6.TEN-T	-4.463.399.785,94	-7.680.262.818,50
OB.4. Balancing Accounts	17421055649	20624333266
OB.4. Balancing Accounts	17.421.055.648,56	20.624.333.266,09
OFF BALANCE	0,00	0,00

TABLE 6: AVERAGE PAYMENT TIMES in 2020 for INEA

Legal Times									
Maximum Payment Time (Days)	Total Number of Payments	Nbr of Payments within Time Limit	Percentage	Average Payment Times (Days)	Nbr of Late Payments	Percentage	Average Payment Times (Days)	Late Payments Amount	Percentage
30	697	692	99,28 %	12,54	5	0,72 %	44,2	291.584	0, %
60	2975	2968	99,76 %	21,45	7	0,24 %	71,43	105.000	0, %
90	612	610	99,67 %	56,85	2	0,33 %	95	20.075.226	1, %

Total Number of Payments	4284	4270	99,67 %		14	0,33 %		20.471.811	1, %
Average Net Payment Time	25,20			25,06			65,07		
Average Gross Payment Time	34,78			34,66			70,64		

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	41	1006	23,48 %	4284	1.556.941.456	39,43 %	3.948.304.619

Late Interest paid in 2020

DG	GL Account	Description	Amount (Eur)
INEA	65010100	Interest on late payment of charges New FR	7.681,45
			7.681,45

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).

TABLE 7 : SITUATION ON REVENUE AND INCOME in 2020 for DG INEA

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	
52	REVENUE FROM INVESTMENTS OR LOANS GRANTED, BANK AND OTHER INTEREST	0,00	176,46	176,46	0,00	176,46	176,46	0,00
57	OTHER CONTRIBUTIONS AND REFUNDS IN CONNECTION WITH THE ADMINISTRATIVE OPERATION OF THE INSTITUTION	0,00	5.068,00	5.068,00	0,00	5.068,00	5.068,00	0,00
66	OTHER CONTRIBUTIONS AND REFUNDS	59.543.585,11	9.174.208,29	68.717.793,40	28.184.404,83	2.019.277,50	30.203.682,33	38.514.111,07
Total DG INEA		59543585,11	9179452,75	68723037,86	28184404,83	2024521,96	30208926,79	38514111,07

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

INCOME BUDGET RECOVERY ORDERS ISSUED IN 2020	Irregularity		Total undue payments recovered		Total transactions in recovery context (incl. non-qualified)		% Qualified/Total RC	
	Nbr	RO Amount	Nbr	RO Amount	Nbr	RO Amount	Nbr	RO Amount
Year of Origin (commitment)								
2007	1	600000	1	600000	1	600000	100,00%	100,00%
2013	1	99908,9	1	99908,9	1	99908,9	100,00%	100,00%
2014	5	45413,27	5	45413,27	5	45413,27	100,00%	100,00%
2015	28	3807248,54	28	3807248,54	47	15734206,59	59,57%	24,20%
2016	9	5153588,82	9	5153588,82	37	18508359,24	24,32%	27,84%
2017	11	4271012,28	11	4271012,28	31	21178479,49	35,48%	20,17%
2018	2	78836,19	2	78836,19	7	1871803,31	28,57%	4,21%
2019	2	429000,32	2	429000,32	5	2061946,79	40,00%	20,81%
Sub-Total	59	14485008,32	59	14485008,32	134	60100117,59	44,03%	24,10%

EXPENSES BUDGET	Irregularity		OLAF Notified		Total undue payments recovered		Total transactions in recovery context (incl. non-qualified)		% Qualified/Total RC	
	Nbr	Amount	Nbr	Amount	Nbr	Amount	Nbr	Amount	Nbr	Amount
INCOME LINES IN INVOICES	39	5241281,97			39	5241281,97	39	5.241.281,97	100,00%	100,00%
NON ELIGIBLE IN COST CLAIMS	223	78779057,41			223	78779057,41	400	351.191.517,53	55,75%	22,43%
CREDIT NOTES							1	503,37		
Sub-Total	262	84020339,38			262	84020339,38	440	356433302,9	59,55%	23,57%
GRAND TOTAL	321	98505347,7			321	98505347,7	574	416533420,5	55,92%	23,65%

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

	Number at 01/01/2020	Number at 31/12/2020	Evolution	Open Amount (Eur) at 01/01/2020	Open Amount (Eur) at 31/12/2020	Evolution
2015	1		-100,00 %	835.780,44		-100,00 %
2016	1		-100,00 %	83.687,11		-100,00 %
2018	1	1	0,00 %	1.468.326,56	1.468.326,56	0,00 %
2019	12	2	-83,33 %	6.791.658,64	5.686.604,23	-16,27 %
2020		26			31.359.180,28	
	15	29	93,33 %	9.179.452,75	38.514.111,07	319,57 %

TABLE 10 :Recovery Order Waivers >= 60 000 € in 2020 for DG INEA

	Waiver Central Key	Linked RO Central Key	RO Accepted Amount (Eur)	LE Account Group	Commission Decision	Comments
Total DG INEA						
Number of RO waivers						

TABLE 11 : Negotiated Procedures in 2020 for DG INEA

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

TABLE 12 : Summary of Procedures in 2020 for DG INEA

Procedure Legal base	Number of Procedures	Amount (€)
Total		

Additional Comments:

TABLE 13 : BUILDING CONTRACTS in 2020 for DG INEA

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

TABLE 14 : CONTRACTS DECLARED SECRET in 2020 for DG INEA

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

TABLE 15 : FPA duration exceeds 4 years - DG

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

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ANNEX 4: Financial Scorecard

The Annex 4 of each Commission service summarises the annual result of the standard financial indicators measurement. Annexed to the Annual Activity Report 2020, 6 standard financial indicators are presented below, each with its objective, category, definition, and result for the Commission service and for the EC as a whole (for benchmarking purposes)³:


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

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

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

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

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

Indicator	<u>CA Implementation</u>
Category	Efficiency Controls / Budget
Objective	Ensure efficient use of commitment appropriations
Result	<p>Executive Agency INEA achieved 100% compared to the EC result of 99%</p>  <p>CA Implementation higher than 100% is a result of Executive Agency INEA consuming commitment appropriations of a different Executive Agency under a co-delegation, which were not</p>
Comment	N/A
Definition	<p>Formula: Value A / Value B</p> <ul style="list-style-type: none"> - Value A: Committed L1 Accepted Amount + Direct Committed L2 Accepted Amount (Eur) - Value B: Credit Accepted Com Amount (Eur) <p>Scope:</p> <p>Commitments on all relevant Fund Sources, except for:</p> <ul style="list-style-type: none"> - Internal assigned revenue in first year (C4) - Internal assigned revenue from lettings and sale of buildings and lands (CL) - Repaid advances (structural funds) (C6) - External assigned revenue except for EFTA (FCA ,FRT, PO, RO, TCA, TF5, TFC)

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

Indicator	<u>CA Forecast Implementation</u>
Category	Efficiency Controls / Budget
Objective	Ensure the cumulative alignment of the commitment implementation with the commitment forecast in a financial year
Result	<p>Executive Agency INEA achieved 95% compared to the EC result of 98%</p> <p>0% 20% 40% 60% 80% 100%</p> <p>EC (98%) 95%</p>
Comment	<p>The scoring of 95% results from two factors which are outside the Agency's remit:</p> <ol style="list-style-type: none"> 1. Supplementary appropriations became available in December 2020, and the parent DGs have decided to transfer them to INEA, where it was possible to absorb them (+30M in total). 2. The final allocation for the H2020 Green Deal call was not known at the time of the revision of the forecasts in September. An assumption was made that the budget corresponding to the topics delegated to INEA will be financed exclusively from third country contributions (RO credits). At the end, INEA's parent DG took the decision in November to use a different repartition, transferring also voted credits (C1 credits), internal assigned revenues (C5 credits), and EFTA credits (EO). <p>Therefore, the total amount of commitment appropriations executed by INEA exceeded the total amounts initially expected in September. This resulted in the Agency being able to execute more than the initially foreseen appropriations.</p>

<p>Definition</p>	<p>Formula: <i>Value A / Value B</i>*,**</p> <ul style="list-style-type: none"> - <i>Value A: Committed L1 Accepted Amount + Direct Committed L2 Accepted Amount (Eur)</i> - <i>Value B: Commitment Forecast Amount (Eur)</i> <ul style="list-style-type: none"> <i>*if Value A / Value B between 100 and 200% then the result indicator will be equal to $1 - (ABS(Value B - Value A) / Value B)$</i> <i>**if Value A / Value B > 200 % then the result indicator will be equal to 0%</i> <p>Scope:</p> <ul style="list-style-type: none"> - <i>Commitments on all relevant Fund Sources</i> - <i>Commitment Forecast Amount (Eur) from the most up to date forecast version (Initial Mar-Aug, Revised Sep-Dec)</i>
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Indicator	<u>PA Forecast Implementation</u>
Category	Efficiency Controls / Budget
Objective	Ensure the cumulative alignment of the payment implementation with the payment forecast in a financial year
Result	<p>Executive Agency INEA achieved 99% compared to the EC result of 99%</p> <p>0% 20% 40% 60% 80% 100%</p> <p>EC (99%) 99%</p>
Comment	N/A
Definition	<p>Formula: Value A / Value B*,**</p> <ul style="list-style-type: none"> - Value A: Payment Accepted Amount (Eur) - Value B: Payment Forecast Amount (Eur) <p>*if Value A / Value B between 100 and 200% then the result indicator will be equal to 1 - (ABS(Value B – Value A) / Value B)</p> <p>**if Value A / Value B > 200 % then the result indicator will be equal to 0%</p> <p>Scope:</p> <ul style="list-style-type: none"> - Payments on all relevant Fund Sources - Payment Forecast Amount (Eur) from the most up to date forecast version (Initial Mar-Aug, Revised Sep-Dec)

