



# Annual activity report 2022

**annexes**

EUROPEAN RESEARCH EXECUTIVE AGENCY

## Table of Contents

ANNEX 1:	Statement of the Director(s) in charge of Risk Management and Internal Control.....	3
ANNEX 2:	Performance tables.....	4
ANNEX 3:	Draft annual accounts and financial reports.....	29
ANNEX 4:	Financial scorecard.....	59
ANNEX 5:	Materiality criteria.....	65
ANNEX 6:	Relevant Control Systems (RCSs) for budget implementation.....	75
ANNEX 7:	Specific annexes related to financial management.....	95
ANNEX 8:	Specific annexes related to "assessment of the effectiveness of the internal control systems".....	105
ANNEX 9:	Specific annexes related to "Control results" and "Assurance: Reservations".....	107
ANNEX 10:	Reporting – Human resources, digital transformation and information management and sound environmental management.....	109

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

***I declare that in accordance with the Commission's communication on the internal control framework<sup>1</sup>, I have reported my advice and recommendations on the overall state of internal control in the Executive Agency to the Executive Director.***

***I hereby certify that the information provided in the present annual activity report and in its annexes is, to the best of my knowledge, accurate and complete.***

**31 March 2023**

**Marc Bellens  
e-signed**

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<sup>1</sup> C(2017)2373 of 19.04.2017.

## ANNEX 2: Performance tables

**Table 1 - Implementation of 2021 and 2022 Horizon calls (Data source: Horizon dashboard)**

Programme	Thematic Priority	Call ID	Call Deadline Year	Eligible Proposals	Retained Proposals	Success Rate Proposals
H2020	Marie-Sklodowska-Curie Actions	H2020-MSCA-NIGHT-2020bis	2021	131	44	34%
H2020	Research Infrastructures	H2020-IBA-INFRA-ESFRI-Presidency-2021	2021	1	1	100%
H2020	Research Infrastructures	H2020-LC-GD-2020-6	2021	12	3	25%
H2020	Climate action, environment, resource efficiency and raw materials	H2020-LC-GD-2020-3	2021	521	25	5%
H2020	Europe in a changing world - inclusive, innovative and reflective societies	H2020-LC-GD-2020-4	2021	163	4	2%
H2020	Climate action, environment, resource efficiency and raw materials	H2020-IBA-CROSS-GEOSS-2021	2021	1	1	100%
H2020	Food security, sustainable agriculture and forestry, marine and maritime and inland water research and the bioeconomy	H2020-LC-GD-2020-4	2021	259	8	3%
HORIZON EUROPE	Marie Skłodowska-Curie Actions (MSCA)	HORIZON-MSCA-2021-COFUND-01	2022	115	26	23%
HORIZON EUROPE	Marie Skłodowska-Curie Actions (MSCA)	HORIZON-MSCA-2021-DN-01	2021	1,071	144	13%
HORIZON EUROPE	Marie Skłodowska-Curie Actions (MSCA)	HORIZON-MSCA-2021-INCO-01	2021	2	1	50%
HORIZON EUROPE	Marie Skłodowska-Curie Actions (MSCA)	HORIZON-MSCA-2021-NCP-01	2021	1	1	100%

Programme	Thematic Priority	Call ID	Call Deadline Year	Eligible Proposals	Retained Proposals	Success Rate Proposals
HORIZON EUROPE	Marie Skłodowska-Curie Actions (MSCA)	HORIZON-MSCA-2021-PF-01	2021	8,250	1,157	14%
HORIZON EUROPE	Marie Skłodowska-Curie Actions (MSCA)	HORIZON-MSCA-2021-RR-01	2022	1	1	100%
HORIZON EUROPE	Marie Skłodowska-Curie Actions (MSCA)	HORIZON-MSCA-2021-SE-01	2022	202	67	33%
HORIZON EUROPE	Marie Skłodowska-Curie Actions (MSCA)	HORIZON-MSCA-2021-SNLS-IBA	2021	8	8	100%
HORIZON EUROPE	Marie Skłodowska-Curie Actions (MSCA)	HORIZON-MSCA-2022-ALUMNI-IBA	2022	1	1	100%
HORIZON EUROPE	Marie Skłodowska-Curie Actions (MSCA)	HORIZON-MSCA-2022-CITIZENS-01	2021	109	48	44%
HORIZON EUROPE	Marie Skłodowska-Curie Actions (MSCA)	HORIZON-MSCA-2022-PF-01	2022	6,909	1,235	18%
HORIZON EUROPE	Marie Skłodowska-Curie Actions (MSCA)	HORIZON-MSCA-2022-Ukraine-ART195-IBA	2022	1	1	100%
HORIZON EUROPE	Research infrastructures	HORIZON-INFRA-2021-DEV-01	2021	9	6	67%
HORIZON EUROPE	Research infrastructures	HORIZON-INFRA-2021-DEV-02	2022	15	14	93%
HORIZON EUROPE	Research infrastructures	HORIZON-INFRA-2021-EMERGENCY-01	2021	2	1	50%
HORIZON EUROPE	Research infrastructures	HORIZON-INFRA-2021-EMERGENCY-02	2021	2	1	50%
HORIZON EUROPE	Research infrastructures	HORIZON-INFRA-2021-EOSC-01	2021	15	9	60%

Programme	Thematic Priority	Call ID	Call Deadline Year	Eligible Proposals	Retained Proposals	Success Rate Proposals
HORIZON EUROPE	Research infrastructures	HORIZON-INFRA-2021-ESFRI20-IBA	2021	1	1	100%
HORIZON EUROPE	Research infrastructures	HORIZON-INFRA-2021-ICRI-IBA	2021	1	1	100%
HORIZON EUROPE	Research infrastructures	HORIZON-INFRA-2021-SERV-01	2021	11	8	73%
HORIZON EUROPE	Research infrastructures	HORIZON-INFRA-2021-TECH-01	2021	8	4	50%
HORIZON EUROPE	Research infrastructures	HORIZON-INFRA-2022-DEV-01	2022	29	9	31%
HORIZON EUROPE	Research infrastructures	HORIZON-INFRA-2022-EOSC-01	2022	7	5	71%
HORIZON EUROPE	Research infrastructures	HORIZON-INFRA-2022-TECH-01	2022	37	13	35%
HORIZON EUROPE	Culture, creativity and inclusive society	HORIZON-CL2-2021-DEMOCRACY-01	2021	65	16	25%
HORIZON EUROPE	Culture, creativity and inclusive society	HORIZON-CL2-2021-HERITAGE-01	2021	173	14	8%
HORIZON EUROPE	Culture, creativity and inclusive society	HORIZON-CL2-2021-HERITAGE-02	2021	2	2	100%
HORIZON EUROPE	Culture, creativity and inclusive society	HORIZON-CL2-2021-TRANSFORMATIONS-01	2021	126	19	15%
HORIZON EUROPE	Culture, creativity and inclusive society	HORIZON-CL2-2022-DEMOCRACY-01	2022	236	28	12%
HORIZON EUROPE	Culture, creativity and inclusive society	HORIZON-CL2-2022-DEMOCRACY-02	2022	11	1	9%

Programme	Thematic Priority	Call ID	Call Deadline Year	Eligible Proposals	Retained Proposals	Success Rate Proposals
HORIZON EUROPE	Culture, creativity and inclusive society	HORIZON-CL2-2022-HERITAGE-01	2022	321	27	8%
HORIZON EUROPE	Culture, creativity and inclusive society	HORIZON-CL2-2022-HERITAGE-02	2022	10	1	10%
HORIZON EUROPE	Culture, creativity and inclusive society	HORIZON-CL2-2022-TRANSFORMATIONS-01	2022	166	30	18%
HORIZON EUROPE	Culture, creativity and inclusive society	HORIZON-CL2-2022-TRANSFORMATIONS-02	2022	5	1	20%
HORIZON EUROPE	Civil Security for Society	HORIZON-CL3-2021-BM-01	2021	26	6	23%
HORIZON EUROPE	Civil Security for Society	HORIZON-CL3-2021-DRS-01	2021	63	8	13%
HORIZON EUROPE	Civil Security for Society	HORIZON-CL3-2021-FCT-01	2021	92	15	16%
HORIZON EUROPE	Civil Security for Society	HORIZON-CL3-2021-INFRA-01	2021	15	2	13%
HORIZON EUROPE	Civil Security for Society	HORIZON-CL3-2021-SSRI-01	2021	11	4	36%
HORIZON EUROPE	Food, Bioeconomy Natural Resources, Agriculture and Environment	HORIZON-CL6-2021-BIODIV-01	2021	67	27	40%
HORIZON EUROPE	Food, Bioeconomy Natural Resources, Agriculture and Environment	HORIZON-CL6-2021-BIODIV-02	2021	1	1	100%
HORIZON EUROPE	Food, Bioeconomy Natural Resources, Agriculture and Environment	HORIZON-CL6-2021-CIRCBIO-01	2021	96	20	21%
HORIZON EUROPE	Food, Bioeconomy Natural Resources, Agriculture and Environment	HORIZON-CL6-2021-CLIMATE-01	2021	53	14	26%

Programme	Thematic Priority	Call ID	Call Deadline Year	Eligible Proposals	Retained Proposals	Success Rate Proposals
HORIZON EUROPE	Food, Bioeconomy Natural Resources, Agriculture and Environment	HORIZON-CL6-2021-COMMUNITIES-01	2021	43	8	19%
HORIZON EUROPE	Food, Bioeconomy Natural Resources, Agriculture and Environment	HORIZON-CL6-2021-FARM2FORK-01	2021	148	30	20%
HORIZON EUROPE	Food, Bioeconomy Natural Resources, Agriculture and Environment	HORIZON-CL6-2021-GOVERNANCE-01	2021	91	43	47%
HORIZON EUROPE	Food, Bioeconomy Natural Resources, Agriculture and Environment	HORIZON-CL6-2021-ZEROPOLLUTION-01	2021	62	19	31%
HORIZON EUROPE	Food, Bioeconomy Natural Resources, Agriculture and Environment	HORIZON-CL6-2022-BIODIV-01	2022	49	16	33%
HORIZON EUROPE	Food, Bioeconomy Natural Resources, Agriculture and Environment	HORIZON-CL6-2022-BIODIV-02-two-stage	2022	9	5	56%
HORIZON EUROPE	Food, Bioeconomy Natural Resources, Agriculture and Environment	HORIZON-CL6-2022-CIRCBIO-01	2022	47	13	28%
HORIZON EUROPE	Food, Bioeconomy Natural Resources, Agriculture and Environment	HORIZON-CL6-2022-CIRCBIO-02-two-stage	2022	39	12	31%
HORIZON EUROPE	Food, Bioeconomy Natural Resources, Agriculture and Environment	HORIZON-CL6-2022-CLIMATE-01	2022	16	6	38%
HORIZON EUROPE	Food, Bioeconomy Natural Resources, Agriculture and Environment	HORIZON-CL6-2022-COMMUNITIES-01	2022	39	7	18%
HORIZON EUROPE	Food, Bioeconomy Natural Resources, Agriculture and Environment	HORIZON-CL6-2022-COMMUNITIES-02-two-stage	2022	16	5	31%
HORIZON EUROPE	Food, Bioeconomy Natural Resources, Agriculture and Environment	HORIZON-CL6-2022-FARM2FORK-01	2022	171	25	15%
HORIZON EUROPE	Food, Bioeconomy Natural Resources, Agriculture and Environment	HORIZON-CL6-2022-FARM2FORK-02-two-stage	2022	38	12	32%



Programme	Thematic Priority	Call ID	Call Deadline Year	Eligible Proposals	Retained Proposals	Success Rate Proposals
HORIZON EUROPE	Food, Bioeconomy Natural Resources, Agriculture and Environment	HORIZON-CL6-2022-GOVERNANCE-01	2022	126	31	25%
HORIZON EUROPE	Food, Bioeconomy Natural Resources, Agriculture and Environment	HORIZON-CL6-2022-OECD-IBA	2022	1	1	100%
HORIZON EUROPE	Food, Bioeconomy Natural Resources, Agriculture and Environment	HORIZON-CL6-2022-ZEROPOLLUTION-01	2022	79	10	13%
HORIZON EUROPE	Food, Bioeconomy Natural Resources, Agriculture and Environment	HORIZON-MISS-2021-SOIL-01	2021	2	1	50%
HORIZON EUROPE	Food, Bioeconomy Natural Resources, Agriculture and Environment	HORIZON-MISS-2021-SOIL-02	2022	24	10	42%
HORIZON EUROPE	Food, Bioeconomy Natural Resources, Agriculture and Environment	HORIZON-MISS-2022-SOIL-01	2022	69	16	23%
HORIZON EUROPE	Climate, Energy and Mobility	HORIZON-MISS-2022-SOCIALCAT-01	2022	1	1	100%
HORIZON EUROPE	Widening participation and spreading excellence	HORIZON-WIDERA-2021-ACCESS-02	2021	126	15	12%
HORIZON EUROPE	Widening participation and spreading excellence	HORIZON-WIDERA-2021-ACCESS-03	2022	388	103	27%
HORIZON EUROPE	Widening participation and spreading excellence	HORIZON-WIDERA-2021-ACCESS-05	2021	12	9	75%
HORIZON EUROPE	Widening participation and spreading excellence	HORIZON-WIDERA-2021-COST-SGA	2021	1	1	100%
HORIZON EUROPE	Reforming and enhancing the European R&I System	HORIZON-WIDERA-2021-ERA-01	2021	44	20	45%
HORIZON EUROPE	Reforming and enhancing the European R&I System	HORIZON-WIDERA-2021-ESOF-IBA	2021	1	1	100%

Programme	Thematic Priority	Call ID	Call Deadline Year	Eligible Proposals	Retained Proposals	Success Rate Proposals
HORIZON EUROPE	Reforming and enhancing the European R&I System	HORIZON-WIDERA-2021-EUCYS-IBA	2021	1	1	100%
HORIZON EUROPE	Reforming and enhancing the European R&I System	HORIZON-WIDERA-2021-RESAVER-IBA	2021	1	1	100%
HORIZON EUROPE	Widening participation and spreading excellence	HORIZON-WIDERA-2022-ACCESS-01-two-stage	2022	31	12	39%
HORIZON EUROPE	Widening participation and spreading excellence	HORIZON-WIDERA-2022-ACCESS-04	2022	102	10	10%
HORIZON EUROPE	Widening participation and spreading excellence	HORIZON-WIDERA-2022-ACCESS-07	2022	6	6	100%
HORIZON EUROPE	Reforming and enhancing the European R&I System	HORIZON-WIDERA-2022-ERA-01	2022	98	24	24%
HORIZON EUROPE	Reforming and enhancing the European R&I System	HORIZON-WIDERA-2022-ERA-IBA	2022	1	1	100%
HORIZON EUROPE	Widening participation and spreading excellence	HORIZON-WIDERA-2022-TALENTS-01	2022	88	32	36%
HORIZON EUROPE	Widening participation and spreading excellence	HORIZON-WIDERA-2022-TALENTS-02	2021	74	50	68%

**Table 2 - Signature of grants in 2021 and 2022**

<b>H2020</b>	<b>Project Call Id</b>	<b>Project Call Deadline Date</b>	<b>Grants Signed (MAIN List)</b>	<b>Grants Signed Within 245 days</b>	<b>Signed within target (MAIN List)</b>	<b>Average TTI</b>	<b>Grants Signed (Incl. Reserve List)</b>
Green deal	H2020-LC-GD-2020-3	27/01/2021	7	7	100.00%	120	7
Green Deal	H2020-LC-GD-2020-4	27/01/2021	4	4	100.00%	120	4
Green deal	H2020-LC-GD-2020-3	27/01/2021	18	18	100.00%	120	18
Green deal	H2020-LC-GD-2020-6	27/01/2021	3	3	100.00%	120	3
H2020 SC2	H2020-LC-GD-2020-4	27/01/2021	7	7	100.00%	120	7
H2020 SC2	H2020-LC-GD-2020-4	27/01/2021	7	7	100.00%	120	7
H2020 SC2	H2020-LC-GD-2020-4	27/01/2021	1	1	100.00%	120	1
(GEOSS)	H2020-IBA-CROSS-GEOSS-2021	25/03/2021	1	0	0.00%	83	1
<b>MSCA</b>	<b>Project Call Id</b>	<b>Project Call Deadline Date</b>	<b>Grants Signed (MAIN List)</b>	<b>Grants Signed Within 245 days</b>	<b>Signed within target (MAIN List)</b>	<b>Average TTI</b>	<b>Grants Signed (Incl. Reserve List)</b>
MSCA	HORIZON-MSCA-2021-DN-01	16/11/2021	144	142	98.61%	136	152
MSCA	HORIZON-MSCA-2021-PF-01	12/10/2021	888	360	40.54%	160	1211
MSCA	HORIZON-MSCA-2021-SNLS-IBA	20/10/2021	3	1	33.33%	181	3
MSCA	HORIZON-MSCA-2021-INCO-01	05/10/2021	1	1	100.00%	121	1
MSCA	HORIZON-MSCA-2021-SE-01	09/03/2022	66	66	100.00%	117	78
MSCA	HORIZON-MSCA-2021-SNLS-IBA	20/10/2021	3	2	66.67%	171	3
MSCA	HORIZON-MSCA-2021-COFUND-01	10/02/2022	25	25	100.00%	145	27
MSCA	HORIZON-MSCA-2021-NCP-01	31/08/2021	1	1	100.00%	100	1
MSCA	HORIZON-MSCA-2021-RR-01	06/01/2022	1	1	100.00%	64	1
MSCA	HORIZON-MSCA-2022-ALUMNI-IBA	15/03/2022	1	1	100.00%	80	1
MSCA	HORIZON-MSCA-2022-CITIZENS-01	07/10/2021	44	44	100.00%	133	49
MSCA	HORIZON-MSCA-2022-Ukraine-ART195-IBA	21/06/2022	1	1	100.00%	14	1
MSCA	HORIZON-WIDERA-2022-TALENTS-02	12/10/2021	35	24	68.57%	190	52
<b>Research Infrastructure</b>	<b>Project Call Id</b>	<b>Project Call Deadline Date</b>	<b>Grants Signed (MAIN List)</b>	<b>Grants Signed Within 245 days</b>	<b>Signed within target (MAIN List)</b>	<b>Average TTI</b>	<b>Grants Signed (Incl. Reserve List)</b>
R INFRA	HORIZON-INFRA-2021-DEV-01	23/09/2021	6	6	100.00%	117	6
R INFRA	HORIZON-INFRA-2021-DEV-02	20/01/2022	14	14	100.00%	82	14
R INFRA	HORIZON-INFRA-2021-EMERGENCY-01	20/05/2021	1	0	0.00%	60	1
R INFRA	HORIZON-INFRA-2021-EMERGENCY-02	20/05/2021	1	0	0.00%	60	1
R INFRA	HORIZON-INFRA-2021-EOSC-01	23/09/2021	9	3	33.33%	117	10

R INFRA	HORIZON-INFRA-2021-SERV-01	23/09/2021	8	2	25.00%	117	8
R INFRA	HORIZON-INFRA-2021-TECH-01	23/09/2021	4	1	25.00%	117	4
R INFRA	HORIZON-INFRA-2022-DEV-01	20/04/2022	7	7	100.00%	97	7
R INFRA	HORIZON-INFRA-2022-EOSC-01	20/04/2022	5	5	100.00%	97	5
R INFRA	HORIZON-INFRA-2022-TECH-01	20/04/2022	13	13	100.00%	97	13
<b>Cluster 2</b>	<b>Project Call Id</b>	<b>Project Call Deadline Date</b>	<b>Grants Signed (MAIN List)</b>	<b>Grants Signed Within 245 days</b>	<b>Signed within target (MAIN List)</b>	<b>Average TTI</b>	<b>Grants Signed (Incl. Reserve List)</b>
Cluster 2	HORIZON-CL2-2021-DEMOCRACY-01	07/10/2021	16	16	100.00%	134	17
Cluster 2	HORIZON-CL2-2021-HERITAGE-01	07/10/2021	14	14	100.00%	134	15
Cluster 2	HORIZON-CL2-2021-HERITAGE-02	07/10/2021	2	2	100.00%	63	2
Cluster 2	HORIZON-CL2-2021-TRANSFORMATIONS-01	07/10/2021	19	19	100.00%	134	20
Cluster 2	HORIZON-CL2-2022-DEMOCRACY-01	20/04/2022	27	27	100.00%	98	27
Cluster 2	HORIZON-CL2-2022-HERITAGE-01	20/04/2022	26	26	100.00%	98	26
Cluster 2	HORIZON-CL2-2022-TRANSFORMATIONS-01	20/04/2022	30	30	100.00%	98	30
<b>Cluster 3</b>	<b>Project Call Id</b>	<b>Project Call Deadline Date</b>	<b>Grants Signed (MAIN List)</b>	<b>Grants Signed Within 245 days</b>	<b>Signed within target (MAIN List)</b>	<b>Average TTI</b>	<b>Grants Signed (Incl. Reserve List)</b>
Cluster 3	HORIZON-CL3-2021-BM-01	23/11/2021	6	3	50.00%	136	7
Cluster 3	HORIZON-CL3-2021-DRS-01	23/11/2021	8	4	50.00%	136	9
Cluster 3	HORIZON-CL3-2021-FCT-01	23/11/2021	15	12	80.00%	135	15
Cluster 3	HORIZON-CL3-2021-INFRA-01	23/11/2021	2	0	0.00%	136	2
Cluster 3	HORIZON-CL3-2021-SSRI-01	23/11/2021	4	4	100.00%	136	4
<b>Cluster 6 &amp; mission soil</b>	<b>Project Call Id</b>	<b>Project Call Deadline Date</b>	<b>Grants Signed (MAIN List)</b>	<b>Grants Signed Within 245 days</b>	<b>Signed within target (MAIN List)</b>	<b>Average TTI</b>	<b>Grants Signed (Incl. Reserve List)</b>
Cluster 6	HORIZON-CL6-2021-CLIMATE-01	06/10/2021	14	12	85.71%	121	15
Cluster 6	HORIZON-CL6-2021-COMMUNITIES-01	06/10/2021	8	7	87.50%	121	8
Cluster 6	HORIZON-CL6-2021-FARM2FORK-01	06/10/2021	30	27	90.00%	121	34
Cluster 6	HORIZON-CL6-2022-CLIMATE-01	23/02/2022	6	4	66.67%	125	6
Cluster 6	HORIZON-CL6-2022-COMMUNITIES-01	23/02/2022	7	4	57.14%	125	7
Cluster 6	HORIZON-CL6-2022-FARM2FORK-01	23/02/2022	25	24	96.00%	125	25
Cluster 6	HORIZON-CL6-2021-BIODIV-01	06/10/2021	27	22	81.48%	128	29
Cluster 6	HORIZON-CL6-2021-BIODIV-02	22/07/2021	1	0	0.00%	62	1
Cluster 6	HORIZON-CL6-2021-CIRCBIO-01	06/10/2021	20	18	90.00%	121	20