Indicator	<u>Global Commitment Absorption</u>
Category	Efficiency Controls / Absorption
Objective	Ensure efficient use of already earmarked commitment appropriations (at L1 level)
Result	<p>Executive Agency INEA achieved 100% compared to the EC result of 98%</p> <p>0% 20% 40% 60% 80% 100%</p> <p>EC (98%) 100%</p>
Comment	N/A
Definition	<p>Formula:</p> <ul style="list-style-type: none"> - Value A: Com L1 Consumption amount (Eur) - Value B: Com L1 Initial amount (Eur) + Com L1 Complementary Amount (Eur) + (Com L1 Decommittment Amount (Eur) on all Fund Sources except for C8 and C9) <p>Scope:</p> <ul style="list-style-type: none"> - Com L1 with FDC ILC date from 01/01 to 31/12 of the current year - No movements to the Com L1 Consumption amount (Eur) after the FDC ILC date is taken into account (Generally decommitments of L2 which decrease the Com L1 consumption) <p>Remark: Due to technical limitation, the indicator does not take into account the Com L1 Consumption between the FDC ILC date and the FA FDI allowed as an exception in the external actions for Com L1 of type GF, i.e. with Financing Agreement, under the FR2018 Article 114.2. As a result, the actual Indicator score may be slightly higher than the one reported for DGs using the GF commitments.</p>

Indicator	<u>Timely Payments</u>
Category	Efficiency Controls / Timeliness
Objective	Ensure efficient processing of payments within the legal deadlines
Result	<p>Executive Agency INEA achieved 99% compared to the EC result of 99%</p> <p>0% 20% 40% 60% 80% 100%</p> <p>EC (99%) 99%</p>
Comment	Despite the pandemic INEA managed to achieve 99% which is in line with the EC average.
Definition	<p>Formula: <i>Value A / Value B</i></p> <ul style="list-style-type: none"> - <i>Value A: Payment Accepted Amount (Eur) in time</i> <ul style="list-style-type: none"> o <i>In Time: Payment Bank Value Date < = Payment legal deadline</i> - <i>Value B: Payment Accepted Amount (Eur)</i> <p>Scope:</p> <ul style="list-style-type: none"> - <i>Payments made in the current year</i> - <i>Payments valid for payment statistics (DWH Flag "Payment Time Status OK?" = "Y")</i>

ANNEX 5: Materiality criteria

In 2020, INEA was responsible for the implementation of CEF and H2020. The materiality criteria and audit methodology are explained below for each programme respectively.

Connecting Europe Facility

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

In view of the multi-annual nature of CEF, INEA has developed a multi-annual ex-post audit strategy⁴, as part of its overall control strategy, with the residual error rates calculated on a multi-annual basis.

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 exclusively, based on the level of residual error identified in ex-post audits of CEF financial statements on a multi-annual basis.

Finally, as from 2019⁵, 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 total payments of a DG/ Agency and with a financial impact below EUR 5 million. In such cases, quantified reservations are no longer needed

CEF Audit Methodology

The ex-post controls (audits) are carried out on the declared costs to the Agency and consist of verifying the legality and regularity of the underlying transactions and consequently the final eligible EU contribution.

The approach for the INEA ex-post audit strategy is to treat each CEF sector as a separate population.

The audit sampling is non-representative as the sample size would exceed the available auditing capacity. Instead INEA ex-post control strategy aims to audit specific financial coverage targets for each CEF sector (0% coverage of processed interim and final financial statements).

⁴ Ares(2021)302027 - 14/01/2021

⁵ Agreement of the Corporate Management Board of 30/4/2019.

The targeted financial coverage, whilst not statistically representative, provides sufficient coverage of projects in financial and geographical terms and also in the blend of beneficiaries in order for INEA to draw conclusions from the results obtained. The selection of audits is made with a mixture non-representative Interval sampling and judgmental risk based sampling in order to reach a 15% target of financial coverage of the authorised interim and final payments of N-1 at CEF sector level. For CEF Telecom, the target was increased from 7% to 15% as of the Audit Plan 2020. However, it will take time to increase to 15% coverage on a multi-annual basis, including to attain 15% coverage at programme closure.

Non representative Interval sample (first layer)

The non-representative Interval sample, as the first sample layer, delivers the detected error rate (DER). The DER, expressed as a percentage, is the ratio of the total amount unduly paid to the total EU contribution paid and audited.

For CEF - the DER is based solely on the audits selected using interval sampling and calculated by dividing the sum of all adjustments of the EU contribution for the financial statement audited, by the total value of EU contribution audited (i.e the amount of contribution sampled during audits).

Judgemental selection (second layer)

Judgemental risk based sampling considers several factors relevant for the overall population for each CEF sector in order to provide additional elements of assurance. Its aim is to target the portions of the budget where corrections to the errors detected can be most effective.

Identifying areas with specific inherent or identified risks implies targeting areas for which error rates are expected to be higher than the DER from the non-representative interval sample. For this reason, audit results of judgemental samples are not used to calculate the detected error rate.

Approach to calculation/determination of error rates/ financial corrections

Detected Error

In the performance of an audit, the sampling approach (targeted minimum financial coverage of 50%) is to ascertain the risk of material error in the financial statement of the beneficiary. If errors are detected they are corrected.

The risk of the error being present in the non-audited declared costs is also considered. This requires an analysis of the nature of the error detected. If the error is considered potentially more widespread, the sample is extended in order to rule out the risk of further errors. The systematic nature of the error is also communicated to the INEA AOSD's for follow up as regards non-audited CEF projects with the same beneficiary.

The detected error (in EUR) is calculated in terms of the impact on the accepted and paid EU contribution. In some cases a detected error at cost level has no impact on the EU contribution paid due to costs declared being over and above the maximum EU contribution.

When errors affecting the calculated EU contribution are identified, the ineligible amounts are notified to the AOSD for implementation of any required financial recovery or offsetting (against a following interim or final payment).

The European Court of Auditors in its 2018 Annual Report and its review of the Commission's ex-post audits observed that for Horizon 2020 the Commission's methodology for calculating the error rate leads to an understatement of the error rate the extent of which cannot be quantified. As a result of further related guidance received by the central services, INEA has adapted its methodology for the calculation of the CEF error rate in line to the Court's observations. Previously, the detected error rate for CEF was calculated by considering the full value of an audited financial statement in the denominator. From 2019 onwards, the detected error rate calculation is based on the sampled EU contribution as the denominator.

Residual Error

Residual error rates are calculated on a multi-annual basis to reflect the multi-annual nature of the CEF Programme and projects. The results of ex-post controls carried out by the Agency from Interval sampling audits (Layer 1) are calculated over the programme lifetime to provide the multi-annual detected error rate. The detected error rate is extrapolated to the non-audited EU Contribution paid to beneficiaries. The calculation also takes into account the 'cleaning' effect of the ex-post controls by integrating the financial impact of the follow-up of all ex-post controls performed – which correct the majority of detected errors. This provides the residual error.

Due to its multi-annual nature, the effectiveness of the CEF ex-post control strategy can only be measured and assessed at the final stages in the lifecycle of each sector and once it has been fully implemented. Notwithstanding the multiannual span of the ex-post control strategy, the Director of INEA is required to sign a statement of assurance for each financial 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.

Although not derived by statistical parameters which can be extrapolated to the unaudited payment population with statistical confidence, the detected and residual error rates obtained from the ex-post audits are a key building block in the assurance building process and provide the best available indicator of the level of error at sector level for CEF in the unaudited population.

Horizon 2020

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

Assessment of the effectiveness of controls

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

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

- Errors detected 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 systematic and non-systematic errors detected. This rate is the same for all implementing entities, without prejudice to possibly individual detected error rates.
- RepERSys%** portion of the RepER% representing negative systematic errors, (expressed as a percentage). The RepERSys% is the same for all entities and it is calculated from the same set of results as the RepER%
- P** total requested EC contribution (€) in the auditable population (i.e. all paid financial statements).

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

The Common Representative Sample (CRS) is the starting point for the calculation of the residual error rate. It is representative of the expenditure of H2020 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 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,⁶ 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 systematic errors have been detected and corrected.

⁶ Such as, for instance, when the number of results from a statistically-representative sample collected at a given point in time is not sufficient to calculate a reliable error rate.

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

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

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

The criteria for making a decision on whether there is material error in the expenditure of the DG or service, and 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 case, she or he would be expected to qualify his annual statement of assurance with a reservation.

A. 2020 REVISED METHODOLOGY FOR THE CALCULATION OF THE ERROR RATE FOR HORIZON 2020

The European Court of Auditors observed in its 2018 and 2019 Annual Reports that the error rate of Horizon 2020 was understated because the 'ex-post audits aim for maximum coverage of the accepted costs, but rarely cover all the costs. The error rate is calculated as a share of all the accepted costs, instead of the amount actually audited. This means that the denominator in the error calculation is higher, so the error rate is understated. In case the errors found are of a systemic nature, the error is extrapolated which partially

compensates for the above-mentioned understatement. However, since extrapolation is not performed for non-systemic errors, the overall error rate is nevertheless understated. The understatement of the error rate cannot be quantified. It is, then, impossible to determine whether the impact of this understatement is significant'. In response to this observation, in 2020 the Commission re-defined its methodology for calculating the Horizon 2020 error rate. In order to quantify any potential understatement mentioned by the Court, the Commission applied a new methodology for all audits closed as from 01 January 2020. The main change in the methodology is that the denominator used in the error calculation is the sum of costs actually audited and not the sum of all accepted costs.

The additional 0.41% (calculated on 790 H2020 audit participations by difference with the previous methodology) has been used to top up the detected error rate for 2020 calculated according to the methodology used in the past.

IAS limited review on the 2020 error rate calculation for H2020

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

B. H2020 – SPECIFIC ASPECTS

The Commission's proposal for the Regulation establishing H2020 framework programme⁷ 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.

⁷ 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.

Further, it explains also that

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

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

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

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

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

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

Grants direct management

Stage 1: Programming, evaluation and selection of proposals

Main internal control objective - Ensuring that projects meeting the policy objectives are among the proposals submitted (compliance; prevention of fraud)

Specific internal control objective A: Contribution to the (Annual) Work programmes under CEF and Horizon 2020, including the preparation, adoption and publication of Calls for proposals

Main risks It may happen (again) that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
<p>There is a risk that:</p> <ul style="list-style-type: none"> • Work programmes and the subsequent calls for proposals do not adequately reflect the policy objectives, priorities; • Topics/ activities are incoherent; • Essential eligibility, selection and award criteria are not adequate to ensure effective, efficient and economic evaluations of the proposals. 	<p>The mitigating controls for these risks are mostly the ownership of the parent DGs. This said, in accordance with INEA's Annual Work Programmes:</p> <ul style="list-style-type: none"> • INEA provides its contribution to the content of the work programmes (as per the MoUs and agreed working arrangements) in line with the policy objectives and priorities. • While doing so, the Agency builds on its knowhow from managing the projects, to benefit the coherency of the topics. 	<p>Coverage/Frequency: 100% of work programmes 100% of calls</p> <p>Depth: Work Programme contributions and call preparation, adoption and publication are thoroughly reviewed at all levels, including for operational and legal aspects.</p>	<p>Effectiveness: Benefits (requested funding from proposals rejected by experts) outweigh the estimated costs of stage 1.</p> <p>Efficiency: Estimation of cost of staff involved in the preparation and validation of the contribution to the Work Programme and preparation, adoption and publication of Calls for Proposals / Value of Contracted Grants (%).</p>

Main risks It may happen (again) that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
	<ul style="list-style-type: none"> The Agency prepares, adopts and publishes the calls, while ensuring that the work programmes are translated into eligibility, selection and award criteria that are adequate to ensure effective, efficient and economic evaluations of the proposals. <p>Controls are implemented in collaboration with the relevant services, and foresee appropriate hierarchical validation (including consultation of parent DG).</p>		<p>Economy:</p> <p>A good work programme and well-publicised calls should generate a large number of good quality proposals, from which only the best ones, meeting the policy objectives, are selected. This results in a real competition for funds.</p>

Specific internal control objective B: Contribution to evaluation and award procedures

Main risks It may happen (again) that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
<p>There is a risk that the evaluation and selection of proposals:</p> <ul style="list-style-type: none"> do not comply with the established procedures. fail to consider the essential admissibility and eligibility requirements. 	<p>Detailed guidance and procedures are in place to address this objective and are adhered to at all times. This includes thorough admissibility and eligibility checks on proposals as well as checks on exclusion criteria based on</p>	<p>Coverage/Frequency:</p> <p>100% of experts</p> <p>100% of calls</p> <p>Depth:</p> <ul style="list-style-type: none"> Checks on proposals are 	<p>Effectiveness:</p> <p>Average time to inform.</p> <p>Benefits (requested funding from proposals rejected by experts) outweigh the estimated costs of stage 1.</p>

Main risks It may happen (again) that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
<ul style="list-style-type: none"> are not in line with the exclusion and selection criteria defined in the corresponding work programme(s). do not respond to the policy objectives/priorities. 	<p>guidelines developed internally.</p> <p>INEA selects and appoints qualified independent expert evaluators, in consultation with the parent DGs. For such, the Agency has developed:</p> <ul style="list-style-type: none"> Guidance on selection of experts; Pool approval workflow for experts; Contracting workflow for experts; Guidelines for the reimbursement of external experts; Conflict of Interest management procedures <p>Additionally, INEA makes use of independent external observer(s). For such, the Agency has developed: guidelines for independent observers. Finally, robust IT system(s) are developed and used to support the evaluations and allow suitable monitoring of the process at all</p>	<p>documented and validated at adequate level.</p> <ul style="list-style-type: none"> Technical expertise and independence is checked at different levels and different stages (e.g. Col, nationality bias, ex-employer bias). Continuous supervision of evaluation process and the work of evaluators, notably with the input of the independent observer. 	<p>Efficiency:</p> <p>Estimation of cost of all staff and other expenses (external experts, observers and logistics) involved in the evaluation and selection of proposals process / Value of Contracted Grants (%).</p> <p>Economy:</p> <p>The evaluation of proposals is objective and performed based on high independent technical expertise. Transparency, independence and objectivity of the evaluation process attested by independent observer(s). Policy objectives of the relevant programmes can be achieved in the most economical way by selecting the best proposals, resulting in a real competition for funds.</p>

Main risks It may happen (again) that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
	<p>stages.</p> <p>Generally, fraud risk and legal checks are incorporated into the procedures or on ad hoc basis in case of doubt, issues.</p>		

Stage 2: Grant agreement preparation (GAP)

Main control objectives: Ensuring that the actions and fund allocation is optimal (best value for public money; effectiveness; economy, efficiency; compliance; prevention of fraud)

Main risks It may happen (again) that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
<p>There is a risk that:</p> <ul style="list-style-type: none"> Budget foreseen in the proposal overestimates the costs necessary to carry out the action. The beneficiary lacks operational and/or financial capacity to carry out the actions. A potential fraudulent proposal/ beneficiary has not been duly detected prior to the selection. 	<p>The grant agreement preparation takes into consideration the recommendations/ observations of budgetary nature by the evaluation panel for CEF (Horizon 2020 where applicable Participant Guarantee Fund; ethical review).</p> <p>Furthermore, procedures and detailed guidance are in place to address this objective and are adhered to at all times. This includes:</p>	<p>Coverage/ Frequency:</p> <p>100% of selected proposals</p> <p>100% of draft grant agreements</p> <p>100% of calls</p> <p>Depth:</p> <p>May be differentiated and determined after considering the type or nature of the beneficiary (e.g. SME, Joint-ventures) and/or of the modality (e.g. substantial subcontracting or procurement-</p>	<p>Effectiveness: Average time to grant (FR 128.2); % of Time to grant on time</p> <p>Efficiency: Estimated cost of staff involved in stage 2 /value of contracted grants (%)</p> <p>Economy: This stage should lead to a higher assurance on the achievement of the projects and contribution to</p>

Main risks It may happen (again) that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
	<ul style="list-style-type: none"> • Thorough procedures and clear guidelines for the validation of beneficiaries (operational and financial capacity) including ad hoc anti-fraud checks for high risk beneficiaries. • The use of model grant agreements. • Guides for the preparation of grant agreement, including checklists and templates. • Quick guide on the examination of the CEF Grant Agreements. <p>Finally, the signature of the GA is done by the Authorising Officer.</p>	<p>and/or the total value of the grant).</p> <p>Note that for Horizon 2020, as far as possible, the positively evaluated projects are accepted without modification.</p>	<p>policy objectives. Economy can also be quantified by justified reduction of EU contribution during GA preparation.</p>

Stage 3: Monitoring the execution

Main control objectives: ensuring that the operational results (deliverables) from the selected projects are of good value and meet the objectives and conditions (effectiveness & efficiency); ensuring that underlying transactions comply with regulatory and contractual provisions (legality & regularity); ensuring appropriate accounting of the operations (reliability of reporting)

Main risks It may happen (again) that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
There is a risk that:	Procedures and detailed guidance are in place to address this objective and	Coverage: 100% of the projects are controlled through value-	Effectiveness:

Main risks It may happen (again) that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
<ul style="list-style-type: none"> • Ineligible costs are reimbursed. • Irregularities or fraud are not detected. • Evidence of achievements is insufficient. • Paid amounts are wrong due to incorrect processing. • Underperformance and lost opportunities for corrective actions are detected late. 	<p>are adhered to at all times. This includes, among other elements:</p> <ul style="list-style-type: none"> • Quick Guides for kick-off meetings, missions and final meeting (communication with beneficiaries as a preventive/ control measure). • Guidelines on the processing of ASR Instalment + further pre-financing payment flowchart • Guidelines on the eligibility of costs under CEF. • CEF Pre-financing and Interim & Final payment Checklists. • CEF Recovery order & De-commitment Checklists. • Guide on amending CEF grant agreements (including checklists and templates). • Ex-ante control Guidelines CEF Transport/ Energy and CEF Telecom. • Specific guidance for WIFI4EU • Quick guide to analysing procurement procedures and checklist. • Suspension & Termination of Grant agreement templates. 	<p>adding checks. High-Risk operations subject to more in-depth controls.</p> <p>Depth:</p> <p>Will depend 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 has an efficiency focus.</p> <p>Priority is given to high risk operations identified by risk criteria (suspicions raised by staff, audit results, EDES, individual or 'population' risk assessment and procedure on audit certificates by beneficiaries linked to amounts claimed).</p>	<p>Time-to-pay</p> <p>% payments made on time</p> <p>Value of detected ineligible EU funding / submitted EU funding (%)</p> <p>Efficiency:</p> <p>Cost of all staff and non-staff expenses (e.g. external monitors for Horizon 2020) related to the monitoring of the execution of projects / amount paid (%).</p> <p>Economy:</p> <p>Successful implementation of the actions, including building assurance on the achievement of the project and policy objectives. Benefits due to operational review of projects and consequent corrective actions imposed on projects.</p>

Main risks It may happen (again) that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
	<ul style="list-style-type: none"> • Guidance on reduction of the Grant amount for poor, partial or late implementation - technical degree of completion – budget transfers • Quick guide on the treatment of appeals for CEF. • For H2020, corporate guidance is prepared by the CIC and is available on GoFund. Internal checklists and instructions have been developed to streamline processes. <p>In addition to the elements above, communication and information actions are part of the preventive controls both internal targeted as towards beneficiaries (kick-off meetings, launch events, trainings/ presentations/ workshops and awareness on different phases of the project).</p> <p>Furthermore, project progress is monitored through regular contacts with the beneficiaries and ad-hoc monitoring visits. Action Status Reports (ASR) for CEF and final</p>		

Main risks It may happen (again) that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
	reports approval mechanism for both CEF and Horizon 2020 are also elements of the continuous monitoring of progress.		