Cluster 6	HORIZON-CL6-2021-ZEROPOLLUTION-01	06/10/2021	19	19	100.00%	121	20
Cluster 6	HORIZON-CL6-2022-BIODIV-01	15/02/2022	16	15	93.75%	113	16
Cluster 6	HORIZON-CL6-2022-CIRC BIO-01	15/02/2022	13	13	100.00%	113	13
Cluster 6	HORIZON-CL6-2022-ZEROPOLLUTION-01	15/02/2022	10	10	100.00%	113	10
Cluster 6	HORIZON-CL6-2021-GOVERNANCE-01	06/10/2021	43	39	90.70%	125	44
Cluster 6	HORIZON-CL6-2022-GOVERNANCE-01	10/03/2022	31	28	90.32%	110	31
Mission soil	HORIZON-MISS-2021-SOIL-01	20/10/2021	1	1	100.00%	113	1
Mission soil	HORIZON-MISS-2021-SOIL-02	24/03/2022	10	9	90.00%	91	10
<b>Widening</b>	<b>Project Call Id</b>	<b>Project Call Deadline Date</b>	<b>Grants Signed (MAIN List)</b>	<b>Grants Signed Within 245 days</b>	<b>Signed within target (MAIN List)</b>	<b>Average TTI</b>	<b>Grants Signed (Incl. Reserve List)</b>
Widening	HORIZON-WIDERA-2021-ACCESS-02	05/10/2021	15	15	100.00%	111	17
Widening	HORIZON-WIDERA-2021-ACCESS-03	18/01/2022	103	103	100.00%	115	106
Widening	HORIZON-WIDERA-2021-ACCESS-05	04/11/2021	9	9	100.00%	116	9
Widening	HORIZON-WIDERA-2021-COST-FPA	27/07/2021	1	1	100.00%	58	1
Widening	HORIZON-WIDERA-2021-COST-SGA	27/07/2021	1	1	100.00%	58	1
Widening	HORIZON-WIDERA-2022-ACCESS-04	15/03/2022	10	10	100.00%	115	10
Widening	HORIZON-WIDERA-2022-TALENTS-01	15/03/2022	32	32	100.00%	122	32
<b>R&amp;I syst</b>	<b>Project Call Id</b>	<b>Project Call Deadline Date</b>	<b>Grants Signed (MAIN List)</b>	<b>Grants Signed Within 245 days</b>	<b>Signed within target (MAIN List)</b>	<b>Average TTI</b>	<b>Grants Signed (Incl. Reserve List)</b>
R&I syst	HORIZON-WIDERA-2021-ERA-01	23/09/2021	20	17	85.00%	117	20
R&I syst	HORIZON-WIDERA-2021-ESOF-IBA	14/07/2021	1	1	100.00%	104	1
R&I syst	HORIZON-WIDERA-2021-EUCYS-IBA	24/08/2021	1	1	100.00%	66	1
R&I syst	HORIZON-WIDERA-2021-RESAVER-IBA	09/09/2021	1	1	100.00%	62	1
R&I syst	HORIZON-WIDERA-2022-ERA-01	20/04/2022	24	24	100.00%	104	24
<b>Non-Horizon programmes</b>	<b>Project Call Id</b>	<b>Project Call Deadline Date</b>	<b>Grants Signed (MAIN List)</b>	<b>Grants Signed Within 245 days</b>	<b>Signed within target (MAIN List)</b>	<b>Average TTI</b>	<b>Grants Signed (Incl. Reserve List)</b>
AGRIP	AGRIP-MULTI-2021	11/05/2021	31	29	93.55%	139	31
AGRIP	AGRIP-MULTI-2022	21/04/2022	23	23	100.00%	151	23
RFCS	RFCS-2021	22/09/2021	9	9	100.00%	131	9

**Table 3 - Stocktaking/activities for the management of projects**

FRAMEWORK PROGRAMME		Running projects on 31/12/2021 <sup>+</sup>	Running projects on 31/12/2022 <sup>+</sup>
<b>H2020 Activities</b>			
Excellent Science	Marie Skłodowska-Curie Actions	5,593	4,081
	Research infrastructure	165	131
Societal Challenges	Societal Challenge 2	330	273
	Societal Challenge 5	146	132
	Societal Challenge 6	188	151
	Societal Challenge 7	170	131
Specific Objectives	Spreading Excellence and Widening Participation	346	265
	Science with and for Society	173	135
Green Deal		40	40
<b>Horizon Europe Activities</b>			
Excellent Science	Marie Skłodowska-Curie Actions	-	1506
	Research infrastructure	2	71
Global Challenges & European Industrial Competitiveness	Cluster 2	-	137
	Cluster 3	-	37
	Cluster 6	-	279
Widening Participation and Strengthening the European Research Area	Widening participation and spreading excellence	2	212
	Reforming and Enhancing the European R&I system	1	47
EU Mission		-	11
<b>AGRIP</b>			
		107	114
<b>RFCS</b>			
		139	117
<b>TOTAL</b>		<b>7,402</b>	<b>7,870</b>

## Implementation of Horizon Europe – Excellent science – Marie Skłodowska-Curie Actions (MSCA) and predecessor actions

<b>General objective:</b>			
<b>EUROPE FIT FOR THE DIGITAL AGE</b>			
<b>Specific objective:</b>			
DG EAC 2.3 – Through the Horizon 2020 Marie Skłodowska-Curie Actions, promote excellence in research, generate innovation and strengthen skills, training and career development for researchers notably through excellent international doctoral networks			
From 2020-2024 Strategic Plans			
<b>Main outputs in 2022:</b>			
Horizon Europe			
<b>Output</b>	<b>Indicator</b>	<b>Target at MSCA level</b>	<b>Latest known result (31/12/2022)</b>
Events to ensure successful implementation of the programme and to promote funding opportunities (organised by REA)	Number of events co-organised by REA	8 (2 REA trainings for MSCA NCPs on Horizon Europe, 2 MSCA cluster events, 1 DN 2021 coordinators day, 1 Staff Exchange coordinators day, 1 COFUND coordinators day, 1 event for Postdoctoral Fellowships researchers)	8
Calls for proposals	Number of calls	7	7
Evaluation sessions	Number of sessions	6	7
Number of individual proposals evaluated	Estimated number of proposals to evaluate	11 481	9 385
Number of grants signed	Number of grants	1 697	1 530
Procedures for selection by the Commission (where necessary)	Number of procedures	15	12
Pre-financing payments	Number of payments	873	821
Horizon 2020			
<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known result (31/12/2022)</b>
Events to ensure successful implementation of the programme (organised by REA)	Number of events co-organised by REA	1 (H2020 ITN-EID Cluster networking event)	1
Number of grants signed	Number of grants	10	2
Procedures for selection by the Commission (where necessary)	Number of procedures	N/A	1
Pre-financing payments	Number of payments	709	604
Interim payments/progress reports	Number of payments	400	357
Final payments/final reports	Number of payments	1 389	1 241

Implementation of Horizon Europe – Excellent science – Research infrastructures and predecessor actions (DGs RTD, DG CNECT)

**General objective:**  
**EUROPE FIT FOR THE DIGITAL AGE**  
**Specific objectives:**  
**DG RTD 2.2: The revitalised European Research Area sets directions for societal, economic and ecological transitions in Europe and contributes to spreading excellence, closing research and innovation gap and working out a common global response to emerging challenges**  
**DG CNECT 2 A European single market for data where data can flow for the benefit of all and where the rules for access and use of data are fair, practical and clear**  
 From 2020-2024 Strategic Plans

**Main outputs in 2022:**

Horizon Europe

Output	Indicator	Target	Latest known results (31/12/2022)
Events to ensure successful implementation of the programme and to promote funding opportunities (organised by REA)	Number of events co-organised by REA	1 (info day)	2
Calls for proposals	Number of calls	4 <sup>2</sup>	4
Evaluation sessions	Number of sessions	4 <sup>3</sup>	4
Number of individual proposals evaluated	Estimated number of proposals to evaluate	122	87
Number of grants signed	Number of grants	60	26
Procedures for selection by the Commission (where necessary)	Number of procedures	16	
Pre-financing payments	Number of payments	62	19

Horizon 2020

Output	Indicator	Target	Latest known results (31/12/2022)
Interim payments/progress reports	Number of payments	76	73
Final payments/final reports	Number of payments	48	33

<sup>2</sup> INFRA DEV-02 and the following calls that have a common deadline (20.04.2022) : INFRA-2022- DEV-01, INFRA-2022-EOSC-01, and INFRA-2022- TECH-01

<sup>3</sup> An evaluation session for each of the following: INFRA DEV-02, INFRA-2022- DEV-01, INFRA-2022-EOSC-01, and INFRA-2022- TECH-01



Implementation of Horizon Europe – Global challenges and European industrial competitiveness – Cluster 2: culture, creativity and inclusive society, and predecessor actions (DGs RTD, EMPL, EAC)

**General objectives:**

**AN ECONOMY THAT WORKS FOR PEOPLE**

**A NEW PUSH FOR EUROPEAN DEMOCRACY**

**Specific objectives:**

DG RTD 3.1: Research and innovation actions, increased R&I investments and the R&I component of the European Semester boost economic growth and jobs creation

DG RTD 6.1: European research and innovation support citizens' involvement, social inclusion and equalities in Europe, including through communication of the European research and innovation added value

DG EAC 2.1 - Increase the use of digital technologies for teaching and learning to support both quality and inclusive education

DG EAC 2.2 - Invest in the development of digital skills for all

DG EAC 3.1 - Ensure effective and efficient European cooperation and develop optimised strategic investments for modernised, high quality education and training systems fostering EU social cohesion and economic

DG EAC 5.6 - With the support of the Creative Europe programme, promote European cooperation on cultural and linguistic diversity

DG EAC 4.1 - Promote and strengthen international cooperation in the fields of education, training, youth, sport, culture, and research and innovation

DG EAC 6.1 – Provide European young people opportunities to participate in civic society and democratic life

DG EMPL 2.1 – A digitally skilled workforce

DG EMPL 3.1 – Effective support to Member States in their structural reforms and investments in the context of the European Semester

DG EMPL 3.3 – Decent and safe working conditions for all

DG EMPL 3.5 – Greater social fairness and more effective social protection

DG EMPL 5.1 – A skilled workforce to master the green and digital transition

DG EMPL 5.2 – Vocational education and training effectively addresses the labour market needs and prepares people for the green and digital transition

From 2020-2024 Strategic Plans

**Main outputs in 2022:**

Horizon Europe			
Output	Indicator	Target	Latest known result (31/12/2022)
Events to ensure successful implementation of the programme and to promote funding opportunities (organised by REA)	Number of events co-organised by REA	2 (info days)	1
Calls for proposals	Number of calls	4	7
Evaluation sessions	Number of sessions	2	2
Number of individual proposals evaluated	Estimated number of proposals to evaluate	600	773
Number of grants signed	Number of grants	138 <sup>4</sup>	137
Procedures for selection by the Commission (where necessary)	Number of procedures	10	14

<sup>4</sup> Includes grants of 2021 call and 2022 call.

Pre-financing payments	Number of payments	65 <sup>5</sup>	60
Horizon 2020			
<b>Output</b>	<b>Indicator</b>	<b>Target</b>	
Events to ensure successful implementation of the programme (organised by REA)	Number of events organised by REA	9	10
Pre-financing payments	Number of payments	4	4
Interim payments/progress reports	Number of payments	68 (including <i>Other Action 9</i> of the Green Deal call)	68
Final payments/final reports	Number of payments	48 (including <i>Other Action 9</i> of the Green Deal call)	51

Implementation of Horizon Europe – Global challenges and European industrial competitiveness – Cluster 3: civil security for society, and predecessor actions (DGs RTD, HOME)

**General objectives:**

**A EUROPEAN GREEN DEAL  
EUROPE FIT FOR THE DIGITAL AGE  
A STRONGER EUROPE IN THE WORLD  
PROMOTING OUR EUROPEAN WAY OF LIFE**

**Specific objectives:**

DG RTD 1.1: High-quality science, knowledge and innovative solutions support climate policies and help to preserve biodiversity, ecosystem and natural resources

DG RTD 2.1: High-quality science, knowledge and innovative solutions facilitate a digital transition in Europe, including a new European approach to Artificial Intelligence

DG RTD 5.1: Regional research and innovation strategies and broader association policy contribute to promoting common European R&I values and creating a global Research and Innovation Space

DG HOME 5.1 Strengthened Internal Security

From 2020-2024 Strategic Plans

**Main outputs in 2022:**

Horizon Europe

<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known result (as of 31/12/2022)</b>
Events to ensure successful implementation of the programme and to promote funding	Number of events co-organised by REA	1 (info day)	1

<sup>5</sup> As it is expected that most grants from the 2022 call will be signed shortly before the Time To Grant deadline of 20.12.2022, most pre-financing payments for those grants will take place in early 2023.

opportunities (organised by REA)			
Calls for proposals	Number of Calls	5	5
Evaluation sessions	Number of sessions	5	5
Number of individual proposals evaluated	Estimated number of proposals to evaluate	350	230
Number of grants signed	Number of grants	34	37
Procedures for selection by the Commission (where necessary)	Number of procedures	5	7 batches
Pre-financing payments	Number of payments	34	36
<b>Horizon 2020</b>			
<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known result</b>
Interim payments/progress reports	Number of payments	51	46
Final payments/final reports	Number of payments	54	37 <sup>6</sup>

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<sup>6</sup> The difference between the two figures is mainly due to project extensions as a consequence of the pandemic. This had no impact in the budget execution.

## Implementation of Horizon Europe – Global challenges and European industrial competitiveness – Cluster 6: food, bioeconomy, natural resources, agriculture and environment, and predecessor actions (DGs RTD, AGRI, ENV)

### General objectives:

#### A EUROPEAN GREEN DEAL

#### A NEW PUSH FOR EUROPEAN DEMOCRACY

### Specific objectives:

DG RTD 1.1: High-quality science, knowledge and innovative solutions support climate policies and help to preserve biodiversity, ecosystem and natural resources

DG RTD 1.3: Co-creation of Horizon Europe and its EU Missions and partnerships increases awareness of the key role of research and innovation for achieving climate neutrality

DG AGRI 3: Enhance market orientation and increase competitiveness, including greater focus on research, innovation, technology and digitalization

DG AGRI 5: In line with the Farm to Fork Strategy, improve the response of EU agriculture to societal demands on food and health, including safe, nutritious and sustainable food, food waste, as well as animal welfare through the Common Agricultural Policy

DG RTD 6.1: European research and innovation support citizens' involvement, social inclusion and equalities in Europe, including through communication of the European research and innovation added value

DG ENV 1.1 - The EU economy is more circular and uses natural resources and products more sustainably

DG ENV 1.2 - Biodiversity and natural ecosystems in the EU are put on the path to recovery by stepping up the protection and restoration of nature

DG ENV 1.3 - Citizens and natural ecosystems are better protected from environmental pressures and risks to health as a result of Europe's zero-pollution ambition and measures for a toxic-free environment

From 2020-2024 Strategic Plans

### Main outputs in 2022:

#### Horizon Europe

Output	Indicator	Target	Latest known result (31/12/2022)
Events to ensure successful implementation of the programme and to promote funding opportunities (organised by REA)	Number of events co-organised by REA	1	
Calls for proposals	Number of calls	13	13
Evaluation sessions	Number of sessions	18	18
Individual proposals evaluated	Estimated number of proposals to evaluate	1 060	1 011
Grants signed	Number of grants	304	290
Procedures for selection by the Commission (where necessary)	Number of procedures	25	34
Pre-financing payments	Number of payments	294	259

#### Horizon 2020 – Societal Challenges (SCs) 2 & 5

Output	Indicator	Target	Latest known result (31/12/22)
Events to ensure successful implementation of the programme (organised by REA)	Number of events co-organised by REA	8	8
Pre-financing payments	Number of payments	5 (SC2)	3 (SC2) 1 (SC5)
Interim payments/progress reports	Number of payments	125(SC2); 52 (SC5)	108(SC2); 50(SC5)

Final payments/final reports	Number of payments	80 (SC2); 14 (SC5)	5 (SC2); 23(SC5)
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## Implementation of Horizon Europe – Widening participation and strengthening the European Research Area – Widening participation and spreading excellence (DG RTD)

### General objective: EUROPE FIT FOR THE DIGITAL AGE

#### Specific objective:

DG RTD 2.2: The revitalised European Research Area sets directions for societal, economic and ecological transitions in Europe and contributes to spreading excellence, closing research and innovation gap and working out a common global response to emerging challenges

From 2020-2024 Strategic Plans

#### Main outputs in 2022:

##### Horizon Europe

Output	Indicator	Target	Latest known results (31/12/2022)
Events to ensure successful implementation of the programme and to promote funding opportunities (organised by REA)	Number of events co-organised by REA	5	4
Calls for proposals	Number of calls	4	5
Evaluation sessions	Number of sessions	5	8
Number of individual proposals evaluated	Estimated number of proposals to evaluate	1 020	947
Number of grants signed	Number of grants	172	174
Procedures for selection by the Commission (where necessary)	Number of procedures	2	2
Pre-financing payments	Number of payments	83	151

##### Horizon 2020

Output	Indicator	Target	Latest known results (31/12/2022)
Events to ensure successful implementation of the programme (organised by REA)	Number of events organised by REA	1	0
Pre-financing payments	Number of payments	1	0
Interim payments/progress reports	Number of payments	128	136
Final payments/final reports	Number of payments	27	26

Implementation of Horizon Europe – Widening participation and strengthening the European Research Area – Reforming and enhancing the European R&I system (DG RTD)

**General objective:**

**EUROPE FIT FOR THE DIGITAL AGE**

**Specific objective:**

**DG RTD 2.2: The revitalised European Research Area sets directions for societal, economic and ecological transitions in Europe and contributes to spreading excellence, closing research and innovation gap and working out a common global response to emerging challenges**

**From 2020-2024 Strategic Plans**

**Main outputs in 2022:**

**Horizon Europe**

<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results (31/12/2022)</b>
Events to ensure successful implementation of the programme and to promote funding opportunities (organised by REA)	Number of events co-organised by REA	4	2
Calls for proposals	Number of calls	4	3
Evaluation sessions	Number of sessions	4	3
Number of individual proposals evaluated	Estimated number of proposals to evaluate	304	98
Number of grants signed	Number of grants	58	46
Procedures for selection by the Commission (where necessary)	Number of procedures	6	4
Pre-financing payments	Number of payments	44	34

**Horizon 2020**

<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results (31/12/2022)</b>
Events to ensure successful implementation of the programme (organised by REA)	Number of events organised by REA	1	
Pre-financing payments	Number of payments	N/A	1
Interim payments/progress reports	Number of payments	56	49
Final payments/final reports	Number of payments	40	40

## Implementation of the research programme of the Research Fund for Coal and Steel (DG RTD)

<b>General objective:</b> <b>A EUROPEAN GREEN DEAL</b> <b>Specific objective:</b> <b>DG RTD 1.1: High-quality science, knowledge and innovative solutions support climate policies and help to preserve biodiversity, ecosystem and natural resources</b> <b>From 2020-2024 Strategic Plans</b>			
<b>Main outputs in 2022:</b>			
<b>Current programme</b>			
<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known result</b> (31/12/2022)
Events to ensure successful implementation of the programme and to promote funding opportunities (organised by REA)	Number of events co-organised by REA	12	12 (1 summit, 7 TG, 2 CAG, 2 SAG).
Calls for proposals	Number of calls	3	3
Evaluation sessions	Number of sessions	4 (1 BTCS, 1 BTCC, 2 RFCS)	4
Number of individual proposals evaluated	Number of proposals to evaluate	280-300 (TTG deadline for these is in 2023)	144
Number of grants signed	Number of grants	6-8 (RFCS 2021 call grants, TTG deadline is in July 2022)	9
Procedures for selection by the Commission (where necessary)	Number of procedures	2	2
Pre-financing payments	Number of payments	6-8	8
Interim payments/progress reports	Number of payments	52	32
Final payments/final reports	Number of payments	39	33
<b>Legacy programmes</b>			
<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known result</b> (31/12/2022)
Final payments/final reports	Number of transactions	9	8

## Implementation of the information provision and promotion measures concerning agricultural products, and predecessor actions (DG AGRI)