Stage 4: Ex-Post controls/Audits

A. Audits

Main control objectives: Measuring the effectiveness of ex-ante controls by ex-post controls and addressing systematic issues if and when they arise (effectiveness; economy, efficiency; compliance; prevention of fraud)

Main risks It may happen (again) that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
<p>There is a risk that:</p> <ul style="list-style-type: none"> • Erroneous payment declarations have been accepted. • Attempted Fraud has not been prevented and/ or detected. 	<p>INEA's Ex-post controls for CEF legacy programmes and CEF are the object of a fully-fledged fully documented Multi-annual audit strategy covering the period of 2017-2024. The strategy is discussed at length, validated at high level and regularly revised. The strategy is then declined into Annual Ex-post Audit Work Programmes.</p>	<p>Coverage, frequency and depth are determined according to a multi-annual ex-post control strategy for INEA covering legacy programmes and CEF. For CEF, INEA adopted a multi-annual audit strategy with targets and indicators.</p> <p>For Horizon 2020, Central Audit</p>	<p>Effectiveness: Multi-annual residual error rates per programme (or sector for CEF).</p> <p>Efficiency: Progress Against Annual Audit Plan; Multi-annual Audit coverage.</p> <p>Economy: Improvement in rules and guidance from feedback from audits.</p>

Main risks It may happen (again) that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
	<p>Procedures and detailed guidance are in place to address this objective and are adhered to at all times. This includes internal guidelines for Sampling the Ex-post controls (including an evaluation questionnaire).</p> <p>In addition, INEA's external audit team is not involved in the operational or financial circuits. This is expected increase the degree of independence and reliability of the ex-post controls.</p> <p>For Horizon 2020, ex-post controls are performed by the Common Implementation Centre, in accordance with the Horizon 2020 Ex-post audit strategy.</p>	<p>Service (CAS) is responsible for ex-post controls.</p>	<p>Deterrent effect. Learning effect for beneficiaries. Improvement of ex-ante controls or risk approach in ex-ante controls by feeding back findings from audit.</p>

B. Implementing results from ex-post audits/controls

Main control objectives: Ensuring that the (audit) results from the ex-post controls lead to effective recoveries; Ensuring appropriate accounting of the recoveries made (effectiveness; economy, efficiency; compliance; prevention of fraud).

Main risks It may happen (again) that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
<p>There is a risk that:</p> <ul style="list-style-type: none"> • Errors, irregularities and causes of fraud are not addressed. • Errors, irregularities and causes of fraud are detected too late to take remedial measures. 	<p>Procedures and detailed guidance are in place to address this objective and are adhered to at all times. For CEF and legacy, this includes:</p> <ul style="list-style-type: none"> • The procedure for the implementation of CEF ex-post audit findings; • The Audit follow-up sheet. <p>Furthermore, the Agency proceeds to the systematic registration of audit/control results to be implemented and tracks its actual implementation in the CEF audit database.</p> <p>Finally, if circumstances justify so, the Agency will notify suspicious cases to OLAF and ensure regular follow up of detected fraud.</p> <p>Ex-posts audits performed by ECA and CAS (Horizon 2020).</p>	<p>Coverage: 100% of final audit results with a financial impact.</p> <p>Depth: All audit results are examined in-depth making the final recoveries.</p> <p>For Horizon 2020 systemic errors are extrapolated to all the non-audited projects and non-audited periods of the same beneficiary. For CEF a similar approach is being considered.</p>	<p>Effectiveness: Multi - annual residual error per programme.</p> <p>Efficiency: Progress Against Annual Audit Plan; Multi-annual Audit coverage; Progress against reports received - % of reports followed-up under H2020 (i.e. pre-information letter sent within 3 months).</p> <p>Economy: budget value of the errors, detected by ex-post controls, which have actually been corrected (offset or recovered).</p>

ANNEX 7: Specific annex related to financial management

Stage 1 – Evaluation and selection of proposals

The qualitative benefits of this control stage are:

- Maximizing impact: policy objectives of the relevant programmes can be achieved in the most efficient way by selecting the best proposals;
- Ensuring objectivity: through the use of external experts the evaluation of proposals is performed based on high technical expertise and independence of opinions;
- Transparency and independence of the evaluation process guaranteed by independent observers.

The quantitative benefits from this control stage are measured by the total of the requested funding in proposals which were not recommended by the external experts involved in the evaluation process.

Figure 1: Benefits of stage 1 - Evaluation⁸

Programme	CEF Transport	CEF Energy	CEF Telecom ⁹	H2020 Energy ¹⁰	H2020 Transport	Total (EUR million)
Indicative calls budget	1,796	980	56	603	296	3,731
Recommended funding (selected/awarded proposals)	2,237	998	58	553	292	4,138
Requested funding from proposals not recommended by experts (benefits)	947	635	31	1,977	481	4,070

⁸ The information contained refers to calls concluded in 2020 when the applicants were officially informed. The proposals rejected by the experts refer to those proposals that did not pass the threshold following the consensus meeting and were not recommended for funding.

⁹ This table does not include the evaluation of the fourth WiFi4EU call, to which 8,644 applications were submitted. It should be noted that there is no external evaluation for WiFi4EU.

¹⁰ The Next-Generation Batteries call is reported under this section only. However, it crosscuts between two H2020 work programmes and therefore relates thematically and financially to both H2020 Transport and H2020 Energy.

Stage 2 - Contracting

Qualitative benefits identified are:

- Enhanced assurance on the achievement of the project and policy objectives;
- Prevention of errors at the subsequent stages;
- Mitigating the risks in case of weak beneficiaries;
- Accurate forecast of payment appropriations (especially for pre-financing).

As a result of the contracting process, some selected proposals were cancelled during the grant agreement preparation while for others the maximum funding was reduced. The reduced amount of funding can be considered the quantitative benefits of this stage.

Figure 2: Benefits of stage 2 – Contracting

Programme	Number of cancelled proposals	Funding reductions due to cancellations	Funding reductions during grant agreement signature	Total funding reduction
CEF Transport	6	58,804,123	15,915,579	74,719,702
CEF Energy	0	0	1,193,009	1,193,009
CEF Telecom (DSI)	2	396,557	694,222	1,090,779
CEF Telecom (WiFi4EU)	9	135,000	0	135,000
H2020 Transport	0	0	1,036,304	1,036,304
H2020 Energy	0	0	1,573,319	1,573,319
Total	17	59,335,680	20,412,434	79,748,114

Stage 3 – Monitoring the execution

Qualitative benefits identified at this stage are:

- Successful implementation of the actions, including building assurance on the achievement of the project and policy objectives;
- Increased predictability of the foreseen baseline outcomes;
- Early detection of deviations and consequent undertaking of the respective mitigating measures;
- Lessons learnt from operational and financial review of projects and consequently improving the current processes and procedures for future projects.

The figure below summarises the quantitative benefits of the controls performed in this stage, notably the quantification of the ineligible amount in submitted cost claims.

Figure 3: Benefits of stage 3 – Monitoring the execution

Programme	Number of cost claims	Submitted amount	Ineligible amount (€) (recovery context 'Irregularity') ¹¹	Rejection rate (%)
CEF Transport	267	2,385,706,346	62,516,580	2.62%
CEF Energy	45	409,724,021	11,966,670	2.92%
CEF Telecom (DSI)	103	59,619,267	578,049	0.97%
CEF Telecom (WIFI4EU)	2708	40,620,000	-	0.00%
CEF Synergy				
Horizon 2020 – Energy	161	381,559,666	3,511,254	0.92%
Horizon 2020 – Transport	144	342,781,696	335,416	0.10%
Marco Polo	1	3,907,054	-	0.00%
Total	3,429	3,623,918,049	78,907,968	2.18%

Stage 4 – Ex Post Controls

The qualitative benefits of this stage cannot be measured but must be recognised. Ex-post Audits have a preventive and deterrent effect in the fight against fraud. An audit can also raise awareness of beneficiaries to respect the financial conditions of the grant agreements and audits contribute to the learning effect for the beneficiaries on how to comply with the rules and requirements in current and future EU grants.

In addition, by providing feedback on audit findings to the INEA management and advice and guidance to INEA staff on eligibility issues, the internal controls can be improved to reduce future error rates.

The quantitative benefits of the controls performed in this stage per programme are summarized below.

CEF programme

As a result of the COVID-19 pandemic and related travel limitations during 2020, INEA – in line with the instructions of the Commission – had to postpone on-the-spot missions until further notice. To minimise the impact of COVID-19 on the implementation of the audit plan INEA converted traditional audit assignments into desk audits, in line with international best practice and auditing standards.

¹¹ It is important to highlight that the ineligible amount considered for this purpose refers to invoices with detected irregularities. Other ineligible amounts resulting from overspending or from the maximum ceiling set at 80% for CEF were not taken into account for this calculation.

Despite the extremely challenging circumstances due to the pandemic, INEA reached 100% completion of all planned audit 'fieldwork' and the target to close 50% of planned audits within the calendar year.

CEF Ex-Post Control Results

Figure 4: Multi-Annual Residual Error Rates by CEF sector

Multi-Annual Residual Error Rate	CEF Transport	CEF Energy	CEF Telecoms
Total number of closed audits	68	22	42
1. Sampled EU Contribution Interval Sample	768,623,172	84,838,486	9,466,603
2. Sampled EU Contribution Risk sample	155,609,151	19,672,471	909,040
3. Total Audited EU Contribution = (1)+(2)	924,232,323	104,510,958	10,375,643
4. Detected Interval sample error	7,838,610	1,857,377	468,755
5. Detected Risk sample Error	6,337,736	131,564	260,755
6. Detected error rate = (4)/(1)	1.02%	2.19%	4.95%
7. Total errors corrected for Interval sample and Risk Based audits			
a) Errors corrected by 31/12/2020	14,173,477	1,678,908	508,239
b) Errors corrected 1/1/2021 - 31/03/2021	0	0	0
8. Errors not corrected	2,870	310,032	221,271
9. Total EU Contribution	7,378,269,959	667,791,450	133,876,760
10. Audit coverage = (3)/(9)	12.53%	15.65%	7.75%
11. Calculated residual error = (8) + [(9)-(3)]*(6)	65,822,751	12,641,983	6,336,639.81
12. Calculated residual error rate = (11)/(9)	0.89%	1.89%	4.73%

CEF Transport and Energy

The audit findings with the largest financial impact for audits selected by Interval sampling for CEF Transport and Energy have been related to the claiming of costs not yet 'incurred' for works contracts, or costs declared that are not linked to the grant agreement or non-respect of public procurement / best value for money requirements. However, the number of findings of this nature are limited due to the effectiveness of the ex-ante controls. Audits continue to find recurrent errors in the 'personnel costs' category. However, as these costs tend to represent a low proportion of overall declared costs in large-scale infrastructure projects, the financial impact of these findings is not significant.

For CEF Transport, the scale and extent of detected errors in both Interval and Risk based audit selections, as shown in the multi-annual error rate calculation appear to be well contained within tolerable limits, confirming the effectiveness of the current ex-ante control system. The residual error rate for CEF Transport at the end of 2020 is 0.89%

For CEF Energy, the population of auditable transactions is small. As a result, the sensitivity of the error rate calculation in case of substantial detected error is high. In 2020, one audit with a large error linked to costs declared that were not covered by the Grant Agreement had a significant impact on the detected error rate, increasing it from 0.13% at end of 2019 to 2.19% at the end of 2020. However, the correction has already been applied. The residual error rate taking this correction into account is below 2% (1.89%). A quantified reservation is not required for CEF Energy according to the materiality criteria defined in Annex 5. However, due to the proximity of the residual error rate to the materiality threshold, close monitoring of the evolution of the error rate for CEF Energy will be implemented.

CEF Telecom DSI (excluding WiFi4EU¹²)

Most ex-post findings have been in the category of personnel costs.

Compared to Transport and Energy, the audit results do indicate a clear higher incidence of detected error in the DSI Telecom sector. This is linked to several factors:

- A high incidence of NGO and SME participation in the programme where internal control systems tend to be less well defined and beneficiaries have no or limited experience of EU / CEF grant participation rules.
- A significant proportion of declared costs are personnel costs, which are subject to inherent calculation risks and a frequent source of error in many EU Grant programmes under direct management.

¹² As WiFi4EU is based on a fixed lump sums and payment are based on technical parameters, it is not covered by the CEF Audit Strategy, as there are no 'financial statements' available for Ex-Post control. As such, WiFi4EU is not included in the CEF Audit Strategy as revised in 2019.

- Limited use of the Certificate for Financial Statements (CFS) for CEF Telecom projects due to the declared costs and requested EU Contribution per beneficiary below the CFS thresholds defined in the CEF Modal Grant Agreement and EU Financial Regulation.

At the end of 2020, the detected error rate for CEF Telecom is 4.95% and the residual error rate 4.73%. This is an improvement compared to 2019 results (5.37% /5.26% respectively), but still above the materiality threshold. In 2020, INEA took several steps to address the high error rate in CEF Telecom – the ex-post audit coverage was increased, improved guidance was issued to beneficiaries to help reduce the sources of error and the ex-ante control approach was modified. The impact of these measures should help to further reduce the residual error rate in 2021, and progress will continue to be monitored closely.

As the residual error rate for CEF Telecom (DSI) is above 2% (4.73%), an assessment of the need to report a quantified reservation in the AAR was made.

The payments made for 2020 for CEF Telecom DSI represent € 54.1 million. This is significantly less than 5% of the total payments made of INEA (€ 3,997.4 million). The estimated amount at risk at closure for CEF Telecom is under € 5 million (€2.23 million). The 'de minimis' thresholds for a quantified financial reservation are not exceeded and therefore no financial reservation is required.

The total financial adjustment recommended is divided by the number of audits to determine the 'impact per audit' per CEF sector.

The cost per audit and the impact per audit can be used to compare the relative economy of INEA audits per CEF sector. This in turn can help shape future decisions on the costs and benefits on controls.

Figure 5: Cost and impact per audit per CEF sector

Audit Plan	Recommended Financial Adjustment (in EUR)			Number of Closed audits			Average Impact Per Audit (in EUR)		
	CEF T	CEF E	CEF ICT	CEF T	CEF E	CEF ICT	CEF T	CEF E	CEF ICT
2018	2,164,398	81,779	177,538	20	4	10	108,220	20,445	17,754
2019	8,019,474	1,561,106	458,927	23	10	13	348,673	156,111	35,302
2020	2,870	310,032	52,301	12	3	11	239	103,344	4,755
Total	14,176,346	1,678,908	677,209	68	22	42	208,476	76,314	16,124

H2020

For H2020, ex-post controls are under the responsibility of the Common Audit Service (CAS). The CAS undertakes all (representative and complementary) Horizon 2020 audits, for all Horizon 2020 stakeholders, including INEA, ensuring a harmonised approach and also in ensuring that audit burden on beneficiaries is minimised. Annex 5 provides further details regarding the methodology for ex-post controls for H2020.

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

For Horizon 2020 the Common Audit Service undertakes all audits (representative and complementary), including those concerning the Executive Agencies and the Joint Undertakings. This is a major step forward in ensuring a harmonised approach and minimising the audit burden on beneficiaries. When relevant, the Common Audit Service executed audits jointly with the European Court of Auditors.

The **main indicators** on legality and regularity¹³ of EU Framework Programmes for Research and Innovation are:

- **Representative detected error rate**, based on errors detected by ex-post audits on a Common Representative Sample of cost claims across the Research and Innovation Family of DGs.¹⁴
- **Cumulative residual error rate**, which is the extrapolated level of error after corrective measures have been implemented by the Commission services following the audits, accumulated on a multi-annual basis.

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

The general objective of the control system are: for Horizon 2020 is to obtain a cumulative residual error rate within a range of 2-5 % aiming to be as close as possible to 2%, without necessarily expecting it to be lower than 2%.

Progress against these objectives is assessed annually based on the results of the implementation of the ex-post audit strategy and taking into account the frequency and

¹³ These indicators are described in point 1.1 of annex 4.

¹⁴ DG AGRI, DG CNECT, DG EAC, EASME, DG MOVE-ENER, ERC, DG GROW, DG HOME, INEA, JRC, REA and DG R&I.

importance of the detected errors along with cost-benefit considerations regarding the effort and resources needed to detect and correct the errors.

As a result of the COVID-19 pandemic crisis and related travel limitations during 2020, the Common Audit Service (CAS) – in line with the instructions of the Commission – had to postpone on-the-spot missions until further notice. To minimise the impact of COVID-19 on the implementation of the audit campaign, the CAS converted traditional in-house audit assignments into desk audits, in line with international best practice and auditing standards. Regarding outsourced audits, the CAS instructed the audit firms to perform remotely the maximum possible amount of audit tests while complementing those with on-the-spot audit missions once travel restrictions were eased.

Despite travel restrictions, and other objective challenges due to the pandemic, the CAS reached the remarkable result of finalising in 2020, audits on 790 participations corresponding to the 94% of the planned target.

	HORIZON 2020 EX-POST AUDITS
REPRESENTATIVE DETECTED ERROR RATE	2.95%
CUMULATIVE RESIDUAL ERROR RATE R&I Family	2.16%
CUMULATIVE RESIDUAL ERROR RATE INEA	2.45%

RESULTS OF THE HORIZON 2020 EX-POST AUDITS

In year 2020 the Commission re-defined its methodology for calculating the Horizon 2020 error rates in line with the European Court of Auditors’ observations in its 2018 and 2019 Annual Reports. The methodology applied is described in annex 5 ‘Materiality criteria’. As of January 2020, the application of the revised methodology on 790 samples resulted in an error rate higher, on average, by 0,41 % in comparison to the error rate calculated by applying the methodology used in the past on the same 790 samples. Consequently, the detected error rate for 2020 calculated according to the methodology used in the past has been corrected by adding 0.41%. This results in the following error rates for Horizon 2020¹⁵

¹⁵ The Horizon 2020 audit campaign started in 2016. At this stage, three Common Representative Samples with a total of 467 expected results have been selected. By the end of 2020, cost claims amounting to EUR 24.3 billion have been submitted by the beneficiaries to the services. The audit coverage for Horizon 2020 is presented in annex 7. In addition to the Common Representative Samples, Common Risk Samples and Additional Samples have also been selected. The total of all samples represents 4 047 participations. The audits of 2 906 participations were finalised by 31/12/2020 (out of which 790 in 2020). This sampling accommodates special needs of certain stakeholders with regard to audit coverage and selection method. In addition, top-ups, which are participations of selected beneficiaries and which are added to the selected participations, are included in the total participations selected.

on 31 December 2020:

- Representative detected error rate: **2.95%**¹⁶,
- Cumulative residual error rate for the Research and Innovation Family DGs: 2.16 % (2.45 % for INEA)

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

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

As was the case last year, there is evidence that the simplifications introduced in Horizon 2020, along with the ever-increasing experience acquired by the major beneficiaries, affect positively the number and level of errors. However, beneficiaries still make errors, sometimes because they lack a thorough understanding of the rules, sometimes because they do not respect them.

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

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

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

¹⁶ Based on the 334 representative results out of the 467 expected in the three Common Representative Samples.

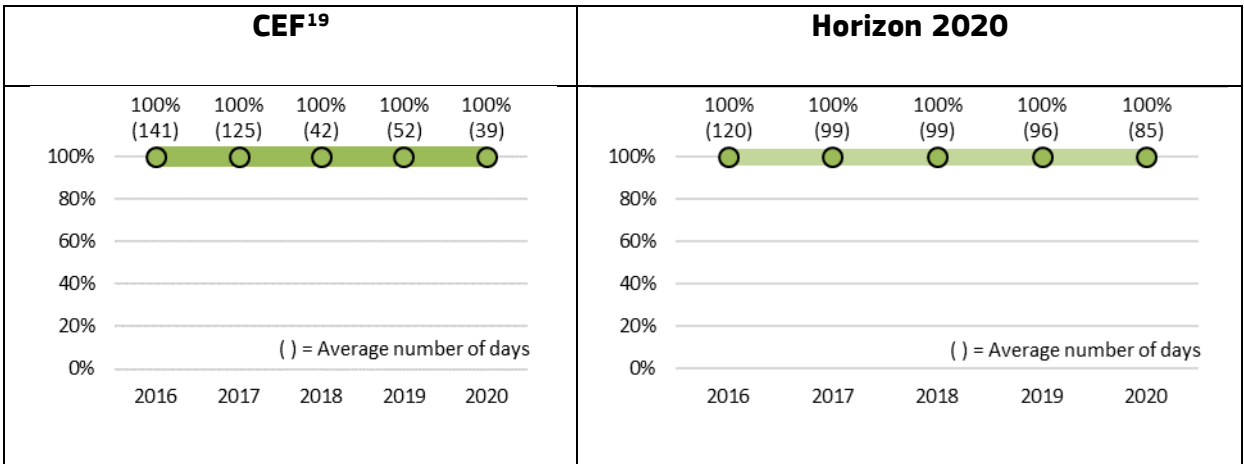
In conclusion, INEA considers that the 2020 cumulative residual error rate for Horizon 2020 will fall within the target range established in the Financial Statement¹⁷, and therefore a reservation is not necessary for the Horizon 2020 expenditure.