**General objectives:**  
**A EUROPEAN GREEN DEAL**  
**A STRONGER EUROPE IN THE WORLD**  
**Specific objectives:**  
 DG AGRI 5: In line with the Farm to Fork Strategy, improve the response of EU agriculture to societal demands on food and health, including safe, nutritious and sustainable food, food waste, as well as animal welfare through the Common Agricultural Policy  
 DG AGRI 9: Promote Europe's high quality agri-food standards worldwide (incl. strengthening the system of geographical indications)  
 From 2020-2024 Strategic Plans

**Main outputs in 2022: GRANTS**

Under the multiannual financial framework 2021-2027

Output	Indicator	Target	Latest known result (31/12/2022)
Events to ensure successful implementation of the programme and to promote funding opportunities (organised by REA)	Number of events co-organised by REA	1	1
Calls for proposals	Number of calls	2	2
Evaluation sessions	Number of sessions	15	15
Number of individual proposals evaluated	Estimated number of proposals to evaluate	220	157
Number of grants signed	Number of grants	30	23
Procedures for selection by the Commission (where necessary)	Number of procedures	1	1
Pre-financing payments	Number of payments	30	18

Under the multiannual financial framework 2014-2020

Output	Indicator	Target	Latest known result (31/12/2022)
Events to ensure successful implementation of the programme (organised by REA)	Number of events co-organised by REA	1	1
Interim payments/progress reports	Number of payments	57	42
Final payments/final reports	Number of payments	19	18

**Main outputs in 2022: PROCUREMENT**

Under the multiannual financial framework 2021-2027

Output	Indicator	Target	Latest known result (31/12/2022)
Number of promotional events outside the EU organised	Number of events	10	6
Number of on-going communication campaigns	Number of campaigns	4	9



Number of market research reports published	Number of reports	5	2
Interim payments/progress reports	Number of payments	N/A	5
Final payments/final reports	Number of payments	4	8
Under the multiannual financial framework 2014-2020			
<b>Output</b>	<b>Indicator</b>	<b>Target</b>	
Number of promotional events outside the EU organised	Number of events	5	4
Number of on-going communication campaigns	Number of campaigns	6	1
Number of market research reports published	Number of reports	3	1
Interim payments/progress reports	Number of payments	15	12
Final payments/final reports	Number of payments	14	11

## Support tasks delegated to the Agency

Participant management for grants/tenders and management of the Research Enquiry Service

<b>General objective:</b>			
<b>A MODERN, HIGH PERFORMING AND SUSTAINABLE EUROPEAN COMMISSION</b>			
<b>Specific objective:</b>			
RTD 7.1 - The Common Implementation Centre and Common Policy and Programming Centre provide user-friendly services and tools to the European Commission for effective and efficient planning, programming and implementation of the Research and Innovation Framework Programme and other EU programmes From 2020-2024 DG Strategic Plans			
<b>Main outputs in 2022:</b>			
EU funding under SEDIA			
<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Last known result (31/12/2022)</b>
<b>Tasks related to participant validation – legal validation</b>			
Legal entity validation (for all EU funding programmes under SEDIA)	Number of validations	10 000	10 670
LEAR validation	Number of validations	12 500	14 649
Assessments of potential Universal transfer of rights and obligations (UTRO) cases	Number of validations	450	350
Requests for change or additional corrections	Number of requests	42 000	49 296
Bank account validations	Number of validations	10 000	11 976
<b>Tasks related to participant validation – SME validation/mid-cap assessment/third country control assessment</b>			
SME/mid-capitalisation validations	Number of validations	250	193
Third-country control assessments	Number of assessments	780	1 091
<b>Tasks related to participant validation – preparation of financial capacity assessment</b>			
Preparation of financial capacity assessment	Number of assessments	7 000	14 687
<b>Tasks related to the management of Research Enquiry Service</b>			
Replies to RES questions (directly by the RES team, the service provider and the local helpdesks*)	Number of replies	11 000	13 253
<b>Tasks related to Frequently Asked Questions in the Funding and Tenders Portal</b>			
FAQs approved	Number of FAQ	1 000	729

## Expert Management and Support Services

### General objective:

**A MODERN, HIGH PERFORMING AND SUSTAINABLE EUROPEAN COMMISSION**

### Specific objective:

RTD 7.1 - The Common Implementation Centre and Common Policy and Programming Centre provide user-friendly services and tools to the European Commission for effective and efficient planning, programming and implementation of the Research and Innovation Framework Programme and other EU programmes

From 2020-2024 Strategic Plans

### Main outputs in 2022: Horizon Europe

Output	Indicator	Target	Latest known result (31/12/2022)
Validation of experts' legal entity and bank account files <sup>7</sup>	Files are validated within 25 working days of the approval of the pool of experts.	100%	87.4%
Contracts signed with experts	Contracts are signed within 10 calendar days of the launch of the contract signature process.	100%	98.7%
Payments made to experts	Payments are made within 30 calendar days of the receipt of the cost claim from the expert.	100%	99.7%

Additional outputs:

Tasks related to Expert Management Services:		
Output	Target	Outcome (31/12/2022)
Number of Pool approvals	750	1 627
Number of LE/BA validations for experts	6 500 of each	12 140
Number of expert contracts signed – expert evaluators	22,000	17,445
Number of expert contracts signed – expert monitors <sup>8</sup>	2 250	1 908
Number of payments	29 000	28,472
Evaluators' budget (payment appropriations)	65 MEUR	65 MEUR
Monitors' budget (payment appropriations)	3.3 MEUR	2.9 MEUR
Tasks related to Expert Support Services:		
Number of calls finalised in the Call Passport System	600	573
Number of evaluations supported on-site	120	29 <sup>9</sup>
Number of experts on-site	6 000	583

<sup>7</sup> The decrease on this indicator is due to the lack of information in the new IT systems, which do not allow for the calculation of the “net” time to validate. The indicator is therefore not comparable to those of previous years.

<sup>8</sup> These are included in the budget line for each activity and are limited to actions managed directly by REA.

<sup>9</sup> 9 with experts on-site, 20 virtual on-site.

## External communication

**General objective: A MODERN, HIGH PERFORMING AND SUSTAINABLE EUROPEAN COMMISSION**

**Main outputs in 2022:**

Horizon Europe, Research Fund for Coal and Steel, Promotion of agricultural products

<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known result</b>
Reach on the website (source: Europa Analytics)	Total average page views per month	20 000	(31/12/2022)  44 282
Reach on social media (source: Emplifi social media statistics)	Twitter total annual impressions	5 million	4.5 million <sup>10</sup>
	LinkedIn total annual impressions	1 million	2.5 million

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<sup>10</sup> Twitter changed the way “impressions” are counted in 2022, resulting in lower statistics. A new indicator (number of engagements) will be used from 2023, in line with DG COMM’s revised list of indicators.

## **ANNEX 3: Draft annual accounts and financial reports**

### Operational budget

#### **Annex 3 Financial Reports - Financial Year 2022**

**Table 1: Commitments**

**Table 2: Payments**

**Table 3: Commitments to be settled**

**Table 4: Balance Sheet**

**Table 5: Statement of Financial Performance**

**Table 5 Bis: Off Balance Sheet**

**Table 6: Average Payment Times**

**Table 7: Income**

**Table 8: Recovery of undue Payments**

**Table 9: Ageing Balance of Recovery Orders**

**Table 10: Waivers of Recovery Orders**

**Table 11: Negotiated Procedures**

**Table 12: Summary of Procedures**

**Table 13: Building Contracts**

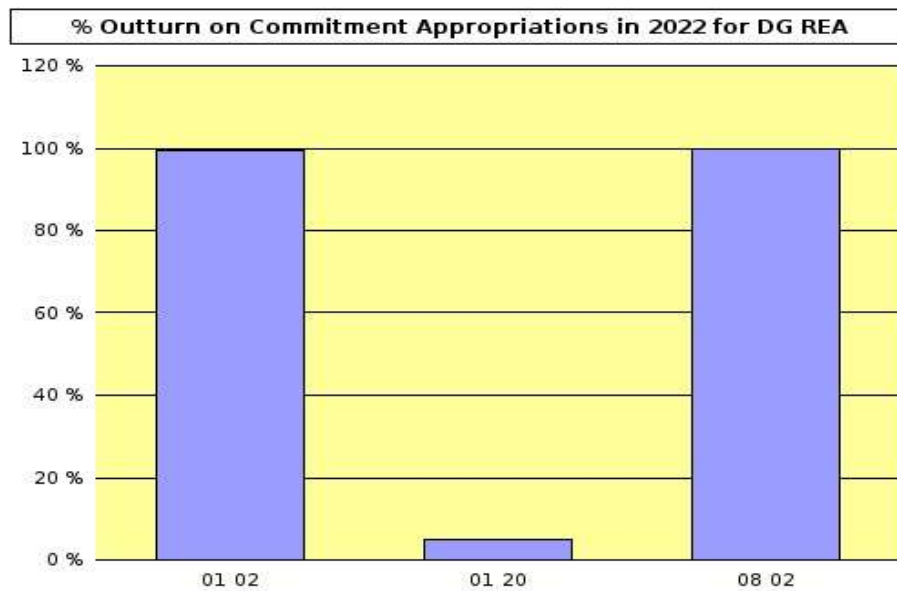
**Table 14: Contracts declared Secret**

**Table 15: FPA duration exceeds 4 years**

**Table 16: Commitments co-delegation type 3 in 2022**

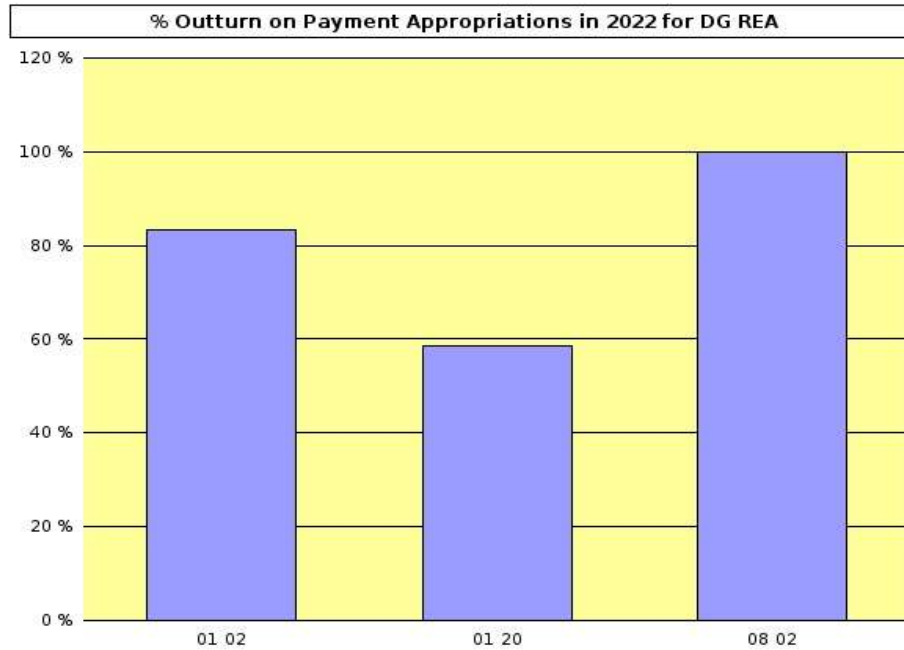
<b>TABLE 1: OUTTURN ON COMMITMENT APPROPRIATIONS IN 2022 (in Mio €) for DG REA</b>					
			<b>Commitment appropriations authorised*</b>	<b>Commitments made</b>	<b>%</b>
			1	2	3=2/1
<b>Title 01 Research and Innovation</b>					
01	01 02	Horizon Europe	3 020.88	3 003.10	99.41 %
	01 20	Pilot projects, preparatory actions, prerogatives and other actions	235.07	11.69	4.97 %
<b>Total Title 01</b>			<b>3 255.95</b>	<b>3 014.79</b>	<b>92.59 %</b>
<b>Title 08 Agriculture and Maritime Policy</b>					
08	08 02	European Agricultural Guarantee Fund (EAGF)	95.65	95.54	99.88 %
<b>Total Title 08</b>			<b>95.65</b>	<b>95.54</b>	<b>99.88 %</b>
<b>Total Excluding NGEU</b>			<b>3 351.60</b>	<b>3 110.33</b>	<b>92.80 %</b>
<b>Total DG REA</b>			<b>3 351.60</b>	<b>3 110.33</b>	<b>92.80 %</b>

\* 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).



<b>TABLE 2: OUTTURN ON PAYMENT APPROPRIATIONS in 2022 (in Mio €) for DG REA</b>					
			Payment appropriations authorised *	Payments made	%
			1	2	3=2/1
<b>Title 01 Research and Innovation</b>					
01	01 02	Horizon Europe	3 322.24	2 772.89	83.46 %
	01 20	Pilot projects, preparatory actions, prerogatives and other actions	42.34	24.81	58.58 %
<b>Total Title 01</b>			<b>3 364.59</b>	<b>2 797.69</b>	<b>83.15%</b>
<b>Title 08 Agriculture and Maritime Policy</b>					
08	08 02	European Agricultural Guarantee Fund (EAGF)	72.26	72.15	99.85 %
<b>Total Title 08</b>			<b>72.26</b>	<b>72.15</b>	<b>99.85%</b>
<b>Total Excluding NGEU</b>			<b>3 436.85</b>	<b>2 869.84</b>	<b>83.50%</b>
<b>Total DG REA</b>			<b>3 436.85</b>	<b>2 869.84</b>	<b>83.50 %</b>

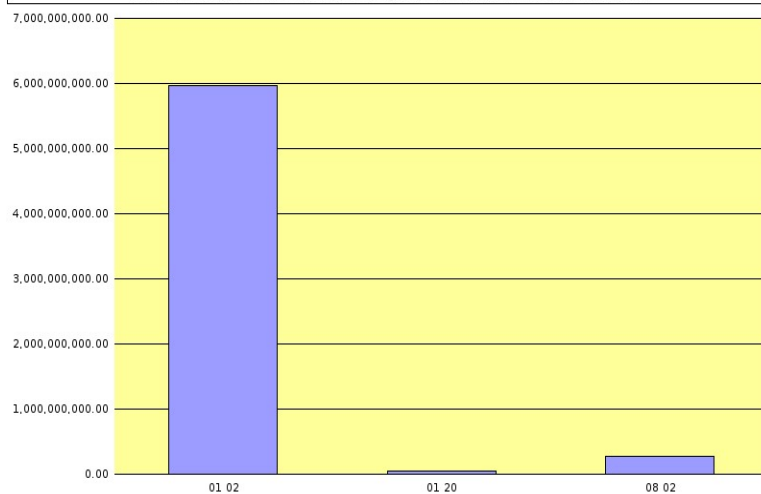
\* Payment appropriations authorised include, in addition to the budget voted by the legislative authority, appropriations carried over from the previous exercise, budget amendments as well as miscellaneous payment appropriations for the period (e.g. internal and external assigned revenue).



**TABLE 3: BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2022 (in Mio €) for REA**

Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2021	Total of commitments to be settled at end of financial year 2022	Total of commitments to be settled at end of financial year 2021
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
01	01 02	Horizon Europe	3,003.10	437.84	2,565.26	85.42%	3,400.39	5,965.65	5,846.79
	01 20	Pilot projects, preparatory actions, prerogatives and other actions	11.69	4.70	6.99	59.77%	48.88	55.86	72.84
<b>Total Title 01</b>			<b>3,014.79</b>	<b>442.54</b>	<b>2,572.25</b>	<b>85.32%</b>	<b>3,449.27</b>	<b>6,021.52</b>	<b>5,919.63</b>
08	08 02	European Agricultural Guarantee Fund (EAGF)	95.54	1.31	94.23	98.63%	183.36	277.59	257.72
<b>Total Title 08</b>			<b>95.54</b>	<b>1.31</b>	<b>94.23</b>	<b>98.63%</b>	<b>183.36</b>	<b>277.59</b>	<b>257.72</b>
<b>Total Excluding NGEU</b>			<b>3,110.33</b>	<b>443.85</b>	<b>2,666.48</b>	<b>85.73%</b>	<b>3,632.63</b>	<b>6,299.11</b>	<b>6,177.34</b>
<b>Total for REA</b>			<b>3,110.33</b>	<b>443.85</b>	<b>2,666.48</b>	<b>85.73 %</b>	<b>3,632.63</b>	<b>6,299.11</b>	<b>6,177.34</b>

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





**TABLE 4: BALANCE SHEET for REA**

<b>BALANCE SHEET</b>	<b>2022</b>	<b>2021</b>
<b>A.I. NON CURRENT ASSETS</b>	<b>1,259,169,922.19</b>	<b>920,466,184.13</b>
A.I.5. Non-Current Pre-Financing	1,148,169,922.19	920,466,184.13
A.I.6. Non-Cur Exch Receiv & Non-Ex Recoverab	111,000,000.00	-
<b>A.II. CURRENT ASSETS</b>	<b>2,404,227,057.81</b>	<b>1,876,591,536.68</b>
A.II.2. Current Pre-Financing	2,042,462,668.77	1,878,228,396.99
A.II.3. Curr Exch Receiv & Non-Ex Recoverables	361,764,389.04	-1,636,860.31
<b>ASSETS</b>	<b>3,663,396,980.00</b>	<b>2,797,057,720.81</b>
<b>P.II. CURRENT LIABILITIES</b>	<b>-213,375,935.29</b>	<b>-224,753,883.94</b>
P.II.4. Current Payables	-77,015,211.65	-65,386,787.75
P.II.5. Current Accrued Charges & Defrd Income	-136,360,723.64	-159,367,096.19
<b>LIABILITIES</b>	<b>-213,375,935.29</b>	<b>-224,753,883.94</b>
<b>NET ASSETS (ASSETS less LIABILITIES)</b>	<b>3,450,021,044.71</b>	<b>2,572,303,836.87</b>
P.III.2. Accumulated Surplus/Deficit	14,443,349,663.72	11,732,085,391.21
Non-allocated central (surplus)/deficit*	-17,893,370,708.43	-14,304,389,228.08
<b>TOTAL REA</b>	<b>0.00</b>	<b>0.00</b>

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 REA**

<b>STATEMENT OF FINANCIAL PERFORMANCE</b>	<b>2022</b>	<b>2021</b>
II.1 REVENUES	-115,479,128.21	-100,406.93
II.1.1. NON-EXCHANGE REVENUES	-115,882,725.93	-1,285,181.30
II.1.1.6. RECOVERY OF EXPENSES	-4,848,989.86	-1,207,033.14
II.1.1.8. OTHER NON-EXCHANGE REVENUES	-111,033,736.07	-78,148.16
II.1.2. EXCHANGE REVENUES	403,597.72	1,184,774.37
II.1.2.2. OTHER EXCHANGE REVENUE	403,597.72	1,184,774.37
II.2. EXPENSES	2,435,033,611.49	2,711,364,679.44
II.2. EXPENSES	2,435,033,611.49	2,711,364,679.44
II.2.10. OTHER EXPENSES	132,819.55	134,282.54
II.2.2. EXP IMPLM BY COMMISS & EX.AGENC. (DM)	2,434,900,534.91	2,711,225,650.48
II.2.8. FINANCE COSTS	257.03	4,746.42
<b>STATEMENT OF FINANCIAL PERFORMANCE</b>	<b>2,319,554,483.28</b>	<b>2,711,264,272.51</b>

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 bis: OFF BALANCE SHEET for REA**

<b>OFF BALANCE</b>	<b>2022</b>	<b>2021</b>
OB.1. Contingent Assets	9 106 488.96	11 684 471.45
GR for pre-financing	9 106 488.96	11 684 471.45
OB.2. Contingent Liabilities	-509 049.14	0.00
OB.2.7. CL Legal cases OTHER	-509 049.14	0.00
OB.3. Other Significant Disclosures	-6 089 055 209.77	-5 952 656 896.08
OB.3.2. Comm against app. not yet consumed	-6 089 055 209.77	-5 952 656 896.08
OB.4. Balancing Accounts	6 080 457 769.95	5 940 972 424.63
OB.4. Balancing Accounts	6 080 457 769.95	5 940 972 424.63
<b>OFF BALANCE</b>	<b>0.00</b>	<b>0.00</b>

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 6: AVERAGE PAYMENT TIMES FOR 2022 for REA**

<b>Legal Times</b>									
<b>Maximum Payment Time (Days)</b>	<b>Total Nbr of Payments</b>	<b>Nbr of Payments within Time Limit</b>	<b>Percentage</b>	<b>Average Payment Times (Days)</b>	<b>Nbr of Late Payments</b>	<b>Percentage</b>	<b>Average Payment Times (Days)</b>	<b>Late Payments Amount</b>	<b>Percentage</b>
30	30,516	30,441	99.75 %	7.91	75	0.25 %	38.01	2,872,561.44	0. %
45	2	1	50.00 %	34.00	1	50.00 %	65.00	32,545.50	71. %
60	115	115	100.00 %	33.78				0.00	0. %
90	2,460	2,453	99.72 %	58.70	7	0.28 %	94.86	2,743,662.93	0. %

<b>Total Number of Payments</b>	<b>33,093</b>	<b>33,010</b>	<b>99.75 %</b>		<b>83</b>	<b>0.25 %</b>		<b>5,648,769.87</b>	<b>0. %</b>
<b>Average Net Payment Time</b>	<b>11.85190221</b>			<b>11.77</b>			<b>43.13</b>		
<b>Average Gross Payment Time</b>	<b>14.57945789</b>			<b>14.487882</b>			<b>51</b>		

<b>Suspensions</b>							
<b>Average Report Approval Suspension Days</b>	<b>Average Payment Suspension Days</b>	<b>Number of Suspended Payments</b>	<b>% of Total Number</b>	<b>Total Number of Payments</b>	<b>Amount of Suspended Payments</b>	<b>% of Total Amount</b>	<b>Total Paid Amount</b>
0	35	2,615	7.90 %	33,093	766,984,303.71	28.29 %	2,711,079,919.17