Efficiency of the implemented controls

Time-to-inform¹⁸

The time-to-inform limit of six months for CEF programme and five months for Horizon 2020 was respected. The multi-annual evolution of the time-to-inform is presented in the following figures:

Figure 6: Development of the proposals informed on time per Programme (in days).



Time-to-grant

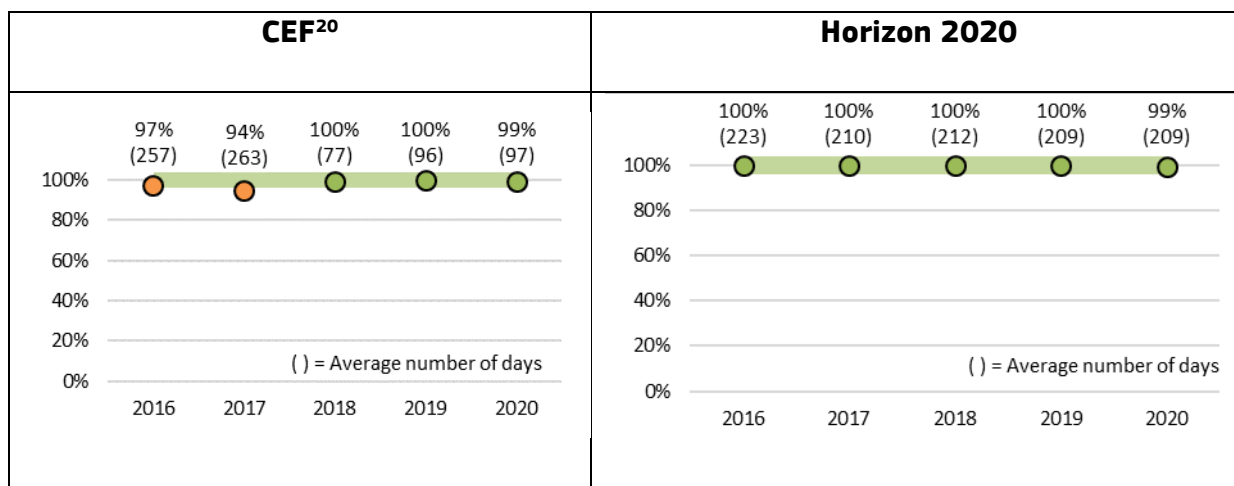
The time-to-grant limit of nine months for the CEF programme and eight months for Horizon 2020 was respected in most cases. The multi-annual evolution of the time-to-grant is presented in the following figures:

¹⁷ The legislative financial statement accompanying the Commission’s proposal for the Horizon 2020 regulation states: "The Commission considers therefore that, for research spending under Horizon 2020, a risk of error, on an annual basis, within a range between 2-5% is a realistic objective taking into account the costs of controls, the simplification measures proposed to reduce the complexity of rules and the related inherent risk associated to the reimbursement of costs of the research projects. The ultimate aim for the residual level of error at the closure of the programmes after the financial impact of all audits, corrections and recovery measures will have been taken into account is to achieve a level as close as possible to 2%."

¹⁸ Only calls for proposals which were concluded in 2020 have been taken into account.

¹⁹ These figures include WiFi4EU calls.

Figure 7: Development of grants signed on time per Programme

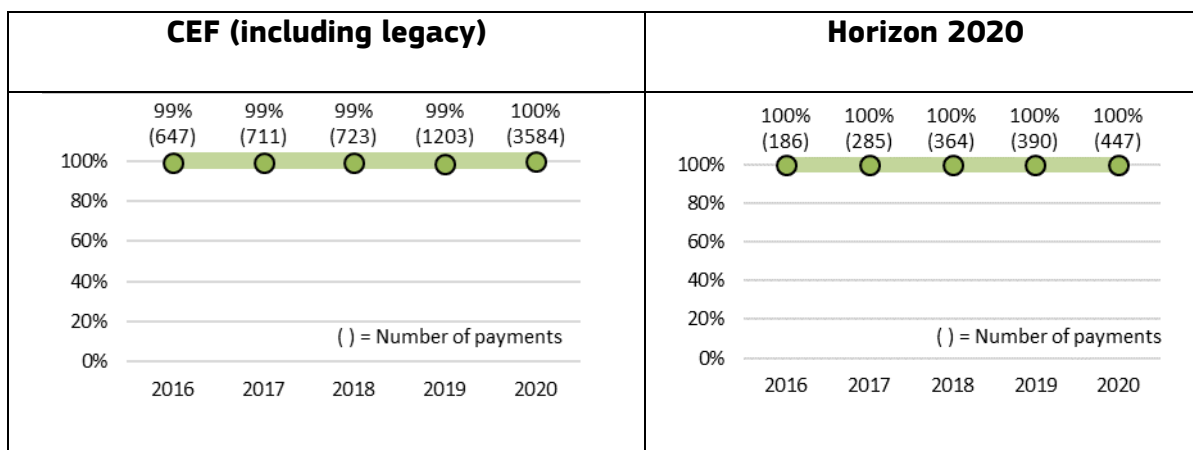


For Horizon 2020 and CEF, in a very limited number of instances, grants were signed beyond the 8 and 9 months limit due mostly to reasons outside the Agency's remit.

Time-to-pay

The multi-annual evolution of the time-to-pay is presented in the following figures:

Figure 8: Development of number of payments done on time per Programme



The time-to-pay target of 98% for the different types of payments (pre-financing, further pre-financing and interim/final payment) was respected in all instances for both Horizon 2020 and CEF.

²⁰ These figures include WiFi4EU vouchers.

Ex-post controls Progress against the annual audit plan (CEF Audits)

Target: 50% of audits planned in year N with final report issued by end of year N. Target: 100% final reports issued by N+1.5 (End June following year).

Audit Plan 2018	Completion Rate by End 2018	Completion Rate by Mid 2019	Completion Rate by end 2019
Transport	65%	70%	100%
Energy	25%	100%	100%
Telecom	50%	70%	90%
Overall	56%	74%	97%

For the 2018 audit plan, the 50% closure target by end of 2018 was attained. The target to close all audits by mid-2019 was not. This was mainly due to a series of complex risk based audits in the Transport and Telecom sectors. At the end of 2020, all audits are now closed.

Audit Plan 2019	Completion Rate by End 2019	Completion Rate by Mid 2020	Completion Rate by end 2020
Transport	61%	96%	100%
Energy	55%	91%	91%
Telecom	43%	79%	93%
Overall	54%	90%	96%

For the Audit 2019, the 50% closure target before end 2019 was achieved. The target to close all audits by mid-2020 was not. This was linked to several complex risk based audits in the Energy and Telecom sectors. At the end of 2020, 2 audits remain open.

Audit Plan 2020	Completion Rate by End 2020
Transport	50%
Energy	50%
Telecom	55%
Overall	52%

For the 2020 Audit plan the target to close 50% of planned audits by year-end was achieved.

Economy of the implemented controls

In 2020, INEA's costs of controls as well as the benefits of controls have been estimated for each of the different stages. The results are shown in the figure below.

Figure 9: Costs and benefits of controls for each control stage (€ million)

Stages	Costs CEF	Costs H2020	Costs IF	Costs Total	Benefits CEF	Benefits H2020	Benefits IF	Benefits Total
Stage 1: Evaluation and selection	4.4	1.5	0.8	6.7	1,613	2,457	0	4,070
Stage 2: Contracting	3.7	0.8	0.0	4.5	77.1	2.6	0.0	79.7
Stage 3: Monitoring the execution	9.9	4.2	0.0	14.1	75.1	3.8	0.0	78.9
Stage 4: Ex-post controls	1.4	0.1	0.0	1.5	6.6	0.3	0.0	6.9
All stages included	19.3	6.7	0.8	26.8	1,771.5	2,464.1	0.0	4,235.5

For calculating the costs of controls, the following expenses were considered:

1. Costs of staff in control posts – The number of control posts (as identified in ATLAS and in line with the guidance provided by the General Secretariat) were multiplied by the average staff costs per staff category (as communicated by DG BUDG). These control posts (and associated costs) were distributed between CEF, H2020 and the Innovation Fund in line with the post allocation and distributed between the different control stages either directly (for control posts that are associated to only one control stage) or by applying a share according to the estimated time of work spent for each of the control stages in 2020.
2. Programme Support expenditure – Additionally to staff expenditure, the different programmes and control stages are supported by expenditure on INEA's administrative budget and operational budget. The following payments are included:
 - a. Payments from INEA's administrative budget for outsourced CEF ex-post audits and CEF and H2020 missions attributable to control activities.
 - b. Payments from the operational budget for external evaluation experts (CEF), reimbursement of translation expenses (CEF), development and maintenance of TENtec (CEF) as well as monitoring experts (H2020).

In light of the calculated costs of controls and estimated benefits, it can be drawn that:

- The costs of the evaluation and selection of proposals (i.e. stage 1) correspond to 0.13% (CEF) and 0.18% (H2020) of the respective amount recommended for funding following the evaluation of the calls for proposals in 2020. For the

Innovation Fund, no calls have been concluded yet (the first stage evaluation was ongoing at the end of 2020).

- The costs of contracting (i.e. stage 2) correspond to 0.12% (CEF) and 0.08% (H2020) of the respective amount contracted in 2020.
- The costs of monitoring the execution of projects (i.e. stage 3) equals 0.32% (CEF) and 0.49% (H2020) of the respective operational payments made in 2020.
- The audits finalised in 2020 for the CEF Programme covered a total amount of EU contribution of € 465 million. Hence the cost of the ex-post controls for CEF (i.e. stage 4) equals to 0.29% of this amount.

In conclusion, the total benefits of controls clearly outweigh the overall costs of controls together. Furthermore, when comparing the costs of control (EUR 26.8 million) with the operational expenditure (EUR 3,996 million), the resulting ratio is set at 0.67%.

Figure 10 - Overview of the estimated cost of controls at Executive Agency (EA) level²¹

Title of the Relevant Control System (RCS)	Ex ante controls (stages 1-3)			Ex post controls (stage 4)			Total	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
	EC total costs	operational payments made	Ratio (%)	EC total costs	total value verified and/or audited	Ratio (%)	EC total estimated cost of controls	Ratio (%)
	(in EUR)	(in EUR)	(a)/(b)	(in EUR)	(in EUR)	(d)/(e)	(a)+(d)	(g)/(b)
CEF	17,883,120	3,124,424,520	0.57%	1,368,276	465,415,232	0.29%	19,251,396	0.62%
H2020	6,582,091	871,733,907	0.76%	135,806	NA	NA	6,717,896	0.77%
Innovation Fund	837,351			-	NA	NA	837,351	
Total	25,302,562	3,996,158,427	0.63%	1,504,081	NA	NA	26,806,643	0.67%

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

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

²¹ 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; Common Audit Service) for the Research and Innovation family are reported in the Annual Activity Reports of REA and RTD.

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

Assessment of the effectiveness of the internal control systems

The Agency’s Internal Control Framework, similarly to the framework of the other Commission services, is composed of 17 Principles. The Agency’s framework also includes a set of Internal Control Monitoring Criteria (ICMCs), defined according to its own specificities. Every year the list is revised and currently the Agency has 38 ICMCs.

INEA’s 2020 assessment of the effectiveness of its internal control systems (self-assessment) was carried between November 2020 and February 2021, taking into account elements such as (but not exclusively) the risk management activities, deviation reporting activities, auditing activities (from the IAS and ECA) and the checks on the Internal Control Monitoring Criteria²². The self-assessment identified areas that present a particularly robust system of controls. The analysis also highlighted a limited number of deficiencies that have an impact on the effectiveness of the overall control systems of the Agency.

Out of the seventeen internal control principles, the self-assessment concluded that fourteen are present and functioning well with only minor improvements needed. The three remaining principles²³ are present and functioning but some improvements are needed due to the number, nature and significance of the deficiencies detected. In the case of principle 12 (related to procedures), the need of improvements has been identified in successive assessments of INEA’s Internal Control system. This is largely due to the broad nature of this principle, particularly for Executive Agencies, where there is a large prevalence of procedures related to the different stages of programme implementation. INEA addressed the shortcomings identified in the past with the recent rollout of the web based Manual of Procedures following a fully-fledged revision exercise of all the existing procedures. The web based Manual of Procedures is a single, easily accessible repository, which is subject to regular updates. In 2020, the shortcomings referred instead to the need to fine-tune existing procedures, for integrating the outcome of a number of IAS audits. The necessary adjustments have been identified and will be part of the dedicated action plans for the respective audits, to be implemented by the Agency as of the beginning of 2021.

In terms of components, two out of five are present and functioning well with minor improvements needed. The other three²⁴ are present and functioning but some improvements are needed.

²² Out of the 38 ICMC of the Agency, the checks concluded that 35 presented no issues and 3 presented minor issues.

²³ Principle 8 – The Commission/Agency considers the potential for fraud in assessing risks to the achievement of objectives; Principle 12 – The Agency deploys control activities through corporate policies that establish what is expected and in procedures that put policies into action; Principle 13 – The Agency obtains or generates and uses relevant quality information to support the functioning of internal control.

²⁴ Component 2 – Risk Assessment; Component 3 – Control Activities; Component 4 – Information and Communication

Based on the above, the Agency concluded that the control system as a whole is well suited, adequately in place and functioning as intended. The self-assessment did not result in the identification of major weaknesses, errors or gaps that could jeopardise the overall effectiveness of INEA's internal control system.

Risk Management Activities

In 2020, the Agency concluded an annual risk assessment exercise, including a mid-term review in the second quarter of the year. INEA's 2020 Risk Register, as per the mid-term review, included two risks identified in the context of COVID-19, respectively the potential delays in recruitment of staff and possible slower progress of CEF projects. Furthermore, the risk register included a risk related to the readiness of the Agency to accept its future mandate and finally a risk related to the problems encountered with the new IT Tools and functionalities for the management of the WiFi4EU Initiative. None of the identified risks was considered critical.

Several mitigation measures were identified during the various risk management exercises in view of reducing both the likelihood and impact of the residual risks that figure in the register of the Agency. Their implementation will be the object of continuous attention in 2021.

The recent risk management activities of the Agency highlighted the growing capacity of INEA to effectively identify risks and select adequate mitigation measures. They also evidenced a continuous integration of controls and mitigation measures in standard procedures, which in turn decreased the likelihood and/ or impact of risks, leading to their acceptance (particularly for risks of operational nature). As a result, in the most recent years, a trend of low number of identified risks can be verified in INEA.

Deviation reporting activities

In 2020, three deviations were documented. Albeit they represent one more than in 2019 their number is still below the set target of five or less deviations per year²⁵. The deviations referred to contractual procedures and a late intervention of the Participant Guarantee Fund for one H2020 project. The associated residual risks were assessed and their effect on the effectiveness on the Agency's control system was considered low. In all instances, the Agency implemented mitigation measures to resolve the events and to avoid their repetition in future occasions.

In the recent years, the Agency has shown a stable trend of low number of reported deviations. This is remarkable considering the growing portfolio of delegated programmes, the quantity of calls managed, the amount of grants signed and the number of annual financial transactions both on the operating and operational budgets.

²⁵ Internal Control Monitoring Criteria 36.

Internal Audit Service (IAS)

INEA relevant audits launched prior to 2020

Management of experts in Horizon 2020 grants

This multi-DG audit (DG RTD, DG CNECT, REA, EASME and INEA) assessed if experts selected under H2020 effectively support the Commission in selecting the best proposals and monitoring project implementation. The final report was issued in January 2021. The recommendations (including two specifically for INEA) will be addressed by an action plan to be finalised and implemented as of the beginning of 2021.

Effectiveness of the design and of the implementation of the ex-post control strategy for the Connecting Europe Facility in the Innovation and Networks Executive Agency

This audit assessed the effectiveness of the design and implementation by INEA of the ex-post control strategy to obtain reasonable assurance on the legality and regularity of transactions. The final audit report issued in December 2020 contained three recommendations, including one very important related to the need to revise the procedure for assessing the technical justifications provided by CEF beneficiaries for the signature of amendments of procurement contracts (subject to the Public Procurement Directives). The action plan with the measures to address this very important recommendation, as well as the two other less significant recommendations, was defined and agreed with the Internal Audit Service and will be implemented by the Agency as of the beginning of 2021.

Implementation of anti-fraud actions in the research area

This multi-DG audit (DG RTD, DG CNECT, REA, ERCEA, EASME and INEA) assessed if the implementation of anti-fraud actions is effective at the level of the Research family and of the individual implementing bodies. The final report was issued in January 2021. The action plan addressing the recommendations (including one specifically for INEA) will be drafted as of the beginning of 2021 and implemented as appropriate.

WiFi4EU

This multi-DG audit (DG CNECT, DIGIT and INEA) assessed the effectiveness of the management of the initiative, including its IT components. The final audit report was issued in December 2020. The action plan addressing the recommendations (including one specifically for INEA), will be finalised as of the beginning of 2021 and subsequently implemented. In the course of 2021, the WiFi4EU initiative will be transferred to a new Agency (HaDEA) together with the responsibility for the implementation of the action plan.

INEA relevant engagements launched in 2020

Protection of personal data of beneficiaries and participants of programmes

This multi-DG audit (EACEA, EASME and INEA) launched in the second half of 2020 aims at assessing the effectiveness of the protection of personal data of beneficiaries of programmes implemented by the Agencies. The audit is ongoing.

Implementation of audit results in Horizon 2020

This multi-DG audit (DG RTD, DG CNECT, REA, ERCEA, EASME and INEA) launched in the second half of 2020 will assess the effectiveness of the arrangements for the implementation of audit results, with a particular attention for the handling of sensitive and/or contentious audits. The audit is in its initial stages of implementation.

European Court of Auditors (ECA)

2019 Operating budget and the preparation of the annual accounts

The audit aimed to obtain reasonable assurance that the Agency's annual accounts were free of material misstatement and that the underlying transactions are legal and regular. The ECA considered that the accounts presented fairly, in all material respects, the financial position of the Agency, the results of its operations, its cash flows, and the changes in net assets, in accordance the Financial Regulation and with accounting rules adopted by the Commission's accounting officer. The ECA also concluded that transactions underlying the accounts were legal and regular in all material respects for both revenue and payments.

Operational budget

On the reliability of the 2019 operational accounts and the cut-off exercise, the auditors issued no observations.

Declarations of Assurance (DAS)

In January 2020, the ECA sampled the last transaction²⁶ in the context of the DAS 2019. The ECA had performed all audits and issued all clearing letters related to the DAS 2019 by the end of June 2020. Two cases of irregularities in procurement procedures related to CEF projects are mentioned in the 2019 Annual report of the ECA. However, the Commission and INEA disagreed with the declaration of ineligibility of the related costs in one case. In the context of the DAS 2020, 23 transactions were sampled (17 for CEF and 6 for H2020). Two clearing letters were issued so far, in a context of COVID-19 pandemic which obliged the ECA to mostly conduct desk reviews instead of on-site reviews. Several findings in relation to one ongoing H2020 project were reported and these are being addressed directly with the beneficiary in order to rectify the situation. For CEF, no clearing letters were issued yet, as most of the desk reviews started in September.

In relation to recommendations issued for the DAS exercises previous to 2019, all actions related to INEA have been considered by the Court as fully implemented or implemented in most respects.

Special audits

Innovation and Networks Executive Agency (INEA)

This audit aimed to assess the performance of the Agency and the audit report was published in 2019 ([Special Report 19/2019](#)). INEA contributed, in cooperation with its parent

²⁶ Out of 15 sampled transactions.