<b>Late Interest paid in 2022</b>			
<b>DG</b>	<b>GL Account</b>	<b>Description</b>	<b>Amount (Eur)</b>
REA	65010100	Interest on late payment of charges New FR	257.03
			<b>257.03</b>

**TABLE 7: SITUATION ON REVENUE AND INCOME in 2022 for REA**

Chapter		Revenue and income recognized			Revenue and income cashed from			Outstanding balance
		Current year RO	Carried over RO	Total	Current Year RO	Carried over RO	Total	
		1	2	3=1+2	4	5	6=4+5	
33	Other administrative revenue	-37,125.93	369,129.64	332,003.71	-37,125.93	40,088.95	2,963.02	329,040.69
42	Fines and penalties	0.00	37,730.00	37,730.00	0.00	0.00	0.00	37,730.00
60	Single market, innovation and digital	31,916,153.72	6,104,731.46	38,020,885.18	27,822,533.24	5,421,301.13	33,243,834.37	4,777,050.81
62	Natural resources and environment	110,611.62	0.00	110,611.62	110,611.62	0.00	110,611.62	0.00
66	Other contributions and refunds	62,229.17	0.00	62,229.17	62,229.17	0.00	62,229.17	0.00
67	Completion for outstanding recovery orders prior to 2021	-85,112.01	3,647,142.33	3,562,030.32	-85,112.01	286,653.18	201,541.17	3,360,489.15
<b>Total REA</b>		<b>31,966,756.57</b>	<b>10,158,733.43</b>	<b>42,125,490.00</b>	<b>27,873,136.09</b>	<b>5,748,043.26</b>	<b>33,621,179.35</b>	<b>8,504,310.65</b>

**TABLE 8: FINANCIAL IMPACT OF EX-ANTE AND EX-POST CONTROLS in 2022 for REA**

<b>EX-ANTE CONTROLS</b>			
	<b>Irregularity</b>	<b>OLAF Notified</b>	<b>Total undue payments recovered</b>
	<b>Amount</b>	<b>Amount</b>	<b>Amount</b>
NON-ELIGIBLE IN COST CLAIMS	5 709 211.79	-100 302.51	<b>5 608 909.28</b>
CREDIT NOTES	1 454 142.85		<b>1 454 142.85</b>
RECOVERY ORDERS ON PRE-FINANCING	7 587 265.84	207 112.15	<b>7 794 377.99</b>
<b>Sub-Total</b>	<b>14 750 620.48</b>	<b>106 809.64</b>	<b>14 857 430.12</b>
<b>EX-POST CONTROLS</b>			
	<b>Irregularity</b>	<b>OLAF Notified</b>	<b>Total undue payments recovered</b>
	<b>Amount</b>	<b>Amount</b>	<b>Amount</b>
INCOME LINES IN INVOICES	208 485.95		<b>208 485.95</b>
RECOVERY ORDERS OTHER THAN ON PREFINANCING	3 409 448.62	348 224.00	<b>3 757 672.62</b>
<b>Sub-Total</b>	<b>3 617 934.57</b>	<b>348 224.00</b>	<b>3 966 158.57</b>
<b>GRAND TOTAL (EX-ANTE + EX-POST)</b>	<b>18 368 555.05</b>	<b>455 033.64</b>	<b>18 823 588.69</b>

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

	Number at 1/1/2022 1	Number at 12/31/2022	Evolution	Open Amount (Eur) at 1/1/2022 1	Open Amount (Eur) at 12/31/2022	Evolution
2015	4	3	-25.00 %	44 762.54	41 852.70	-6.50 %
2016	2	2	0.00 %	42 983.34	42 983.34	0.00 %
2017	11	9	-18.18 %	1 576 303.09	1 269 129.47	-19.49 %
2018	7	4	-42.86 %	166 745.77	132 086.48	-20.79 %
2019	13	11	-15.38 %	1 631 131.50	1 560 059.71	-4.36 %
2020	24	20	-16.67 %	1 613 882.13	1 601 229.88	-0.78 %
2021	45	8	-82.22 %	6 220 603.58	683 430.33	-89.01 %
2022		55			4 093 620.48	
	<b>106</b>	<b>112</b>	<b>5.66 %</b>	<b>11 296 411.95</b>	<b>9 424 392.39</b>	<b>-16.57 %</b>

The open amount on 01/01/2022 does not take into account partial cancellations of Recovery Orders. This explains the difference of +1,1 M€ compared to the amount reported under "Carried over RO" in Table 7.

The open amount on 31/12/2022 does not take into account partial cancellations of Recovery Orders. This explains the difference of +920 Thousand € compared to the amount reported under "Total Outstanding Balance" in Table 7.

**TABLE 10: Recovery Order Waivers >= 60 000 € in 2022 for DG REA**

Waiver Central Key	Linked RO Central Key	RO Accepted Amount (Eur)	LE Account Group	Commission Decision	Comments
3233220086	3241913866	-64 610.72	Private Companies		Debt arising from an audit of beneficiary of grant FP7-SME-2007-218454 who later became insolvent, PGF intervention not possible as audit was after the payment of the balance

<b>Total DG REA</b>	<b>-64 610.72</b>
---------------------	-------------------

<b>Number of RO waivers</b>	<b>1</b>
-----------------------------	----------

There are 6 waivers below 60 000 € for a total amount of -68,208.83

**TABLE 11: Negotiated Procedures in 2022 for REA**

Negotiated Procedure Legal base	Number of Procedures	Amount (€)
<b>Total</b>		

**TABLE 12: Summary of Procedures in 2022 for REA**

**Internal Procedures > € 60,000**

Procedure Legal base	Number of Procedures	Amount (€)
Open procedure (FR 164 (1)(a))	2	64 500 000.00
<b>Total</b>	<b>2</b>	<b>64 500 000.00</b>

**Additional Comments: 1 FWC for AGRIP and 1 open procedure for the secretariat of the soil mission**



**TABLE 13: BUILDING CONTRACTS in 2022 for REA**

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

**TABLE 14: CONTRACTS DECLARED SECRET in 2022 for REA**

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

**TABLE 15: FPA duration exceeds 4 years - REA**

*There is one FPA as follows:  
Acronym: COST- FPA  
Title: COST: Europe's most empowering research programme - strengthening science and innovation through research networking Start date: 01/11/2021  
End date: 31/10/2028  
Duration: 84 months*

**TABLE 16: Commitments co-delegation type 3 in 2022 for REA**

[N/A]

Administrative budget

**Annex 3 Financial Reports - REA - Financial Year 2022**

**Table 1 : Commitments**

**Table 2 : Payments**

**Table 3 : Commitments to be settled**

**Table 4 : Balance Sheet**

**Table 5 : Statement of Financial Performance**

**Table 5 Bis: Off Balance Sheet**

**Table 6 : Average Payment Times**

**Table 7 : Income**

**Table 8 : Recovery of undue Payments**

**Table 9 : Ageing Balance of Recovery Orders**

**Table 10 : Waivers of Recovery Orders**

## Additional comments

### **Tables 1, 2, 3 and 6**

*Tables 1, 2, 3 and 6 of the Annex 3 of the Annual Activity Report (AAR) of 2022 on the REA Administrative Budget by default show the data of the Fund Management Centre (FMC) 'REA' only, excluding the execution in commitments and payments done on the FMC 'REA:PMO'.*

*The FMC 'REA:PMO' is the type III co-delegation given by REA Authorising Officer to PMO Authorising Officer for the implementation of salaries and missions payments of the Agency.*

*In order to show all the data of the REA Administrative Budget execution, enabling the comparison with the five other Executive Agencies that have not yet co-delegated any of their payments to PMO, REA has duplicated Tables 1, 2, 3 and 6 to show:*

- *on one hand, the standard AAR tables showing the implementation in the FMC 'REA' only, and*
- *on the other hand, additional AAR tables to show the entire implementation in the two FMCs (i.e. 'REA' and 'REA:PMO'), meaning the implementation in the entire Financial Management (FM) Area 'REAG'.*

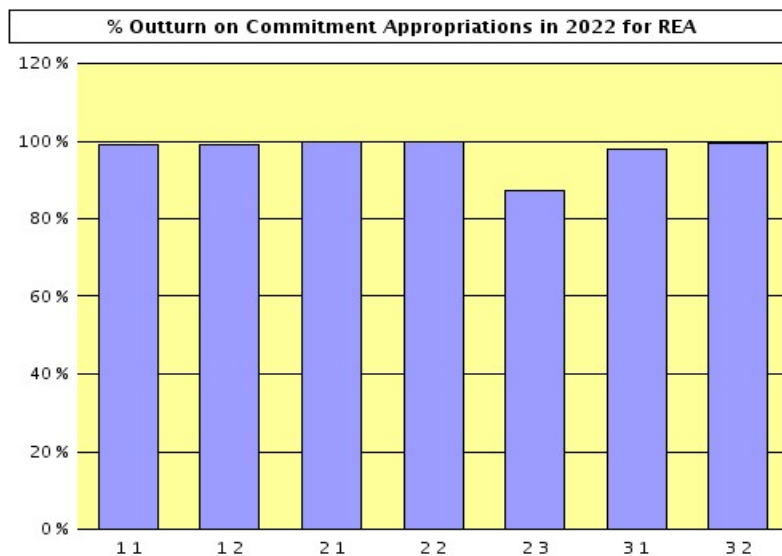
### **Table 6 (FMCs 'REA' and 'REA:PMO')**

*Table 6 of the Annex 3 of the Annual Activity Report (AAR) of 2022 on the REA Administrative Budget shows by default the information regarding the payments authorised during the Year 2022 excluding the non-budgetary payments (i.e., those made in the Budget Regime H).*

<b>TABLE 1*: OUTTURN ON COMMITMENT APPROPRIATIONS IN 2022 (in Mio €) for REA</b>					
			<b>Commitment appropriations authorised</b>	<b>Commitments made</b>	<b>%</b>
			1	2	3=2/1
<b>Title 1 STAFF EXPENDITURE</b>					
1	1 1	REMUNERATIONS, ALLOWANCES AND CHARGES	0.94	0.93	98.94 %
	1 2	PROFESSIONAL DEVELOPMENT AND SOCIAL EXPENDITURE	3.45	3.41	99.03 %
<b>Total Title 1</b>			4.39	4.34	99.01 %
<b>Title 2 INFRASTRUCTURE AND OPERATING EXPENDITURE</b>					
2	2 1	BUILDING EXPENDITURE	9.17	9.17	100.00 %
	2 2	ICT EXPENDITURE	4.40	4.39	99.74 %
	2 3	MOVABLE PROPERTY AND CURRENT OPERATING EXPENDITURE	0.38	0.33	87.31 %
<b>Total Title 2</b>			13.95	13.89	99.58 %
<b>Title 3 PROGRAMME SUPPORT EXPENDITURE</b>					
3	3 1	PROGRAMME MANAGEMENT EXPENDITURE	1.69	1.65	97.89 %
	3 2	COMMON SUPPORT SERVICES EXPENDITURE	5.57	5.54	99.45 %
<b>Total Title 3</b>			7.26	7.19	99.09 %
<b>Total REA</b>			25.59	25.42	99.34 %

\* FMC "REA"

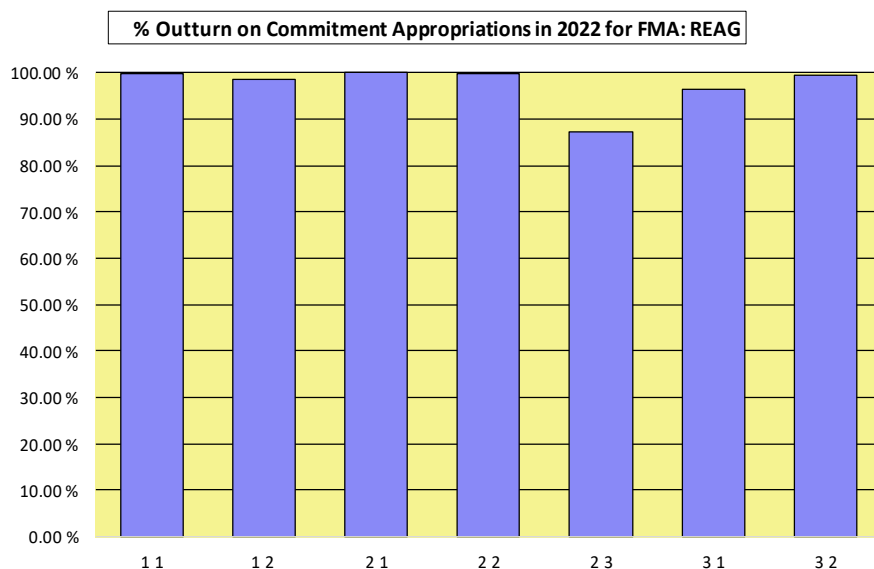
\*\* Commitment appropriations authorised include, in addition to the budget voted by the legislative authority, appropriations carried over from the previous exercise, budget amendments as well as miscellaneous commitment appropriations for the period (e.g. internal and external assigned revenue).



<b>TABLE 1*: OUTTURN ON COMMITMENT APPROPRIATIONS IN 2022 (in Mio €) for REA</b>					
			<b>Commitment appropriations authorised</b>	<b>Commitments made</b>	<b>%</b>
			1	2	3=2/1
<b>Title 1 STAFF EXPENDITURE</b>					
1	1 1	REMUNERATIONS, ALLOWANCES AND CHARGES	73.55	73.48	99.91 %
	1 2	PROFESSIONAL DEVELOPMENT AND SOCIAL EXPENDITURE	3.56	3.51	98.61 %
<b>Total Title 1</b>			<b>77.11</b>	<b>77.00</b>	<b>99.85 %</b>
<b>Title 2 INFRASTRUCTURE AND OPERATING EXPENDITURE</b>					
2	2 1	BUILDING EXPENDITURE	9.17	9.17	100.00 %
	2 2	ICT EXPENDITURE	4.40	4.39	99.74 %
	2 3	MOVABLE PROPERTY AND CURRENT OPERATING EXPENDITURE	0.38	0.33	87.31 %
<b>Total Title 2</b>			<b>13.95</b>	<b>13.89</b>	<b>99.58 %</b>
<b>Title 3 PROGRAMME SUPPORT EXPENDITURE</b>					
3	3 1	PROGRAMME MANAGEMENT EXPENDITURE	1.88	1.81	96.51 %
	3 2	COMMON SUPPORT SERVICES EXPENDITURE	5.57	5.54	99.45 %
<b>Total Title 3</b>			<b>7.45</b>	<b>7.35</b>	<b>98.71 %</b>
<b>Total REA</b>			<b>98.51</b>	<b>98.24</b>	<b>99.72 %</b>

\* FMA "REAG"

\*\* 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).



<b>TABLE 2*: OUTTURN ON PAYMENT APPROPRIATIONS IN 2022 (in Mio €) for REA</b>					
			<b>Payment appropriations authorised *</b>	<b>Payments made</b>	<b>%</b>
			<b>1</b>	<b>2</b>	<b>3=2/1</b>
<b>Title 1 STAFF EXPENDITURE</b>					
1	1 1	REMUNERATIONS, ALLOWANCES AND CHARGES	1.14	0.81	71.02 %
	1 2	PROFESSIONAL DEVELOPMENT AND SOCIAL EXPENDITURE	3.63	3.14	86.60 %
<b>Total Title 1</b>			<b>4.77</b>	<b>3.95</b>	<b>82.87%</b>
<b>Title 2 INFRASTRUCTURE AND OPERATING EXPENDITURE</b>					
2	2 1	BUILDING EXPENDITURE	11.55	9.54	82.65 %
	2 2	ICT EXPENDITURE	4.83	4.45	92.18 %
	2 3	MOVABLE PROPERTY AND CURRENT OPERATING EXPENDITURE	0.54	0.34	63.04 %
<b>Total Title 2</b>			<b>16.91</b>	<b>14.33</b>	<b>84.75%</b>
<b>Title 3 PROGRAMME SUPPORT EXPENDITURE</b>					
3	3 1	PROGRAMME MANAGEMENT EXPENDITURE	2.42	1.42	58.67 %
	3 2	COMMON SUPPORT SERVICES EXPENDITURE	9.54	7.82	82.01 %
<b>Total Title 3</b>			<b>11.96</b>	<b>9.24</b>	<b>77.29%</b>
<b>Total REA</b>			<b>33.64</b>	<b>27.53</b>	<b>81.83 %</b>

\* FMC "REA"

\*\* 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).

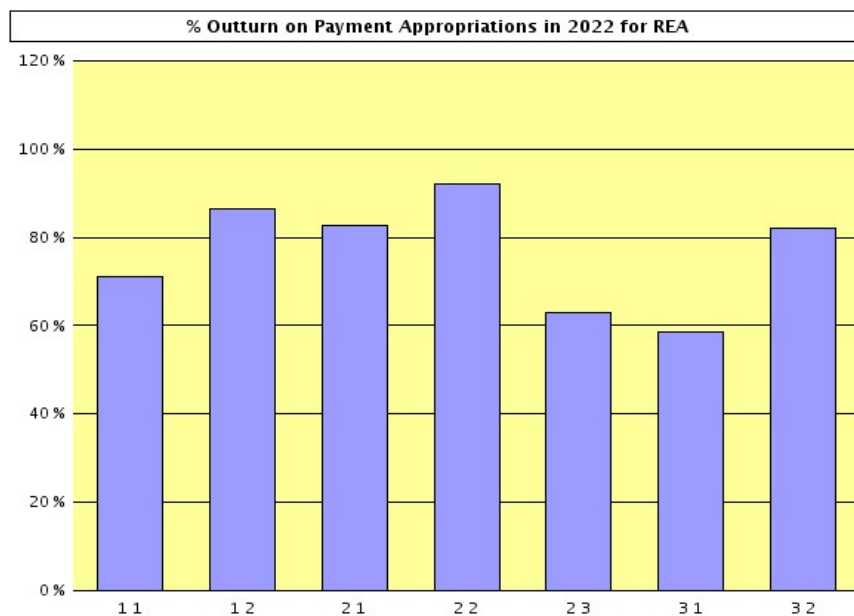


TABLE 2*: OUTTURN ON PAYMENT APPROPRIATIONS IN 2022 (in Mio €) for REA					
			Payment appropriations authorised *	Payments made	%
			1	2	3=2/1
Title 1 STAFF EXPENDITURE					
1	1 1	REMUNERATIONS, ALLOWANCES AND CHARGES	73.75	73.36	99.47 %
	1 2	PROFESSIONAL DEVELOPMENT AND SOCIAL EXPENDITURE	3.74	3.24	86.59 %
<b>Total Title 1</b>			<b>77.50</b>	<b>76.61</b>	<b>98.85 %</b>
Title 2 INFRASTRUCTURE AND OPERATING EXPENDITURE					
2	2 1	BUILDING EXPENDITURE	11.55	9.54	82.65 %
	2 2	ICT EXPENDITURE	4.83	4.45	92.18 %
	2 3	MOVABLE PROPERTY AND CURRENT OPERATING EXPENDITURE	0.54	0.34	63.04 %
<b>Total Title 2</b>			<b>16.91</b>	<b>14.33</b>	<b>84.75 %</b>
Title 3 PROGRAMME SUPPORT EXPENDITURE					
3	3 1	PROGRAMME MANAGEMENT EXPENDITURE	2.62	1.57	59.84 %
	3 2	COMMON SUPPORT SERVICES EXPENDITURE	9.54	7.82	82.01 %
<b>Total Title 3</b>			<b>12.15</b>	<b>9.39</b>	<b>77.24 %</b>
<b>Total REA</b>			<b>106.56</b>	<b>100.33</b>	<b>94.15 %</b>

\* FMA "REAG"

\*\* 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).