DGs, to the preparation of the action plan addressing the five recommendations issued in the context of this audit. The implementation of some actions commenced already before the action plan was formally adopted in December 2020. The Agency will actively support the implementation of the remaining actions, in cooperation with the relevant Commission services, within the agreed timeframe.

EU transport infrastructures

This complex special audit targeted the concept, design and implementation of large-scale transport infrastructure projects. [Special Report 10/2020](#) was issued in April 2020 and concluded that more speed is needed in “megaproject” implementation to deliver network effects on time. The Agency will work together with the relevant parent DGs in the drafting and implementation of the action plan addressing the accepted recommendations.

Electric Recharging Infrastructure

This special audit launched in the first half of 2020 aims to determine if the Commission effectively supports the deployment of an EU-wide publically accessible recharging infrastructure for electric vehicles. The audit is in its last stages of implementation and the special report is expected for the first half of 2021.

In addition, INEA was associated to the following special audits, which were finalised in 2020:

- The EU core road network ([Special Report 09/2020](#));
- Sustainable Urban Mobility ([Special Report 06/2020](#));

INEA was also requested to contribute to one follow-up audit on ERTMS by providing elements to evidence the progress made.

ANNEX 9: Reporting – Human Resources, Information Management and External Communication

Human Resources

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

Indicator 1: Percentage of staff who feel that the Commission cares about their well-being

Source of data: Commission staff survey/DG HR Pulse Survey 15²⁷

Baseline INEA (2018)	Target 2020	Latest known results 2020
63%	65% of the people expressed positive opinion that the Commission cares about their well-being	30% Exceptional conditions due to the prolonged isolation and the COVID-19 crisis impacted the results. Nevertheless, INEA's management has taken immediate actions to address staff concerns by signing a commitment by management on wellbeing and organising virtual social events such as Virtual random coffee rooms and HR Ateliers.

²⁷ New Commission staff survey will be organised in 2021. The reported result is based on the replies received in pulse survey 15 conveyed from 25 to 27 January 2021 in order to assess how staff is dealing with confinement in this period of crisis. It should be noted that only 29% of INEA staff participated in this pulse survey compared to 80% in the 2018 Commission Staff Survey which results are used as a baseline.

Indicator 2: Staff engagement index		
Source of data: Commission staff survey/DG HR Pulse Survey 15²⁸		
Baseline INEA (2018)	Target (2020)	Latest known results 2020
70%	70%	62% Exceptional conditions due to the prolonged isolation and the COVID-19 crisis impacted the results. An additional area where improvement is needed is management support for identifying staff needs for learning and development. In 2021, a new Learning and Development Strategy will be adopted in this regard.
Indicator 3: Vacancy rate		
Source of data: INEA statistics		
Baseline INEA	Target (2020)	Latest known results 2020
2.6%	Stable ≤3%	6% The deviation is due to the addition of the Innovation Fund posts in the course of the year.
Indicator 4: Proportion of female holding Head of Sector, Team Leader or Senior Project Manager posts		
Source of data: INEA statistics		
Baseline INEA (2019)	Target (2020)	Latest known results 2020

²⁸ New Commission staff survey will be organised in 2021. The reported result is based on the replies received in pulse surveys 13 and 14 conveyed from 14 to 17 December 2020 and 11 to 13 January 2021 respectively. It should be noted that only 29% and 39% of INEA staff participated in this pulse surveys (in survey 13 and 14 respectively) compared to 80% in the 2018 Commission Staff Survey which results are used as a baseline.

43%	Stable ≥40 %	41% ²⁹	
Indicator 5: Percentage of staff who consider the Agency to be a diverse and inclusive working environment Source of data: Commission staff survey			
Baseline INEA (2018)	Target (2020)	Latest known results 2020	
63%	65%	63%	
Indicator 6: Percentage of staff who do structural teleworking Source of data: INEA statistics			
Baseline INEA (2019)	Target (2020)	Latest known results 2020	
30.7 %	35%	N/A For most of the year 2020, teleworking became the default working arrangement for all staff due to the pandemic	
Indicator 7: Percentage of newcomers' overall satisfaction regarding the integration process in the Agency Source of data: INEA newcomers integration report			
Baseline INEA (2019)	Target (2020)	Latest known results 2020	
87.5%	Stable	90% ³⁰	
Main outputs in 2020:			
Description	Indicator	Target	Latest known results (including comment when target was not reached)
Produce a chart on fair, balanced and flexible working environment in INEA	Delivery of the charter	March 2020	The Chart was signed by the management team in February 2020. Signed charter is displayed in a place of high visibility in the Agency's premises.
Organise	Delivery of the training	December 2020	A session was

²⁹ 12 out of 29

³⁰ INEA 2018 and 2019 staff movements report – ARES(2020)3919594 – 24/07/2020

training on equal opportunities and diversity for staff			organised on 8 June 2020.
Deploy INEA's peer coaching scheme	Delivery of the scheme	March 2020	The scheme is in place and provides an opportunity for on-the-job learning through a "Manager-coach" approach to staff members who wish to progress to a position of leadership (Team leader, Head of sector, etc.) or who wish to further develop their skills and competences.
HR Strategy 2021-2027	Document approved by management	December 2020	In 2020 DG HR launched a consultation for an EC HR Strategy. In order to align with the overall corporate approach, INEA's HR strategy was postponed until the new EC HR strategy is adopted.
Learning and development strategy 2021-2027	Document approved by management	December 2020	Given that learning and development priorities depend on the overall HR strategy objectives, a new strategy will be adopted at the same time as the new HR strategy for the agency. This will also allow adapting the new learning priorities to the future mandate

			and programmes managed by the agency.
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Information Management

Objective: Information and knowledge in INEA is shared and reusable by the Commission's DGs. Important documents are registered, filed and retrievable.			
Indicator 1: Percentage of registered documents that are not filed (ratio)			
Source of data: Hermes-Ares-NomCom (HAN) statistics			
Baseline (2019)	Target	Latest known results 2020	
0.06%	0%	0.09%	
Indicator 2: Percentage of HAN files readable/accessible by all units in the EA			
Source of data: HAN statistics			
Baseline (2019)	Target	Latest known results 2020	
98.70%	≥98%	98.01%	
Indicator 3: Percentage of HAN files shared with other Commission services			
Source of data: HAN statistics			
Baseline (2019)	Target	Latest known results 2020	
86.80%	≥98%	84.75%	
Main outputs in 2020:			
Description	Indicator	Target	Latest known results (including comment when target was not reached)
Overarching reporting strategy 2021-2027	Document approved by management	December 2020	Draft reporting strategy has been prepared and Management approval is expected early 2021
Further development of the QlikSense application	Management/internal reporting entirely done in QlikSense	December 2020	New modules for management reporting have been developed and existing modules

for management reporting (Modules on ex post audits, ASRs, etc.)			further refined. Additionally, a new reporting environment in QlikSense has been set up for WiFi4EU.
Further development of the Transparency Platform (data collection and regular update)	Improved Transparency Platform	December 2020	Following a review of the PCI public viewer, the Agency implemented several enhancements offering better navigation, improved search criteria and filtering of information. The backend was reworked with a restructuring of indicators, and a smooth information flow between the backend and PCI viewer (more information can be found in the CEF Energy section of the report).

External Communication

Objective: Citizens perceive that the EU is working to improve their lives and engage with the EU. They feel that their concerns are taken into consideration in European decision making and they know about their rights in the EU.			
Indicator 1: Percentage of EU citizens having a positive image of the EU			
Source of data: Standard Eurobarometer			
Baseline: June 2019	Target (2020)	Latest known results 2020	
Total 'Positive': 45% Neutral: 37 % Total 'Negative': 17%	Positive image of the EU \geq 50%	40% positive 40% neutral 19% negative 1% do not know (Summer 2020 results)	
Main outputs in 2020:			
Description	Indicator	Target	Latest known results (including comment when target was not reached)
Reach of communication actions via events (info days)	Number of participants physical/online	$\geq 25,000$	11,683 There were fewer info days than usual due to COVID-19
	% Newcomers	$\geq 50\%$	57%
	Satisfaction rate	$\geq 90\%$	100%
	% participants who find it useful for preparing an application	$\geq 90\%$	73% agreed, 27% were neutral
Reach via publications	% participants who will share the information	$\geq 90\%$	100%
	Number distributed/downloaded	$\geq 18,000$ $\geq 90\%$	1,705 due to less events and less publications produced as a result
	Satisfaction rate	$\geq 90\%$	Other indicators
	% readers who will		

	share the information		cannot be measured until the new Agency's website becomes available.
Reach via videos	Number of views Cost per view	$\geq 660,000$ $\leq \text{€}0.05$	No new corporate videos were produced in 2020. Short programme videos produced in-house for social media received 47,668 views in total
Reach via social media	Number of impressions Number of followers Number of posts Engagement rate Number of hashtag mentions Number of retweets/likes	$\geq 3,400,000$ $\geq 12,000$ $\geq 1,500$ $\geq 1.2\%$ $\geq 4,100$ $\geq 20,000$	6,493,213 42,424 1,817 1.54% 8916 100,179
Reach via INEA's website	Number of unique visits Number of page views (funding) Number of page views (projects) Number of page views (vacancies) Number of downloads Satisfaction rate	$\geq 300,000$ $\geq 240,000$ $\geq 230,000$ ≥ 750 $\geq 225,000$ $\geq 95\%$	484,994 398,061 308,217 54,349 198,652 (less calls and less publications in 2020) 99%
Implementation of the 2020 action plan linked to the renewed multiannual communication	100% of the 2020 actions to be implemented	December 2020	90% (9 out of 10) of actions implemented. The remaining action is creating an animation for the new Agency. Work is ongoing with the

strategy for the period 2019-2021			contractor and production is delayed to 2021 due to the delayed new mandate
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Annual communication spending (based on estimated commitments):			
Baseline 2019	Target 2020	Total amount spent	Total of FTEs working on external communication
175,042.04	222,248.80	193,811.67	7

ANNEX 10: Implementation through national or international public-sector bodies and bodies governed by private law with a public sector mission – not applicable

ANNEX 11: EAMR of the Union Delegations – not applicable

ANNEX 12: Decentralised agencies and/or EU Trust Funds – not applicable