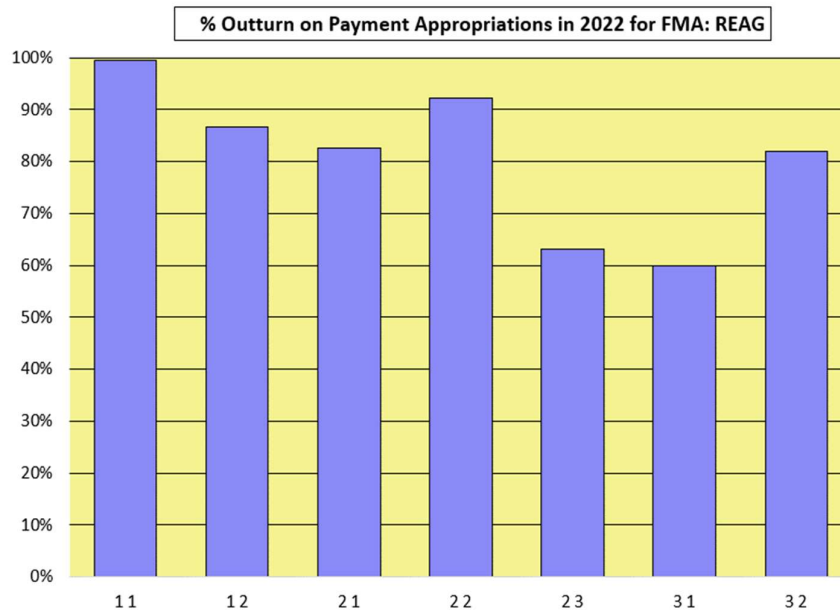


TABLE 3* : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2022 (in Mio €) for REA									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2021	Total of commitments to be settled at end of financial year 2022	Total of commitments to be settled at end of financial year 2021
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
1	1 1	REMUNERATIONS, ALLOWANCES AND CHARGES	0.93	0.65	0.28	30.23%	0.00	0.28	0.20
	1 2	PROFESSIONAL DEVELOPMENT AND SOCIAL EXPENDITURE	3.41	3.02	0.39	11.41%	0.00	0.39	0.18
<b>Total Title 1</b>			<b>4.34</b>	<b>3.67</b>	<b>0.67</b>	<b>15.43%</b>	<b>0.00</b>	<b>0.67</b>	<b>0.38</b>

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2022 (in Mio €) for REA									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2021	Total of commitments to be settled at end of financial year 2022	Total of commitments to be settled at end of financial year 2021
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
2	2 1	BUILDING EXPENDITURE	9.17	7.23	1.94	21.15%	0.00	1.94	2.38
	2 2	ICT EXPENDITURE	4.39	4.02	0.37	8.34%	0.00	0.37	0.43
	2 3	MOVABLE PROPERTY AND CURRENT OPERATING EXPENDITURE	0.33	0.22	0.10	31.88%	0.00	0.10	0.16
<b>Total Title 2</b>			<b>13.89</b>	<b>11.48</b>	<b>2.41</b>	<b>17.36%</b>	<b>0.00</b>	<b>2.41</b>	<b>2.97</b>



**TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2022 (in Mio €) for REA**

Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2021	Total of commitments to be settled at end of financial year 2022	Total of commitments to be settled at end of financial year 2021
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
3	3 1	PROGRAMME MANAGEMENT EXPENDITURE	1.65	0.73	0.92	55.75%	0.00	0.92	0.74
	3 2	COMMON SUPPORT SERVICES EXPENDITURE	5.54	4.19	1.36	24.48%	0.00	1.36	3.96
<b>Total Title 3</b>			<b>7.19</b>	<b>4.92</b>	<b>2.28</b>	<b>31.65%</b>	<b>0.00</b>	<b>2.28</b>	<b>4.70</b>
<b>Total :</b>			<b>25.42</b>	<b>20.07</b>	<b>5.36</b>	<b>21.07 %</b>	<b>0.00</b>	<b>5.36</b>	<b>8.05</b>

\* FMC "REA"

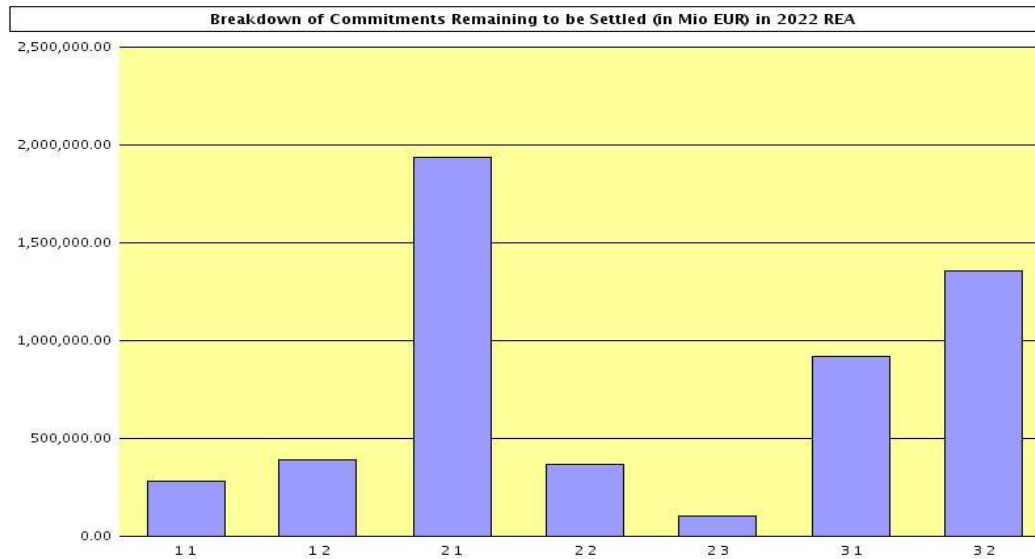


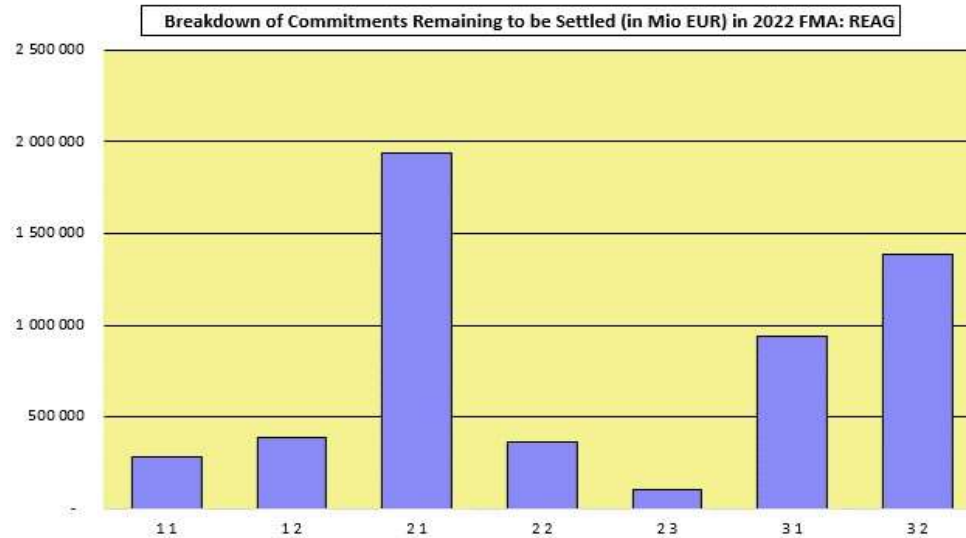
TABLE 3* : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2022 (in Mio €) for REA									
Chapter			Commitments to be settled				Commitments to be settled from financial previous to 2021	Total of commitments to be settled at end of financial year 2022	Total of commitments to be settled at end of financial year 2021
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
1	1 1	REMUNERATIONS, ALLOWANCES AND CHARGES	73.48	73.20	0.28	0.38%	0.00	0.28	0.20
	1 2	PROFESSIONAL DEVELOPMENT AND SOCIAL EXPENDITURE	3.51	3.12	0.39	11.09%	0.00	0.39	0.18
<b>Total Title 1</b>			<b>77.00</b>	<b>76.33</b>	<b>0.67</b>	<b>0.87%</b>	<b>0.00</b>	<b>0.67</b>	<b>0.38</b>

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2022 (in Mio €) for REA									
Chapter			Commitments to be settled				Commitments to be settled from financial previous to 2021	Total of commitments to be settled at end of financial year 2022	Total of commitments to be settled at end of financial year 2021
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
2	2 1	BUILDING EXPENDITURE	9.17	7.23	1.94	21.15%	0.00	1.94	2.38
	2 2	ICT EXPENDITURE	4.39	4.02	0.37	8.34%	0.00	0.37	0.43
	2 3	MOVABLE PROPERTY AND CURRENT OPERATING EXPENDITURE	0.33	0.22	0.10	31.88%	0.00	0.10	0.16
<b>Total Title 2</b>			<b>13.89</b>	<b>11.48</b>	<b>2.41</b>	<b>17.36%</b>	<b>0.00</b>	<b>2.41</b>	<b>2.97</b>

**TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2022 (in Mio €) for REA**

Chapter			Commitments to be settled				Commitments to be settled from financial previous to 2021	Total of commitments to be settled at end of financial year 2022	Total of commitments to be settled at end of financial year 2021
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
3	3 1	PROGRAMME MANAGEMENT EXPENDITURE	1.81	0.87	0.94	51.87%	0.00	0.94	0.74
	3 2	COMMON SUPPORT SERVICES EXPENDITURE	5.54	4.19	1.36	24.48%	0.00	1.36	3.96
<b>Total Title 3</b>			<b>7.35</b>	<b>5.06</b>	<b>2.30</b>	<b>31.22%</b>	<b>0.00</b>	<b>2.30</b>	<b>4.71</b>
<b>Total :</b>			<b>98.24</b>	<b>92.86</b>	<b>5.38</b>	<b>21.07 %</b>	<b>0.00</b>	<b>5.38</b>	<b>8.06</b>

\* FMA "REAG"



**TABLE 4: BALANCE SHEET for REA**

<b>BALANCE SHEET</b>	<b>2022</b>	<b>2021</b>
<b>A.I. NON CURRENT ASSETS</b>	1,662,314.64	1,675,793.81
A.I.1. Intangible Assets	1,051,408.64	1,040,277.24
A.I.2. Property, Plant and Equipment	610,906.00	635,516.57
	<b>12,030,907.36</b>	<b>11,534,296.54</b>
<b>A.II. CURRENT ASSETS</b>		
A.II.3. Curr Exch Receiv & Non-Ex Recoverables	12,030,907.36	11,534,296.54
A.II.6. Cash and Cash Equivalents	0.00	0.00
<b>ASSETS</b>	<b>13,693,222.00</b>	<b>13,210,090.35</b>
<b>P.I. NON CURRENT LIABILITIES</b>		0.00
P.I.3. Non-Current Financial Liabilities		0.00
<b>P.II. CURRENT LIABILITIES</b>	<b>-7,547,759.51</b>	<b>-7,146,069.89</b>
P.II.2. Current Provisions	-641,000.00	-120,960.00
P.II.3. Current Financial Liabilities	0.00 -	0.00
P.II.4. Current Payables	1,016,422.36	-877,299.59
P.II.5. Current Accrued Charges & Defrd Income	-5,890,337.15	-6,147,810.20
<b>LIABILITIES</b>	<b>-7,547,759.51</b>	<b>-7,146,069.89</b>
<b>NET ASSETS (ASSETS less LIABILITIES)</b>	<b>6,145,462.49</b>	<b>6,064,020.46</b>
P.III.2. Accumulated Surplus/Deficit	-6,064,020.46	-7,440,048.55
Non-allocated central (surplus)/deficit*	-81,442.03	1,376,028.09
<b>TOTAL</b>	<b>0.00</b>	<b>0.00</b>

To be noted that REA treasury was integrated into the Commission's treasury system in 2020. Because of this, REA does not have any bank account. The subsidy received from REAsearch and Innovation is booked on inter-company accounts (liaison account). All payments authorised and validated by the Agency as well as receipts are processed via the Commission's treasury and registered on inter-company accounts (liaison account). The balance available on the liaison accounts is considered as an amount receivable from the Commission.

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 REA**

<b>STATEMENT OF FINANCIAL PERFORMANCE</b>	<b>2022</b>	<b>2021</b>
II.1 REVENUES	-98,081,340.22	-88,253,454.77
II.1.1. NON-EXCHANGE REVENUES	-97,472,212.46	-88,157,324.12
II.1.1.8. OTHER NON-EXCHANGE REVENUES	-97,472,212.46	-88,157,324.12
II.1.2. EXCHANGE REVENUES	-609,127.76	-96,130.65
II.1.2.2. OTHER EXCHANGE REVENUE	-609,127.76	-96,130.65
II.2. EXPENSES	97,999,898.19	89,629,482.86
II.2. EXPENSES	97,999,898.19	89,629,482.86
II.2.10. OTHER EXPENSES	24,747,344.07	25,035,336.20
II.2.6. STAFF AND PENSION COSTS	73,252,554.12	64,593,465.05
II.2.8. FINANCE COSTS		681.61
<b>STATEMENT OF FINANCIAL PERFORMANCE</b>	<b>-81,442.03</b>	<b>1,376,028.09</b>

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 bis : OFF BALANCE SHEET for REA**

<b>OFF BALANCE</b>	<b>2022</b>	<b>2021</b>
OB.1. Contingent Assets		0.00
OB.1.3. CA Other		0.00
OB.2. Contingent Liabilities	-100 000.00	0.00
OB.2.6. CL Other	0.00	0.00
OB.2.7. CL Legal cases OTHER	-100 000.00	
OB.3. Other Significant Disclosures	-1 350 988.87	-7 037 330.00
OB.3.2. Comm against app. not yet consumed	-1 350 988.87	-3 232 259.66
OB.3.5. Operating lease commitments	0.00	-3 805 070.34
OB.4. Balancing Accounts	1 450 988.87	7 037 330.00
OB.4. Balancing Accounts	1 450 988.87	7 037 330.00
<b>OFF BALANCE</b>	<b>0.00</b>	<b>0.00</b>

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 2022 for REA**

Legal Times									
Maximum Payment Time (Days)	Total Nbr of Payments	Nbr of Payments within Time Limit	Percentage	Average Payment Times (Days)	Nbr of Late Payments	Percentage	Average Payment Times (Days)	Late Payments Amount	Percentage
23	1	1	100.00 %	16				0.00	0.0 %
27	2	2	100.00 %	12.5				0.00	0.0 %
28	2	2	100.00 %	20				0.00	0.0 %
29	3	2	66.67 %	11	1	33.33 %	49	200,000.00	11.0 %
30	403	399	99.01 %	17.14536341	4	0.99 %	38.25	9,016.06	0.0 %
31	2	2	100.00 %	16				0.00	0.0 %
32	1	1	100.00 %	19				0.00	0.0 %
33	3	3	100.00 %	19.66666667				0.00	0.0 %
35	1	1	100.00 %	7				0.00	0.0 %
39	1	1	100.00 %	14				0.00	0.0 %
41	1	1	100.00 %	33				0.00	0.0 %
42	3	1	33.33 %	31	2	66.67 %	46	166,254.00	40.0 %
43	1	1	100.00 %	36				0.00	0.0 %
44	1				1	100.00 %	79	9,460.00	100.0 %
45	3	3	100.00 %	25.66666667				0.00	0.0 %
46	8	8	100.00 %	25				0.00	0.0 %
47	2	2	100.00 %	35				0.00	0.0 %
55	1	1	100.00 %	34				0.00	0.0 %
60	15	15	100.00 %	33.8				0.00	0.0 %
90	1	1	100.00 %	69				0.00	0.0 %

<b>Total Number of Payments</b>	<b>455</b>	<b>447</b>	<b>98.24 %</b>		<b>8</b>	<b>1.76 %</b>		<b>384,730.06</b>	<b>1.0 %</b>
<b>Average Net Payment Time</b>	<b>18.69230769</b>			<b>18.19239374</b>			<b>46.625</b>		
<b>Average Gross Payment Time</b>	<b>20.15604396</b>			<b>19.67785235</b>			<b>46.875</b>		

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	28	24	5.27 %	455	278,457.71	1.02 %	27,333,948.70

\* FMC 'REA'

**TABLE 6\*: AVERAGE PAYMENT TIMES FOR 2022 for REA**

<b>Legal Times</b>									
<b>Maximum Payment Time (Days)</b>	<b>Total Nbr of Payments</b>	<b>Nbr of Payments within Time Limit</b>	<b>Percentage</b>	<b>Average Payment Times (Days)</b>	<b>Nbr of Late Payments</b>	<b>Percentage</b>	<b>Average Payment Times (Days)</b>	<b>Late Payments Amount</b>	<b>Percentage</b>
23	1	1	100.00 %	16					0.0 %
27	2	2	100.00 %	12.5					0.0 %
28	2	2	100.00 %	20					0.0 %
29	3	2	66.67 %	11	1	33.33 %	49	200,000.00	11.0 %
30	699	527	75.39 %	16.85768501	172	24.61 %	40.9127907	94,352.81	1.0 %
31	2	2	100.00 %	16					0.0 %
32	1	1	100.00 %	19					0.0 %
33	3	3	100.00 %	19.66666667					0.0 %
35	1	1	100.00 %	7					0.0 %
39	1	1	100.00 %	14					0.0 %
41	1	1	100.00 %	33					0.0 %
42	3	1	33.33 %	31	2	66.67 %	46	166,254.00	40.0 %
43	1	1	100.00 %	36					0.0 %
44	1		0.00 %		1	100.00 %	79	9,460.00	100.0 %
45	3	3	100.00 %	25.66666667					0.0 %
46	8	8	100.00 %	25					0.0 %
47	2	2	100.00 %	35					0.0 %
55	1	1	100.00 %	34					0.0 %
60	15	15	100.00 %	33.8					0.0 %
90	1	1	100.00 %	69					0.0 %

<b>Total Number of Payments</b>	<b>751</b>	<b>575</b>	<b>76.56 %</b>		<b>176</b>	<b>23.44 %</b>		<b>470,066.81</b>	<b>2.0 %</b>
<b>Average Net Payment Time</b>	<b>23.21171771</b>			<b>17.69565217</b>			<b>41.23295455</b>		
<b>Average Gross Payment Time</b>	<b>24.09853529</b>			<b>18.85043478</b>			<b>41.24431818</b>		

<b>Suspensions</b>							
<b>Average Report Approval Suspension Days</b>	<b>Average Payment Suspension Days</b>	<b>Number of Suspended Payments</b>	<b>% of Total Number</b>	<b>Total Number of Payments</b>	<b>Amount of Suspended Payments</b>	<b>% of Total Amount</b>	<b>Total Paid Amount</b>
0	28	24	3.20 %	751	278,457.71	1.01 %	27,479,980.02

\* FMA 'REAG'

**TABLE 7: SITUATION ON REVENUE AND INCOME IN 2022 for REA**

Chapter		Revenue and income recognized			Revenue and income cashes 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	COMMISSION SUBSIDY	98 413 594.77	0.00	98 413 594.77	98 413 594.77	0.00	98 413 594.77	0.00
		286 749.11		292 499.11	248 423.43		254 173.43	
9 0	MISCELLANEOUS REVENUE		5 750.00			5 750.00		38 325.68
<b>Total REA</b>		<b>98 700 343.88</b>	<b>5 750.00</b>	<b>98 706 093.88</b>	<b>98 662 018.20</b>	<b>5 750.00</b>	<b>98 667 768.20</b>	<b>38 325.68</b>

The column 1 "Current year RO" also includes negative ROs issued in the current year The column 5 "Carried over RO" also includes amounts waived



**TABLE 8: FINANCIAL IMPACT OF EX-ANTE AND EX-POST CONTROLS in 2022 for REA**

<b>EX-ANTE CONTROLS</b>	<b>Irregularity</b>	<b>OLAF Notified</b>	<b>Total undue payments recovered</b>
	<b>Amount</b>	<b>Amount</b>	<b>Amount</b>
NON ELIGIBLE IN COST CLAIMS			
CREDIT NOTES			
RECOVERY ORDERS ON PRE-FINANCING			
<b>Sub-Total</b>			

<b>EX-POST CONTROLS</b>	<b>Irregularity</b>	<b>OLAF Notified</b>	<b>Total undue payments recovered</b>
	<b>Amount</b>	<b>Amount</b>	<b>Amount</b>
INCOME LINES IN INVOICES			
RECOVERY ORDERS OTHER THAN ON PRE-FINANCING			
<b>Sub-Total</b>			

<b>GRAND TOTAL (EX-ANTE + EX-POST)</b>			
--	--	--	--

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

	Number at 1/1/2022 1	Number at 12/31/2022	Evolution	Open Amount (Eur) at 1/1/2022 1	Open Amount (Eur) at 12/31/2022	Evolution
2015	1		-100.00 %	0.05		-100.00 %
2019	1		-100.00 %	5 750.00		-100.00 %
2021	2	1	-50.00 %	389.76	374.01	-4.04 %
2022		6			68 775.61	
	4	7	75.00 %	6 139.81	69 149.62	1026.25 %

The ageing balance also includes the recovery orders on HB line while the table 7 "Income" only includes Ros on revenue budget lines

**TABLE 10 :Recovery Order Waivers >= 60 000 € in 2022 for REA**

Waiver Central Key	Linked RO Central Key	RO Accepted Amount (Eur)	LE Account Group	Commission Decision	Comments
--------------------	-----------------------	--------------------------	------------------	---------------------	----------

**Total DG**

**Number of RO waivers**

There are 2 waivers below 60 000 € for a total amount of -5,765.75

## ANNEX 4: Financial scorecard

This annex summarises the annual results of the 10 standard financial indicators, each with its objective and result for REA and for the EC as a whole (for benchmarking purposes)<sup>11</sup>:

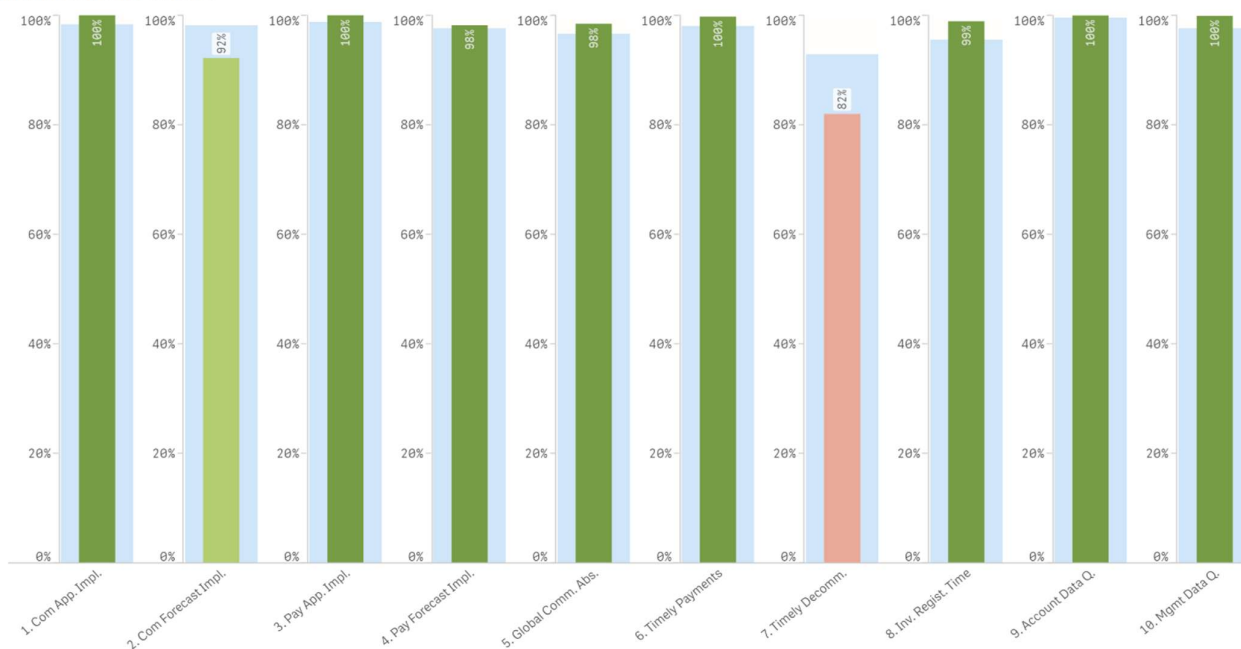
- |   |                             |
|---|-----------------------------|
| - Commitment Appropriations (CA) Implementation | - Timely Payments           |
| - CA Forecast Implementation                    | - Timely Decommitments      |
| - Payment Appropriations (PA) Implementation    | - Invoice Registration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

For each indicator, its value (in %) for REA 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

### Operational budget

REA Indicator Scores for 2022 12



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

<sup>11</sup> If REA did not perform any transaction in the area measured by a given indicator, or the information is not available in the central financial system, the indicator is displayed as “-“ in this Annex.

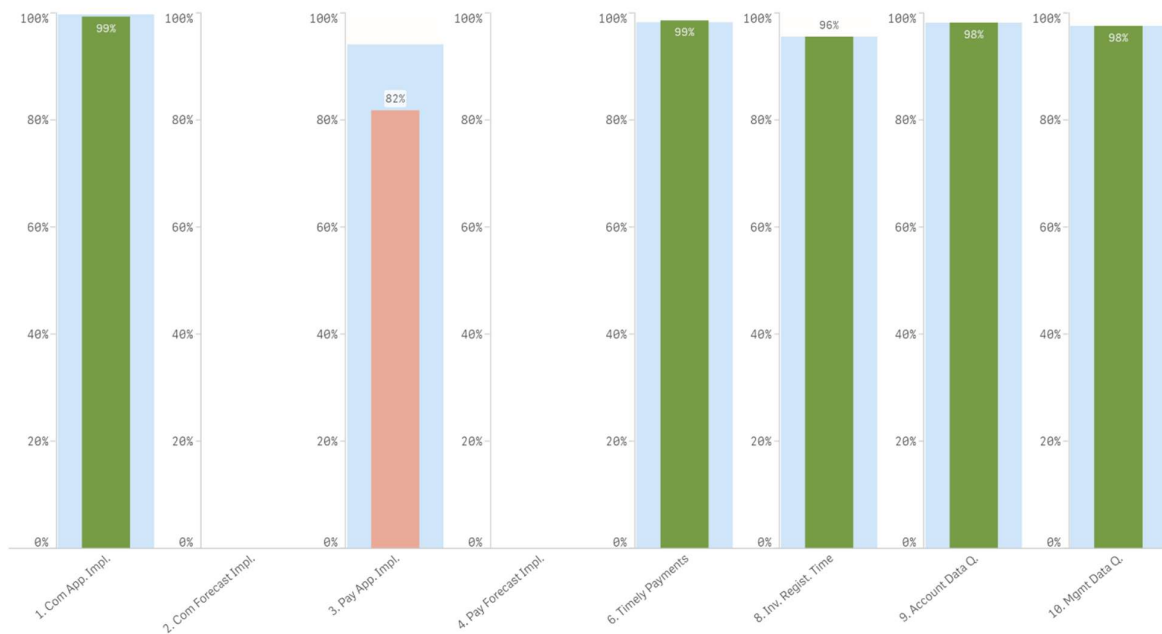
Indicator	Objective	Comment	REA Score	EC Score
1. Commitment Appropriations Implementation	Ensure efficient use of commitment appropriations expiring at the end of Financial Year		100%	98%
2. Commitment Forecast Implementation	Ensure the cumulative alignment of the commitment implementation with the commitment forecast in a financial year	The marginally lower score is due to three elements: 1. Technical matters in the corporate budgeting and forecasting tool in which some of the de-commitments did not appear. 2. REA being the managing entity of the call for proposals 'HORIZON-WIDERA-2022-ACCESS-07-01: Hop On Facility', the Agency had to forecast the entire amount of the commitment appropriations (i.e., EUR 40m), while the projects to be eventually implemented by REA amounted to EUR 2.5m only (based on the evaluations' results). EUR 37.5m were either implemented by another Executive Agency or Directorate-General having 'Hop On Facility' grants (based on the evaluations' results) or by other calls for proposals managed by REA (because of the undersubscription to the 'Hop On Facility'). 3. Commitment appropriations in C4, RO and FCA Fund Sources could not top-up some calls for proposals and have been automatically carried-over to 2023.	92%	98%
3. Payment Appropriations Implementation	Ensure efficient use of payment appropriations expiring at the end of Financial Year		100%	99%
4. Payment Forecast Implementation	Ensure the cumulative alignment of the payment implementation with the payment forecast in a financial year		98%	98%
5. Global Commitment Absorption <sup>12</sup>	Ensure efficient use of already earmarked commitment appropriations (at L1 level)		98%	97%
6. Timely Payments	Ensure efficient processing of payments within the legal deadlines		100%	98%

<sup>12</sup> Due to technical limitations 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. It is technically not possible to exclude the decommitment of RAL (C8) which is subsequently re-committed for a new purpose. As a result, the actual Indicator score may be slightly higher than the one reported for DGs using the GF commitments.

7. Timely Decommitments	Ensure efficient decommitment of outstanding RAL at the end of commitment life cycle	Only 8 RAL are concerned for a total amount of EUR 1.6M	82%	93%
8. Invoice Registration Time	Monitor the accounting risk stemming from late registration of invoices in the central accounting system ABAC		99%	95%
9. Accounting Data Quality	Ensure the good data quality of ABAC transactions with the focus on fields having a primary impact on the accounts		100%	100%
10. Management Data Quality	Ensure the good data quality of ABAC transactions with the focus on fields having a primary impact on the management decisions		100%	98%

## Administrative budget

REA Indicator Scores for 2022 12



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

Indicator	Objective	Comment	FMC REA Score <sup>13</sup>	FMA REAG Score <sup>14</sup>	EC Score
1. Commitment Appropriations Implementation	Ensure efficient use of commitment appropriations expiring at the end of Financial Year		99%	100%	100%
2. Commitment Forecast Implementation	Ensure the cumulative alignment of the commitment implementation with the commitment forecast in a financial year	The Executive Agencies are not required to provide their forecast of their administrative budget in the central forecasting IT tools and systems. Hence, the indicator is not applicable for REA in 2022 due to a lack of formal encoding of forecasting of spending of commitment appropriations related to the REA administrative budget. Nevertheless, REA makes a forecast of its expenses that is not encoded in central forecasting IT tools and systems since it is not required.	N/A	N/A	N/A
3. Payment Appropriations Implementation	Ensure efficient use of payment appropriations expiring at the end of Financial Year	REA implemented 94.15% of its payment appropriations, which is in line with the Commission's performance. This performance relates to the implementation of non-differentiated appropriations for which there is an automatic carry-over of payment appropriations to 2023 for the part of commitments concluded in 2022 and remaining to be paid at year-end.	82%	94%	94%
4. Payment Forecast Implementation	Ensure the cumulative alignment of the payment implementation with the payment forecast in a financial year	The Executive Agencies are not required to provide their forecast of their administrative budget in the central forecasting IT tools and systems. Hence, the indicator is not applicable for REA in 2022 due to a lack of formal encoding	N/A	N/A	N/A

<sup>13</sup> **Fund Management Centre (FMC) 'REA'**: Annex 4 of the Annual Activity Report (AAR) of 2022 on the REA Administrative Budget by default shows the data of the Fund Management Centre (FMC) 'REA' only, excluding the execution in commitments and payments done on the FMC 'REA:PMO'. The FMC 'REA:PMO' is the type III co-delegation given by REA Authorising Officer to PMO Authorising Officer for the implementation of salaries and missions payments of the Agency.

<sup>14</sup> **Financial Management Area (FMA) 'REAG'**: Annex 4 of the Annual Activity Report (AAR) of 2022 on the REA Administrative Budget by default shows the data of the Fund Management Centre (FMC) 'REA' only, excluding the execution in commitments and payments done on the FMC 'REA:PMO'. The FMC 'REA:PMO' is the type III co-delegation given by REA Authorising Officer to PMO Authorising Officer for the implementation of salaries and missions payments of the Agency.

In order to show all the data of the REA Administrative Budget execution, enabling the comparison with the five other Executive Agencies that have not yet co-delegated any of their payments to PMO, REA has added a column with the FMA 'REAG' showing together the implementation made in the FMC 'REA' and in the FMC 'REA:PMO'.

Indicator	Objective	Comment	FMC REA Score <sup>13</sup>	FMA REAG Score <sup>14</sup>	EC Score
		of forecasting of spending of payment appropriations related to the REA administrative budget. Nevertheless, REA makes a forecast of its expenses that is not encoded in central forecasting IT tools and systems since it is not required.			
5. Global Commitment Absorption <sup>15</sup>	Ensure efficient use of already earmarked commitment appropriations (at L1 level)	The indicator is not applicable to the administrative budget of an Executive Agency, like REA, since the Agency's spending in its administrative budget does not call on the use of global commitments.	N/A	N/A	N/A
6. Timely Payments	Ensure efficient processing of payments within the legal deadlines	<p>REA ensured efficient processing of payments within the legal deadlines. A total of 455<sup>16</sup> administrative payments were performed by REA services in less than 19 days in average, representing a performance of 98.2% timely payments. This performance is in line with the Commission's performance. Only 8 payments were delayed, representing 1.8% of the payments made and 1% of the total amount of payments processed during 2022.</p> <p>When considering also the payments performed by PMO services on the FMA 'REAG' (e.g., missions), there were a total of 751 administrative payments performed in 23 days in average, representing a performance of 77% timely payments. There were 176 payments delayed, representing 23% of the number of payments made, but only 1.7% of the total amount of</p>	98%	77%	98%

<sup>15</sup> Due to technical limitation: 1. 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. 2. it is technically not possible to exclude the decommitment of RAL (C8) which is subsequently re-committed for a new purpose. As a result, the actual Indicator score may be slightly higher than the one reported for DGs using the GF commitments.

<sup>16</sup> In the payment time statistics, the non-budgetary payments (i.e., those made in the Budget Regime H) are excluded.

Indicator	Objective	Comment	FMC REA Score <sup>13</sup>	FMA REAG Score <sup>14</sup>	EC Score
		payments processed during 2022.			
7. Timely Decommittments	Ensure efficient decommitment of outstanding RAL at the end of commitment life cycle	The indicator is not applicable for REA in 2022 due to the lack of underlying transactions recorded by REA in 2022.	N/A	N/A	N/A
8. Invoice Registration Time	Monitor the accounting risk stemming from late registration of invoices in the central accounting system ABAC	REA ensured timely registration of invoices in the accounting system within the 7-calendar-days limit. 524 invoices, out of the total 548, representing a performance of 96%, were registered on time. This performance is in line with the Commission's performance.	96%	96%	96%
9. Accounting Data Quality	Ensure the good data quality of ABAC transactions with the focus on fields having a primary impact on the accounts		98%	98%	98%
10. Management Data Quality	Ensure the good data quality of ABAC transactions with the focus on fields having a primary impact on the management decisions		98%	98%	98%



## ANNEX 5: Materiality criteria

This annex details the way REA assesses the level of errors in its annual financial statements and the definition of the level of misstatement that is considered as quantitatively material, i.e. that level above which non-disclosure of the weakness is likely to have an influence on the decisions or conclusions of the users of the AOD's declaration of assurance.

Considering that around 97% of the yearly expenditure is related to directly-managed research grants, and the fact that the **research framework programmes' implementing bodies are sharing a common ex-post audit approach** (see also Annex 7), the following section focusses on this specific control system.

For the R&I family, the materiality of residual weaknesses identified (i.e. after mitigating and corrective measures) is assessed based on qualitative and/or quantitative criteria, in line with the instructions for the preparation of the Annual Activity Report.

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

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

### Qualitative criteria for defining significant weaknesses

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

- **Significant control system weaknesses**

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

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

Any critical recommendations made by the European Court of Auditors, the IAS, DG BUDG or OLAF which have not been effectively addressed should be assessed in terms of their

significance. Here, the term "critical recommendation" is used in a wider sense; it includes those recommendations labelled by the auditor as "critical" as well as those not labelled at all which are assessed as having a critical impact on the assurance. The impact on assurance of recommendations labelled "very important" for which there is a significant delay in the implementation of the action plan will also be taken into account.

#### **- Significant reputational events**

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

When assessing the significance of any weaknesses, the following factors are taken into account:

- the nature and scope of the weakness;
- the duration of the weakness;
- the existence of compensatory measures (mitigating controls which reduce the impact of the weakness)
- the existence of effective corrective actions to correct the weaknesses (action plans and financial corrections) which have had a measurable impact.

When significant weaknesses are identified, a quantification of the amount at risk should be carried out when possible (See Chapter B).

### **Quantitative criteria for defining reservations**

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

REA's expenditure is composed of directly managed grants, procurement, and other direct spending mostly of an administrative nature. The error rate affecting payments is estimated yearly and per management system, following a methodology that takes into account the risk associated to the type of expenditure.

Considering that the fact that the research framework programmes' implementing bodies<sup>17</sup> are sharing a common ex-post audit approach, and the majority of REA yearly expenditure is related to directly managed research grants, the following section focusses on this specific management system.

#### **A. Research framework programmes – common aspects**

The assessment of the effectiveness of the different programmes' control system is based mainly, but not exclusively, on ex-post audits' results. The effectiveness is expressed in terms

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<sup>17</sup> Directorates General, Executive Agencies and Joint Undertakings (also called Article 187 bodies) implementing grants of the Research Framework Programmes.

of detected and residual error rates, calculated on a representative sample on a multi-annual basis.

### Assessment of the effectiveness of controls

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

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

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

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

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

where:

**ResER%** **residual error rate**, expressed as a percentage.

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

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

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

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

**E** **total non-audited requested EC contribution (€) of all audited beneficiaries.**

The Common Representative Sample (CRS) is the starting point for the calculation of the residual error rate. It is representative of the expenditure of each framework programme as a whole. Nevertheless, the Director of the Agency must also take into account other

information when considering if the overall residual error rate is a sufficient basis on which to draw a conclusion on assurance (or make a reservation) for specific segment(s) of each programme. This may include the results of other ex-post audits, ex-ante controls, risk assessments, audit reports from external or internal auditors, etc. All this information may be used in assessing the overall impact of a weakness and considering whether to make a reservation or not.

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

Should a calculation of the residual error rate based on a representative sample not be possible for a programme for reasons not involving control deficiencies<sup>18</sup>, 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.

### 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<sup>19</sup> expenditure. However, the Guidance on AARs also allows a multi-annual approach, especially for budget areas (e.g. programmes) for which a multi-annual control system is more effective. In such cases, the calculation of errors, corrections and materiality of the residual amount at risk should be done on a "cumulative basis" on the basis of the totals over the entire programme lifecycle.

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

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

Notwithstanding the multiannual span of their control strategy, the Directors-General of the Research DGs and the Directors of the Executive Agencies implementing Research and Innovation Framework Programmes are required to sign a statement of assurance for each

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<sup>18</sup> 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.

<sup>19</sup> Activity Based Budgeting.

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 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 her/his annual statement of assurance with a reservation.

## **2020 REVISED Methodology for the calculation of the error rate for Horizon 2020**

### European Court of Auditors observations

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

In response to this observation, in 2020 the Commission redefined its methodology for calculating the Horizon 2020 representative error rate. 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 Commission has applied the new methodology to all audits closed from 1 January 2020. As for H2020 audits closed before that date, representing 1 937 audited participations to which it was not possible to apply the new methodology retroactively, 0.38% has been added to the cumulative representative error rate as a best estimate to counteract the effect of the understatement highlighted by the Court.

#### IAS limited review on the 2020 error rate calculation for H2020

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

1. The Common Implementation Centre (RTD.CIC) should:

1.1 Calculate the corporate H2020 residual error rate based on the actual level of implementation of audit results and extension of audit findings stemming from data encoded by the Authorising Officers;

1.2 Considering that there is no data on the sampled amounts for audits closed before 2020, estimate the amount actually audited by calculating the ratio of costs actually audited to the total amount of the related accepted cost claims for all the audits closed since 1 January 2020 ('A' parameter in the formula for calculating the residual error rate) and adapt parameter 'E' accordingly;

1.3 Formalise the changes in the residual error rate calculation (e.g. in a written CAS procedure).

2. The Common Audit Service (CAS) should:

2.1. Change the audit report template to include a line in the table of Annex 1 with the audited amounts (sampled);

2.2. Include fields in AUDEX to encode the audited amounts per participation and cost category and any other IT tool used to register the ex-post audits' data which feed the Microsoft Access database for the calculation of the representative detected error rate;

2.3. Calculate the top-up automatically in the Microsoft Access database. For Horizon Europe, the calculation will be in line with the new methodology and no top up calculation will be required.

Recommendations 1.1 to 2.1 were implemented in 2021 and Recommendation 2.2 in 2022. Recommendation 2.3, which refers to Horizon Europe, will be completed once the audit campaign for Horizon Europe starts. Nevertheless, the new methodology, without the need for a top-up calculation, is already being implemented for H2020 audits.

## B. Specific aspects by programme

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

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

### Horizon 2020 Framework Programme

The Commission's proposal for the Regulation establishing the H2020 framework programme<sup>20</sup> states that

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

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

Further, it also explains 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*

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<sup>20</sup> 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.

*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.

### Horizon Europe Framework Programme

For Horizon Europe<sup>21</sup>, the general control objective, following the standard quantitative materiality threshold proposed in the standing instructions for Annual Activity Reports, is to ensure that the cumulative residual error rate, i.e. the level of errors which remain undetected and uncorrected, does not exceed 2%.

### Seventh Framework Programme

For the Seventh Framework programme, the general control objective, following the standard quantitative materiality threshold proposed in the Standing Instructions for AAR, is to ensure that the residual error rate, i.e. the level of errors which remain undetected and uncorrected, does not exceed 2% by the end of the 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.

### Coal and Steel Research Fund

For the Coal and Steel Research Fund, the general control objective, following the standard quantitative materiality threshold proposed in the Standing Instructions for AAR, is to ensure that the residual error rate, i.e. the level of errors which remain undetected and uncorrected, does not exceed 2% by the end of the programmes' management cycle.

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.

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<sup>21</sup> Regulation (EU) 2021/695 of the European Parliament and of the Council of 28 April 2021 establishing Horizon Europe



## Promotion of Agricultural Products (AGRIP) programme

AGRIP adheres to the standard control objectives including the residual error rate, over a multiannual period, of not more than 2%. The residual error is calculated after taking account of corrections and the extension of audit findings for systematic errors on non-audit participations during the audit and audit implementation processes.

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.

In view of the relatively small AGRIP budget and the limited number of transactions<sup>22</sup> and beneficiaries, representative sampling would not be proportionate or cost efficient. Instead, a risk-based selection of around six audits per year is applied. The risk-based selection considers: the limited number of “top beneficiaries” who together account for 50% of the expenditure, and the beneficiaries with specific risks to legality and regularity. The risk-based approach allows, among other, to maximise the cleaning effect by extending audit findings on systematic errors to non-audited participations of the audited beneficiary.

## De minimis threshold for financial reservation

Since 2019<sup>23</sup>, a 'de minimis' threshold for financial reservations has been introduced. Quantified AAR reservations related to residual error rates above the 2% materiality threshold, are deemed not substantial for segments representing less than 5% of a DG's total payments and with a financial impact below EUR 5 million. In such cases, quantified reservations are no longer needed.

## REA local error rate definitions and risk profiles

The principal methodology underlying the calculations of the error rates is defined in the Common Audit Strategy H2020 for the R&I family. Where relevant, REA complements the common indicators, in view of a more detailed reporting on the legality and regularity of the operations it manages.

## Definitions

The Common Representative Sample (CRS) provides an estimate, via a representative sample of cost claims across the R&I family, of the overall level of error in the Research Framework Programmes for all services involved in their management. All of these grants follow the same homogeneous overall control system, which is set out in this report.

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<sup>22</sup> The value of payments of 2022 on the AGRIP programme compared to the total value of payments of 2022 performed by REA represents 2.5%. The number of payments was 78.

<sup>23</sup> Agreement of the Corporate Management Board of 30/4/2019

Whilst the CRS is thus the basic indicator of legality and regularity for the Framework Programme as a whole, REA also examines all the results of controls in its particular population to confirm whether the error rate detected by the CRS should be complemented by other evidence that may lead to different conclusions on the error rate.

The CRS is complemented by 'risk-based' audits, which are selected according to one or more risk criteria. These audits are intended to detect and correct as many errors as possible for instance by targeting the larger beneficiaries and through the identification of possibly fraudulent operators. These audits are also referred to as 'corrective' audits.

Different indicators are calculated to provide a comprehensive view on legality and regularity:

**Cumulative Representative Error Rate (RepER%)** as explained above under the section "Research Framework Programmes – common aspects".

**Local Representative Error Rate for MSCA:** this error rate is calculated for the MSCA actions that have a different risk profile from H2020 mainstream actions. The local representative error rate for MSCA is calculated by REA, taking into account stratification and sampling intervals and the errors detected in the samples are projected to the MSCA population. The samples are based on the CRS and a "second-layer" sample specifically created for this population.

**Cumulative Residual Error Rate (ResER),** as explained above under the section "Research Framework Programmes – common aspects".

**Local Residual Error Rate:** The local residual error rate is calculated using the same formula and assumptions as the Residual Error rate. It is based on the local representative error rate for MSCA actions in H2020.

### Error rates following the risk profile of REA's specific programmes:

Since the Cumulative Representative Error Rate predominantly reflects the errors encountered in mainstream collaborative R&I projects, it can be considered as fully representative for all H2020 projects, except the MSCA actions for which a local representative error rate is defined.

The MSCA Local Representative Error Rate takes into account the results available for:

1. the audits in the random sample for MSCA (layer 2)
2. the audits of MSCA in the random CRS (layer 1),

All H2020 audits are performed by the Common Audit Service (CAS) of the Common Implementation Centre hosted by DG RTD.

## **ANNEX 6: Relevant Control Systems (RCSs) for budget implementation**

REA implements one Relevant Control System (RCS) per ongoing research programme for the direct management of grants (FP7, Horizon 2020, Horizon Europe and RFCS), as designed by the Common Policy Centre and Common Implementation Centre in DG RTD. For AGRIP, it uses two RCSs: the same one for the management of grants, and a different one for procurement.

For FP7, ex-ante control stages A, B, C, and for Horizon 2020, ex-ante control stages A, B, do not apply anymore since the corresponding tasks are no longer carried out. For FP7, these stages can be consulted in previous Annual Activity Reports. The last FP7 grant agreements are under the monitoring phase which is very similar to H2020 but have different materiality criteria.

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

The Control Strategy for Horizon Europe grant management is under preparation and will be finalised in the first quarter of 2023. The ex-ante control guidance is already available, and a concept paper containing the overarching principles of the ex-post audit strategy has been endorsed by the HE Steering Board and Executive Committee. The new controls already in place are reported in section 1 "Ex-ante controls" (sub-sections A, C and D).

The error rates per programme are presented in Annex 9.

In 2022, REA took over from DG RTD the management of several actions foreseen to be implemented with the OECD using the indirect management mode. This was made possible by the change in the Internal Rules on the implementation of the general budget of the European Union, which now allows agencies to manage funds indirectly. As the weight of this type of management is expected to rise, REA will need to develop appropriate control tools for the management of contribution agreements in 2023.

### **GRANTS (DIRECT MANAGEMENT)**

#### **1. Ex-ante controls**

Effectiveness and efficiency are detailed per stages A to D. Economy is calculated overall for the ex-ante controls and detailed at the end of the section.

## A - Preparation, adoption and publication of the Annual Work Programme and calls for proposals, and design of the business processes

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

Main risks It may happen (again) that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (effectiveness, efficiency, economy)
<p>The work programmes and the subsequent calls for proposals do not adequately reflect the policy objectives, priorities, are incoherent and/or the essential eligibility, selection and award criteria are not adequate to ensure the evaluation of the proposals.</p> <p>The implementation (procedures, monitoring arrangements, communication with beneficiaries, budget planning, etc) has serious shortcomings.</p>	<p>Hierarchical validation within the authorising department Inter-service consultation, including all relevant services.</p> <p>Adoption by the Commission</p> <p>Explicit allocation of responsibility. Under Horizon Europe, the work programmes proposed by the Directors' Groups according to the Commission decision C(2021)4472 are co-created with the work of the various instances and with the processes established in this decision<sup>24</sup>.</p> <p>In particular, the Common Implementation Centre (CIC) in DG Research and Innovation provides all DGs involved in the implementation of Horizon 2020 and Horizon Europe research with harmonised procedures, guidance and IT tools. The Common Policy Centre (CPC) in DG Research and Innovation under Horizon Europe centralises the budget planning and the monitoring of the Horizon Europe and Horizon 2020's budget implementation.</p> <p>The CIC/CPC governance structure ensures that programme implementation experience gathered feeds back to the programme design.</p>	<p><b>Coverage / Frequency:</b> 100%</p> <p>Depth: All work programmes are thoroughly reviewed at all levels, including for operational and legal aspects and all underlying implementation tools are defined and developed according to common rules. Under Horizon Europe, all business processes follow a governance system under the due supervision of instances like the Steering Board, the Executive Committee, the Directors Groups and key user groups.</p>	<p><b>Effectiveness:</b> The work programmes are adopted by the Commission. Success rates in terms of "over-subscription": number of proposals retained for funding compared to number of eligible proposals received.</p> <p><b>Qualitative Benefits:</b> A good Work Programme and well publicised calls should generate a large number of good quality projects, from which the best can be chosen. There will therefore be real competition for funds.</p> <p>Optimised procedures, common approach on multiple issues (audits, fraud, legal aspects, reporting...); better reporting on the whole programme – better management of the programme.<sup>24</sup></p>

<sup>24</sup> The mutualisation of the support services represents a quantitative benefit which is certain but not accurately quantifiable in the context of reorganisations, new programme's setting up, general HR offsetting through the Commission...

**B - Selection and award: Evaluation, ranking and selection of proposals**

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

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

## C - Contracting

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

Main risks It may happen (again) that...	Mitigating controls	coverage, frequency and depth of controls	Cost-Effectiveness indicators (effectiveness, efficiency, economy)
<p>.</p> <p>The beneficiary lacks operational and/or financial capacity to carry out the actions.</p> <p>Procedures do not comply with regulatory framework.</p> <p>The evaluation stage has not detected a potentially fraudulent proposal/beneficiary.</p> <p>For Horizon programmes, the project implementation might not comply with Ethics requirements</p> <p>Sensitive/classified information in future deliverables of a selected projects might not be handled with the adequate Security measures</p> <p>RFCS, possible over-lapping or double-funding</p>	<p>Validation of beneficiaries (financial capacity checks on demand). Systematic checks on operational and legal aspects performed before signature of the grant agreement</p> <p>Risk assessment and risk based checks before the grant agreement signature and reinforced monitoring flagging if necessary</p> <p>Ad hoc anti-fraud checks for riskier beneficiaries.</p> <p>Signature of the grant agreement by the AO. Financial verification where necessary Mutual Insurance Mechanism (MIM) (ex Horizon 2020 Participants Guarantee Fund (PGF)).</p> <p>An ethics review is carried out systematically in all HE calls, starting with an ethics pre-screening, which results in detailed screening or assessment if necessary.</p> <p>Ad hoc security checks and screenings Security review is carried out systematically in all HE calls, starting with pre-screening, which may result in detailed security scrutiny.</p> <p>Along to general checks for double-funding, cooperation and coordination with HaDEA</p>	<p>100% of the selected proposals and beneficiaries are scrutinised. Coverage: 100% of draft grant agreements.</p> <p>Depth will be differentiated following the conclusion of the risk assessment</p> <p>Controls implemented when justified by the call/proposal content</p>	<p><b>Effectiveness:</b> Number of grants signed</p> <p><b>Efficiency Indicators:</b></p> <p>% of Time-to-grant on time Average time to grant</p>

## D - Monitoring the implementation

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

Main risks It may happen (again) that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (effectiveness, efficiency, economy)
<p>The actions foreseen are not, totally or partially, carried out in accordance with the technical description and requirements foreseen in the grant agreement (for examples deliverables, open access to results and publications,...)</p> <p>The amounts paid exceed what is due in accordance with the applicable contractual and regulatory provisions.</p> <p>The cost claims and or deliverables are irregular or fraudulent.</p> <p>Lack of harmonised approach within the family with the consequence of unequal treatment of the beneficiaries</p> <p>For Horizon programmes, ethics requirements are not fulfilled.</p> <p>RFCS, undue influence of the stakeholder community</p>	<p>Kick-off meetings and "launch events" involving the beneficiaries in order to avoid project management and reporting errors. Specialized webinars targeting reduction of errors. <b>Guidance on reporting for lump sum grants (notion of work package completion).</b></p> <p>Specialized aid with web-based tools to inform most error-prone beneficiaries (i.e. SMEs who participate first time) about cost calculation practices.</p> <p>Effective external communication about guidance to the beneficiaries (e.g. Funding and Tender portal, info days for the calls, coordinators' days on grant preparation and grant management).</p> <p>Anti-fraud awareness raising training for the project officers. IT Plagiarism detection tool for deliverables.</p> <p>Enhanced family approach (anti-fraud cooperation; common legal and audit service; comprehensive and common IT system for all the family).</p> <p>Operational and financial checks in accordance with the financial circuits. Operation authorisation by the AO. For riskier operations, reinforced monitoring.</p> <p>Selection and appointment of expert for scientific reviews of intermediate and/or final reporting</p> <p>If needed: application of Suspension/interruption of payments, Referring grant/beneficiary to OLAF/EPPPO.</p>	<p><b>100%</b> of the projects are controlled, including only value-adding checks. Riskier operations subject to more in-depth controls.</p> <p><b>The depth</b> depends on risk criteria. However, as a deliberate policy to reduce administrative burden, and to ensure a good balance between trust and control, the level of control at this stage is reduced to a minimum.</p> <p>High risk operations identified by risk criteria. Red flags: suspicions raised by staff, audit results, EDES, individual or "population" risk assessment. Audit certificates required for any beneficiary claiming more than: EUR 325 000 (Horizon 2020, AGRIP, ). EUR 430 000 (Horizon Europe) <b>except lump sum grants).</b></p>	<p><b>Effectiveness:</b> Number of payments (interim and final).</p> <p><b>Efficiency:</b> Timely payments: % of payments (in value) made on time.  Timely- payments: Average number days net/gross + suspension days.</p> <p><b>Qualitative Benefits:</b> Projects are executed and produce benefits for the community.</p>

## **Overall economy and quantitative benefit for ex-ante controls**

### **Economy**

(The estimation is established for the grant process).

#### a. Estimation of cost of staff involved in the ex-ante checks

- Programme management and monitoring;
- Financial management;
- Budget and accounting;
- General Coordination incl. Strategic Programming and Planning, internal control, assurance and quality management;
- Anti-fraud;
- Development and support of IT systems linked to managing funding programmes.

#### b. Estimation of other costs linked to ex-ante checks

Cost of experts;  
Costs of IT external contracts.

## **2. Ex-post controls**

Effectiveness, efficiency and qualitative benefits are detailed per stages A to D. Economy is calculated overall for the ex-post controls and described at the end of paragraph 2.



## A - Reviews, audits and monitoring

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

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

## B - Implementing results from ex-post audits/controls

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

Main risks It may happen (again) that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (effectiveness, efficiency, economy)
<p>The financial recommendations stemming from the ex-post audit are not implemented</p> <p>Cases of potential fraud detected are not addressed in a timely manner or not addressed at all.</p>	<p>Systematic registration of audit / control results to be implemented and actual implementation.</p> <p>Guidance on monitoring and reporting on implementation of ex-post audit results.</p> <p>Validation of recovery in accordance with financial circuits.</p> <p>Authorisation by AOSD</p> <p>Coordination at the level of the R&amp;I family: FAIR committee If needed: -Notification to OLAF and regular follow up of detected potential fraud. - Reinforced monitoring implemented on ongoing projects</p>	<p><b>Coverage:</b> 100% of final audit results with a financial impact.</p> <p><b>Depth:</b> All audit results are examined in-depth in making the final recoveries. Systemic errors are extended to all the ongoing non-audited projects of the same beneficiary (or closed within two years).</p>	<p><b>Effectiveness:</b> Amounts being recovered and offset</p> <p><b>Efficiency:</b> Number/value/% of audit results pending implementation, Number/value/% of audit results implemented.</p>

### **Overall economy of ex-post controls**

#### **Economy**

(The estimation is established for the grant process, and Euratom).

Estimation of cost of staff involved in the coordination and execution of the ex-post audit strategies and in the implementation of audits

Costs of the appointment of audit firms and missions.

## SUPPORT SERVICES

### 1 - Legal and financial validation and verification of participants

**Main control objective(s):** Ensuring the timely execution of legal and financial validations of participants in grant and procurement actions (direct management) under SEDIA.

Main risks It may happen (again) that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (effectiveness, efficiency)
<p>Fraudulent entities could have access to EU funds</p> <p>Fraudulent use of EU funds could happen by linking wrong bank accounts to the LE of participants.</p> <p>Unauthorised persons could process information relating to participations in EU grants.</p> <p>Irregularities or false declarations by the Legal Entity Appointed Representative (LEAR).</p>	<p><b>Validation of legal entities</b></p> <p>Legal entity and status:</p> <ul style="list-style-type: none"> <li>- REA verifies the legal existence and status of legal entities participating in EU grants and procurement procedures based on the provisions of the EU Financial Regulation and the “EU Grants and Tenders – Rules on Legal Entity Validation, LEAR appointment and Financial Capacity Assessment” using the 4 eyes principles (validation and verification).</li> </ul> <p>Bank accounts:</p> <ul style="list-style-type: none"> <li>- Upon request, REA creates the entry for legal entity registration and bank accounts in ABAC.</li> </ul> <p>LEAR appointment/extended mandate</p> <ul style="list-style-type: none"> <li>- REA is responsible for the validation of the LEAR, the person who, upon appointment by the legal representative of the legal entity, plays a key role in managing access rights to the electronic exchange system.</li> </ul>	<p>100% of validations generating a Participant Identification Code (PIC) and a legal entity file.</p> <p>100% of bank accounts upon request</p> <p>100% of LEAR appointments</p>	<p><b>Effectiveness:</b></p> <p>Number of legal validations performed. Number of LEAR validated. Number of Universal takeover (former UTRO) validations and ICM/Ex-post modifications. Number of change requests or additional corrections.</p> <p><b>Efficiency Indicators:</b></p> <p>Participant validation: 95% of validations performed within the 90 days from the “raise priority” date.</p>
<p>The lack of financial capacity of a participant could jeopardise the achievement of the objectives foreseen in the grant agreement or in the procurement contract.</p>	<p><b>Financial Capacity Assessment (FCA)</b></p> <p>REA, upon request from the AOSDs managing the grant or procurement procedure, shall initiate the process of collecting and analysing supporting financial documents relating to the legal entities for which a FCA is required.</p>	<p>100% coverage of the client’s requests.</p>	<p><b>Effectiveness:</b></p> <p>Number of FCA performed.</p>

Main risks It may happen (again) that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (effectiveness, efficiency)
<p>Ineligible participants could benefit from EU funding dedicated to SMEs.</p> <p>The inadequate self-assessment of a participant could lead to ex-post reimbursement of EU funding, which is a financial risk for the participant and a reputational risk for the EU.</p>	<p><b>Small- and Medium-sized Enterprises</b></p> <p>For actions where the SME status is an eligibility criterion or allows for more favourable funding rates, upon request from the AOSDs managing the grants, the validation of SMEs is carried out by REA, on sample basis.</p>	<p>100 % coverage of the client's requests.</p> <p>Timetable and procedures are agreed between REA, EASME and other clients, where relevant.</p>	<p><b>Effectiveness:</b></p> <p>Number of SME validations performed.</p>

***Overall economy indicator for validation services***

**Economy**

Estimation of the overall administrative cost of the legal and financial participant validation activity

## 2- Research Enquiry Service

**Main control objective(s):** Ensuring the timely and high-quality replies to general questions relating to European research, the validation process of legal entities and the main EU research instruments by a dedicated team and through the coordination of the network of internal helpdesks with Commission DGs and Executive Agencies

Main risks It may happen (again) that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (effectiveness, efficiency)
<p>Questions needing special knowledge and which cannot be answered by the external contractor are responded with undue delay.</p> <p>An inadequate distribution of the questions to local, specialised helpdesks could jeopardise the timely and relevant answer to participants/applicants.</p> <p>The contractor could provide low quality services.</p> <p>Inadequate monitoring of the replies provided could lead to low quality, which would negatively affect the chances of applicants to access EU funding and represent a significant reputational risk.</p>	<p>REA coordinates the service provided by</p> <ul style="list-style-type: none"> <li>- using the framework contract of DG COMM for the Europe Direct Contact centre to have an external contractor for answering basic questions,</li> <li>- answering the questions which have been forwarded to REA by the external contractor,</li> <li>- verifying that questions are allocated to the appropriate thematic helpdesk,</li> <li>- training and supporting the contractor, and monitoring the quality of answers provided directly by them,</li> <li>- organising training by specific thematic helpdesks for the contractor on certain calls/topics,</li> <li>- training and supporting the thematic help desks' members on the use of the RES dedicated IT tool for providing answers to the questions,</li> <li>- monitoring the compliance with the 'Time-to-reply' of the questions forwarded to the local, specialised helpdesks, and on a monthly, quarterly and annual bases, monitoring the volume of the enquiries received and the work performed by the external contractor,</li> <li>- performing ex-post quality controls of all answers provided by the external contractor and by the thematic helpdesks.</li> </ul>	<p>100% of escalated cases are monitored upon allocation from contractor;</p> <p>Reminders to helpdesk members on a weekly basis;</p> <p>New members of the contractor team receive a set of training when they join the team;</p> <p>Training based on questions and answers is offered to the contractor based on demand;</p> <p>Training to helpdesk members on the use of the IT tool is organised just after their appointment;</p> <p>Quality of data and of all replies to monitor both the contractor and the helpdesks on a monthly basis.</p>	<p><b>Effectiveness:</b> Number of replies to enquiries.</p> <p><b>Efficiency Indicators:</b> Time-to-reply in compliance with the code of good administrative behaviour.</p>

Main risks It may happen (again) that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (effectiveness, efficiency)
The inadequate management of the database could lead to suboptimal knowledge management, which would negatively affect the efficiency and consistency of the communication between the EU and the applicants/participants.	Frequently Asked Questions (FAQ) <ul style="list-style-type: none"> <li>- Review all the FAQ related to the business processes to be published on the Funding &amp; Tender Portal (F&amp;T Portal).</li> <li>- Coordinate with the FAQ authors and submit the FAQ to CIC.B1 for publication on the F&amp;T Portal.</li> </ul>	At any time.  Within 2 weeks from the submission for review.	<b>Effectiveness:</b> No of questions approved and published. <sup>25</sup>

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<sup>25</sup> NB: No specific economy indicator (the costs of this activity are included in the validation services, as they mainly serve them).

### 3- Expert management and support

#### A - Support for call publication and evaluation

**Main control objective(s):** Ensuring the efficient coordination of the publishing of calls for proposals and of the evaluation sessions

Main risks It may happen that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (effectiveness, efficiency)
<p>Insufficient on-site support is provided to the evaluators – the evaluation process is delayed and the TTG is negatively affected</p> <p>Insufficient coordination among the calls might result in delays in the call implementation with an important reputational risk</p>	<p>Call planning and publication:</p> <ul style="list-style-type: none"> <li>- Management and capacity planning of the Common Evaluation Facility (COVE, BXL).</li> <li>- Global planning exercise to harmonise the scheduling of the call deadlines and evaluation dates taking into account planning restrictions (IT system – SEP) and specific client needs.</li> </ul> <hr/> <ul style="list-style-type: none"> <li>- Planning information is requested from the client (call deadline, dates for remote and on-site evaluation, expected number of proposals, planned number of expert evaluators required).</li> </ul> <hr/> <ul style="list-style-type: none"> <li>- Negotiation between the clients in case of conflicts in the allocation of resources between the various calls.</li> </ul> <hr/> <ul style="list-style-type: none"> <li>- Final agreement with the clients on the call planning schedule.</li> </ul>	<p>REA participates in the relevant meetings between the Commission services planning the Work Programme to ensure the calls for proposals and evaluation sessions are properly coordinated, notably in terms of timing.</p> <hr/> <p>6 months before the planned adoption of Work Programme.</p> <hr/> <p>4 1/2 months before the planned adoption Work Programme.</p> <hr/> <p>During Inter-Service Consultation (ISC) on the Work programme (at the latest).</p>	<p>Number of calls finalised in Call Passport System (CPS).</p> <p>Number of evaluations supported on-site.</p> <p>Number of expected proposals evaluated.</p> <p>Number of expected expert weeks on-site.</p>
<p>Potential participants could not receive timely information on the calls.</p>	<p>Call publication on the EU Funding &amp; Tender Portal:</p> <ul style="list-style-type: none"> <li>- The information is checked and the call is published on the Funding and Tenders portal via the Call Passport System (CPS).</li> </ul>	<p>5 weeks before publication date.</p>	

Main risks It may happen that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (effectiveness, efficiency)
A high number of external visitors (experts) represent an important security risk to mitigate.	<p>On-site support to expert evaluators during the central evaluation:</p> <ul style="list-style-type: none"> <li>- Verify if arrangements for the evaluation need to be updated (depending on the number of proposals received).</li> <li>- Reservation of the facilities in COVE.</li> <li>- Evaluation preparation: for instance, the weekly update of information screens and the delivery of copies of the submitted proposals.</li> </ul>	2 weeks before the start date for the central evaluation.	
A non-efficient reimbursement of the fees and costs of experts might affect the attractiveness of the expert function, which could lead to less quality in the evaluation process.	<p>On-site support to expert evaluators during the central evaluation</p> <ul style="list-style-type: none"> <li>- Reimbursement briefings to expert evaluators: these are regularly organised during on-site sessions.</li> <li>- Reimbursement helpdesk: this service to expert evaluators is organised twice a week during on-site evaluations in Brussels.</li> </ul>	During central evaluation.	



## B – Contracting and payment of expert evaluators and monitors<sup>26</sup>

**Main control objective(s):** Ensuring the timely validations of legal entity and bank accounts for Horizon 2020 (and other) experts as well as the issuing of expert contracts and the preparation/execution of payment files in a transparent and customer-oriented way.

Main risks It may happen (again) that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (effectiveness, efficiency)
<p>Lack of sound financial management in spending the budget for expert evaluators and monitors.</p> <p>In absence of verifications, fraudulent payments may happen.</p> <p>Inadequate monitoring of the legality and regularity of the operations could lead to unreliable financial reporting by the AOD.</p> <p>Lack of timely contracting, payment or assistance to experts in exceptional situations could render the expert function unattractive, which would lower the quality of the evaluation process.</p>	<p>Contracting and payment of H2020 expert evaluators:</p> <ol style="list-style-type: none"> <li>1) Global budget planning;</li> <li>2) Contracting of experts, including legal entity and bank account validation, amendments and contract terminations, on the basis of expert assignments decided by the relevant call coordinators (REA and beyond);</li> <li>3) Payment of experts and issuing of VAT certificates at request;</li> <li>4) Reporting on all non-compliance cases arising in relation to expert contracting and payment;</li> <li>5) Management of support activities (e.g. exceptional travel arrangements of experts and conflict of interest);</li> <li>6) Verification of Legal Entity and Bank Account for H2020 expert monitors.</li> </ol>	<p>b) 100% of experts 100% of BA, LE, contracts</p> <p>d) Quarterly</p> <p>f) 100%</p>	<p><b>Efficiency Indicators:</b></p> <p>Time-to-validate for experts: 100% of experts' Legal Entity Files validated within 25 working days (after approval of the pool of experts by the evaluating service).</p> <p>Time-to-contract for experts: 100% of expert contracts signed by REA in less than 10 calendar days.</p> <p>Time-to-pay for experts: 100% of expert payments executed by REA in less than 30 calendar days.</p>

## Overall economy indicator for expert management and support

### Economy

Estimation of the overall administrative cost of the activity (costs of the evaluation platform excluded)

<sup>26</sup> REA is responsible for the validation of legal entities and bank account forms for H2020 monitors. The Client (as Responsible Authorising Officer) remains responsible for managing the contract and payment of H2020 expert monitors.

## PROCUREMENT (DIRECT MANAGEMENT)

### Stage 1: Planning and definition of needs

**Main control objectives:** Ensure that the Agency organises the procurement procedures in an effective, efficient and economic manner; the procedures organised comply with the applicable legal and procedural provisions.

Main risks It may happen that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
<p>The procurement needs and procurement ownership are not defined timely and in the way that they meet the policy objectives, allow to identify and plan the procurement procedures, to prepare clear tender specifications and other procurement documents.</p>	<p>In close cooperation with the respective Parent DG, ensure that specific reference to the procurement procedures to be launched during the year is made in the annual work programme.</p> <p>The Agency, in cooperation with the respective parent DG, drafts clear and well-specified procurement documents that enable the bidders to submit high-quality tenders offering the best value for money.</p>	<p>100% of the operational procurement implemented by the Agency;</p> <p>100% of the envisaged procurement are included into the Financial decision and include a justification on the maximum price;</p> <p>All Financing Decision undergo ISC before adoption.</p>	<p><i>Effectiveness:</i>            Number of implemented procedures;            Number of procedures discontinued due to lack of use (poor planning);            N° of 'open 'procurement procedures where only one or no offers were received;            N° of requests for clarification regarding the tender.</p> <p><i>Efficiency:</i>            Duration of a procedure.</p>

### Stage 2: Launch of procedure. Evaluation of the offers submitted and contract award

**Main control objectives:** Ensure an effective and efficient evaluation having due regard of the applicable regulatory provisions (legality & regularity); ensure that fraudulent behaviour is detected and corrective action is assumed. Ensure that contract is awarded to the best offer in accordance with the award method announced in the call for tenders.

Main risks It may happen that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
<p><b>Step 1: Call for Tenders</b></p> <p>Human factor: lack of staff or/and lack of competencies cause uncertainty, delays and mistakes.</p> <p>Tough deadlines imposed by the procurement needs: the period between launch of “call for tenders” and the “deadline for the submission of offers” does not allow sufficient time to submit a complete, high quality tender.</p> <p>Delays or cancellations caused by omissions in compliance with the legal requirements and EC internal rules of the public procurement which leads to not or under-fulfilment of the defined procurement needs.</p> <p>Low quality of the tender documents results in insufficient number of submitted tenders or absence of tenders.</p> <p>Limited competition / Collusion among tenderers (e.g. monopolistic situation).</p> <p>Authors of tender specifications are in a conflict of interests situation.</p> <p><b>Step 2: Evaluation of tenders</b></p> <p>No offers are submitted in response to the call for tenders.</p> <p>The submitted offers are of low quality which does not allow to put the offers under evaluation.</p> <p>The most economically advantageous offer not being selected, due to a biased or inaccurate evaluation process.</p> <p>Misrepresentations related to misappropriation of</p>	<p><b>Step 1: Call for Tenders</b></p> <p>Training, mentoring, involvement of the independent procurement committee.</p> <p>The Agency, communicates with the respective parent DG to ensure realistic planning of the tenders to fulfil the defined procurement needs.</p> <p>Training, mentoring, involvement of the legal staff and the procurement committee.</p> <p>All procurement documents pass the comprehensive control workflows.</p> <p>The risk is taken into account. In the case this risk materialises the competitiveness level should be examined e.g. by means of the concentration ratio and Herfindhal index.</p> <p>The Agency has an Anti-fraud strategy that contains measures on fraud awareness among staff and other fraud prevention and detection measures</p> <p><b>Step 2: Evaluation of tenders</b></p> <p>Prepare the procurement documents that specify the requirements in the way that allow potential bidders to prepare and timely submit high quality offers.</p> <p>The evaluation procedure is organised according to predefined rules, announced in the procurement documents. The evaluation of offers is conducted by an appointed evaluation committee. Where relevant,</p>	<p>100% of procurement procedures with a maximum value above the Directive threshold are scrutinised by the REAPC for conformity with the applicable provisions.</p> <p>100% of the documentation submitted with the offers is checked by the Evaluation Committee (exclusion, selection, award criteria).</p> <p>Further cross-checks are performed and/ or clarifications required in case of non-substantiated references included in the offer.</p>	<p><i>Effectiveness:</i> Number of procedures challenged during the standstill period. Number of ‘justified complaints or litigation cases filed.</p> <p><i>Efficiency:</i> duration of evaluation and award phase</p>

Main risks It may happen that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
<p>facts presented by the tenderers with their offers are not detected.</p> <p>Members of the opening /evaluation committee are in situations of conflict of interest.</p> <p>The low quality of evaluation leads to selection of entities not having the necessary legal, technical, professional or financial capacities; no proper justification of the scores for quality award criteria in the evaluation report.</p> <p>Confidential information is not safeguarded.</p> <p><b>Step 3: Award of contract</b></p> <p>Quality of submitted offers delays the contract award or makes contract award impossible.</p> <p>Non-compliance with EU public procurement rules on contract award (e.g. information to tenderers, stand-still period, sequence of commitments, ...) causes legal implications or/and delays the contract award or makes it impossible.</p>	<p>compliance with all legal and procedural requirements is verified by an independent procurement committee. The evaluation committee issues contract award recommendation in the form of a signed evaluation report to the AO.</p> <p>The members of the opening and the evaluation committee are appointed by the AO; all of them are required to sign a declaration of non-conflict of interest and confidentiality</p> <p>Procurement documents specify selection criteria requiring the minimum legal and regulatory (when applicable), technical, professional and financial capacity; those criteria are set proportionally to the tender subject (e.g. requested service).</p> <p>Evaluation committee receive clear guidelines for carrying out evaluation and drafting evaluation reports. The comments in the evaluation report are drafted in a collaborative effort and represent the evaluation committee's consensus opinion.</p> <p>Staff awareness of cyber security and training for the staff involved in public procurement.</p> <p><b>Step 3: Award of contract</b></p> <p>The Agency (where relevant, in cooperation with the respective parent DG) drafts clear and well-specified tender documents that enable the bidders to submit high-quality tenders offering the best value for money.</p> <p>Staff training and mentoring, involvement of the legal staff and, where relevant, of the procurement committee.</p> <p>All tender documents pass the comprehensive control workflows.</p>		

### Stage 3: Supervisory measures during contract implementation

**Main control objectives:** Ensure that contract execution follows the provisions of the signed contracts (legality and regularity); ensure that payments are executed in compliance with the applicable rules (sound financial management); any weakness in the procedure or attempt of document misrepresentation is detected and corrected (legality and regularity& fraud prevention).

Main risks It may happen that...	Mitigating controls	Coverage, frequency and depth of controls	Cost effectiveness indicators (three E's)
<p><b>Step 1: Monitoring</b></p> <p>Lack of necessary skills, experience and qualifications of the persons performing the monitoring of the supply services;</p> <p>Low quality of monitoring, e.g.: risk that the monitoring is not based on contractual terms and conditions (deadlines, quality requirements, contractually agreed monitoring tools, etc.); risk that contract amendments are not duly justified, authorised, documented and registered; risk of misinterpretation of the contract by the contract managers, in particular in regard to reduced payments and penalties; risk of legal proceedings by the contractor about the imposed penalties.</p> <p><b>Step 2: Payment</b></p> <p>Payment made without all deliverables provided according to the contract.</p> <p>Delays in approval of deliverables causes late payment of invoices which results in interests payable to the contractor.</p>	<p><b>Step 1 : Monitoring</b></p> <p>Training, mentoring of staff involved in public procurement involvement.</p> <p>Profound ex-ante controls by competent staff.</p> <p>The monitoring is based on contractual terms and conditions (deadlines, quality requirements, contractually agreed monitoring tools, etc.);</p> <p>All amendments are duly discussed, justified, registered and documented;</p> <p>The reporting requirements are described in the technical specifications, which are an integral part of the contract. Reports are linked to payments.</p> <p><b>Step 2 : Payment</b></p> <p>The execution of each contract is monitored from the technical point of view; deliverables and deadlines clearly defined in the contract; all deliverables are assessed for their conformity with the tender specifications before the payment is authorised (payments are linked to the execution of deliverables).</p> <p>Monitoring of payment deadlines by the responsible staff. Alerts by IT systems.</p>	<p>100% of the deliverables and payments linked to service contracts are verified before the payment authorisation.</p>	<p><i>Effectiveness:</i></p> <p>Number/amount of liquidated damages.</p> <p><i>Efficiency:</i></p> <p>Time-to-pay: % of payments (in value) made on time.</p> <p>Time-to pay: Average number days (+ suspension days).</p> <p>Late interest payment and damages paid by the Agency.</p>

### ***Overall economy indicator procurement***

#### **Economy**

Cost-effectiveness in % of costs of FTEs involved in controls vs the total funds managed (evolution over time);

Cost/benefit ratio regarding controls on payments, (evolution over time).

## ANNEX 7: Specific annexes related to financial management

As a complement to the information provided in the main report (section 2.1), the tables below provide a more detailed overview of the implementation of the control framework in place at REA for the management of the operational budget.

### Economy of controls

#### Cost of controls incurred by REA

For ensuring consistency with other information reported on the use of the REA administrative budget, the figures are presented as follows:

- the total operating (administrative) budget has been broken down per activity and per control stage for the grant management part;
- this has been complemented by the expert costs dedicated to the project monitoring, which are charged to the operational budget.
- the cost of experts management relating to the evaluation of proposals are reported in two different contexts:
  - as the costs of one of the control systems in REA;
  - as a part of the shared R&I family costs, in addition to the expert costs charged to the operational budget.

**Table 7.1 - Costs of controls incurred by REA**

		Total staff costs (in M€) (Title 1 of the administrative budget)	Other expenditures (in M€)		Total cost (in M€)
			of which charged to the administrative budget (Titles 2 and 3)	of which charged to the operational budget (expert reviewers)	
<b>Grant Management</b>	Ex-ante controls	53.76	11.19	3.77	68.72
	Ex-post controls	1.06	0.23	0.00	1.30
	Total:	<b>54.83</b>	<b>11.43</b>	<b>3.77</b>	<b>70.02</b>
		<b>66.25</b>			
<b>Administrative &amp; logistic support services</b>	Validation services & Research Enquiry Service	8.80	2.06	0.00	10.86
	Experts management & Evaluation Platform	6.55	8.91	0.00	15.46
<b>Other tasks</b>	Coordination and administrative support	6.43	1.32		
	Total:	<b>76.61</b>	<b>23.72</b>		
		<b>100.33</b>			

**Table 7.2 - Overall costs of controls for direct grant management in Horizon programmes**

Effectiveness indicator in direct grant management	Total costs (m€)	2022 grants payments for R&I family (m€)	Overall rate (total costs/total amount paid) %
<b>Services provided by the Common Implementation Centre (CIC)</b>			
Ex-ante controls (mainly Common services in IT systems and operations, business processes)	38.86	11 273.56 <sup>27</sup>	0.34%
Ex-post controls (Common Audit Service)	13.14	4 441.56 <sup>28</sup>	0.30%
<b>Services provided by REA</b>			
Evaluation experts' costs	79.51 <sup>29</sup>	8 758.00 <sup>30</sup>	0.91%
		<b>Operational payments for grants 2022 REA</b>	
REA costs of controls for grant management	70.02	2 802.03 <sup>31</sup>	2.50%
<b>Overall cost effectiveness for grant management in REA</b>			<b>4.05%</b>

<sup>27</sup> HE and H2020, all R&I services.

<sup>28</sup> H2020 only, all R&I services.

<sup>29</sup> Composed of EUR 64.05 million paid to evaluation experts and EUR 15.46 million paid for administrative costs relating to the experts management and evaluation support.

<sup>30</sup> HE and H2020, excluding ERCEA, which contracts and manages its own experts and proposal evaluation.

<sup>31</sup> HE and H2020, REA only.



**Table 7.3 – Overview of REA’s estimated cost of controls at Commission (EC) level**

**- Overview of REA's estimated cost of controls at Commission (EC) level**

**EXPENDITURE**

The absolute values are presented in EUR

REA	Ex ante controls***			Ex post controls			Total	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Relevant Control System (RCS) / Other as defined in Annex 6 of the AAR*	EC total costs	related payments Made	Ratio (%)** (a)/(b)	EC total costs	total value verified and/or audited	Ratio (%) (d)/(e)	EC total estimated cost of controls (a)+(d)	Ratio (%)** (g)/(b)
Direct grant management in REA	68,721,619.32 €	2,802,029,309.11 €	2.45%	1,295,899.64 €	- €	0.00%	70,017,518.96 €	2.50%
<b>OVERALL total estimated cost of control at EC level for expenditure</b>	<b>68,721,619.32 €</b>	<b>2,802,029,309.11 €</b>	<b>2.45%</b>	<b>1,295,899.64 €</b>	<b>- €</b>	<b>0.00%</b>	<b>70,017,518.96 €</b>	<b>2.50%</b>

**SHARED/POOLED CONTROL ACTIVITIES (RTD & REA)**

Validation services (only REA)	10,860,476.92 €	- €	0.00%	- €	- €	0.00%	10,860,476.92 €	0.00%
Expert management (only REA)	79,513,592.92 €	- €	0.00%	- €	- €	0.00%	79,513,592.92 €	0.00%

## REA operating (administrative) budget executed in 2022 per activity

**Table 7.4 - REA operating (administrative) budget executed in 2022 per activity**

Programmes	Title 1 (€ million)	Title 2 (€ million)	Title 3 (€ million)	Total			Grand Total
				EU Budget	EFTA/EEA	Third countries contrib.	
Marie Skłodowska-Curie Actions (EAC)	21.04	3.94	0.39	24.70	0.66	0.0053	25.37
Cluster 2: Culture, Creativity and Inclusive Society	4.44	0.83	0.08	5.21	0.14	0.0011	5.35
Cluster 3: Civil Security for Society (HOME)	3.45	0.65	0.06	4.05	0.11	0.0009	4.16
Cluster 6: Food, Bioeconomy, Natural Resources, Agriculture and Environment	11.62	2.17	0.21	13.64	0.37	0.0029	14.01
Sharing Excellence	5.42	1.01	0.10	6.36	0.17	0.0014	6.53
Reforming and enhancing the European R&I system	1.95	0.37	0.04	2.29	0.06	0.0005	2.35
Research infrastructure	2.27	0.43	0.04	2.67	0.07	0.0006	2.74
Agricultural promotion measures (AGRI)	2.27	0.43	0.20	2.90	0.00	0.0000	2.90
Research fund for Coal and Steel (R&I)	2.35	0.44	0.05	2.84	0.00	0.0000	2.84
Expert management & support	6.55	1.23	7.69	15.26	0.21	0.0016	15.46
Central validation Service	8.80	1.65	0.42	10.58	0.28	0.0022	10.86
<b>Management and administrative support</b>							
Marie Skłodowska-Curie Actions	1.99	0.37	0.04	2.34	0.06	0.0005	2.40
Cluster 2: Culture, Creativity and Inclusive Society	0.42	0.08	0.01	0.49	0.01	0.0001	0.51
Cluster 3: Civil Security for Society	0.33	0.06	0.01	0.38	0.01	0.0001	0.39
Cluster 6: Food, Bioeconomy, Natural Resources, Agriculture and Environment	1.09	0.20	0.02	1.28	0.03	0.0003	1.32
Sharing Excellence	0.51	0.10	0.01	0.60	0.02	0.0001	0.62
Reforming and enhancing the European R&I system	0.24	0.04	0.00	0.28	0.01	0.0001	0.28
Research infrastructure	0.16	0.03	0.00	0.18	0.00	0.0000	0.19
Agricultural promotion measures	0.21	0.04	0.00	0.26	0.00	0.0000	0.26
Research fund for Coal and Steel	0.22	0.04	0.00	0.26	0.00	0.0000	0.26
Expert management & support	0.55	0.10	0.01	0.64	0.02	0.0001	0.66
Central validation Service	0.71	0.13	0.01	0.83	0.02	0.0002	0.86
<b>Total</b>	<b>76.61</b>	<b>14.33</b>	<b>9.39</b>	<b>98.06</b>	<b>2.25</b>	<b>0.02</b>	<b>100.33</b>

## Control effectiveness as regards legality and regularity

### Ex-post audits and the implementation of their results

The ex-post control for direct grant management is largely centralised in the Common Implementation Centre, in particular in the Common Audit Service (CAS), for the whole Research and Innovation Family. Since 2007, the Research and Innovation Family of DGs and executive agencies have adopted a common audit strategy intended to verify the legality and regularity of expenditure on a multi-annual basis, including detection and correction of systematic errors. 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 in minimising the audit burden on beneficiaries. Where relevant, the Common Audit Service executed audits jointly with the European Court of Auditors.

#### Audit coverage

##### Seventh Framework Programme (FP7)

The audit coverage for FP7 is the same as the one presented in the AAR 2021 because all Common Representative sample items were closed in 2021.

##### Horizon 2020 (H2020)

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

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

#### Efficiency of controls (additional indicators)

##### Completion rate of Horizon 2020 ex-post audits in 2022

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

## Achievement of the objectives relating to sound financial management set in the AWP

**Table 4.5 Performance table for sound financial management – main indicators**

<b>Objective:</b> The authorising officer by delegation has reasonable assurance that resources have been used in accordance with the principles of sound financial management and that cost-effective controls are in place which give the necessary guarantees concerning the legality and regularity of underlying transactions			
<b>Main outputs in 2022:</b>			
<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Last known results (31/12/2022)</b>
Effective controls: Legal and regular transactions	Risk at payment	Remains < 2 % of relevant expenditure	1.97%
	Estimated risk at closure	Remains < 2 % of relevant expenditure	1.38%
	Implementation of H2020 audit findings (including extensions).	<ul style="list-style-type: none"> <li>• 80% of the total cumulative number of AURIs are completed.</li> <li>• at least 50% of AURIs of closed projects with negative adjustments triggering a recovery order are finalized within 6 months.</li> <li>• Corporate target for time-to-implement for all other cases: 100% within 6 months.</li> </ul>	<ul style="list-style-type: none"> <li>• 96.2% of the H2020 AURIS have been completed.</li> <li>• 72.4% of AURIs of closed projects with negative adjustments triggering a RO have been implemented within 6 mo.</li> <li>• 90.2% of AURIs for closed projects have been implemented within 6 mo, and 93.8% for ongoing projects.</li> </ul>
Effective controls: Safeguarded information	Number of security incidents with impact on the confidentiality, integrity or availability of ECS or PDM/URF systems	No reported incident is categorised as major	No reported incident has been categorised as major
Efficient controls	Budget execution and time-to-pay	Remains 100% of operational payment appropriations and remains 100% of operational payments (in value) on time	REA has executed 100.00% of the commitment and payment appropriations related to the fund sources C1, C5, C7 and E0 ) while the operational budget time-to-pay reached 99.7% on time
Economical controls	Overall estimated cost of controls	Remains 2.74% of funds managed	2.5% <sup>32</sup>

<sup>32</sup> The reduction from last year is more affected by the increase in the operational budget managed by REA than an increase in the economy of controls per se.

**Table 7.6 - H2020 Number of implemented ex-post audit results (cumulative from start of MFF)**

REA	Audit results processed	% Audit results processed	Audit results pending	% Audit results pending	Total
Audits	851	96.2	34	3.8	885
Extensions	582	96.4	22	3.6	604
Total	1433	96.2	56	3.8	1489

**Table 7.7 - Time to implement closed audit results for H2020 in 2022**

REA	0-6 months	% total number (0-6 months)	above 6 months	% above 6 months	Total number
<b>Closed Projects</b>	<b>132</b>	<b>90.4</b>	<b>14</b>	<b>9.6</b>	<b>146</b>
Negative adjustments with recovery	21	72.4	8	27.6	29
Negative adjustments without recovery	8	80.0	2	20.0	10
Positive or zero Adjustment	103	96.3	4	3.7	107
<b>On-going Projects</b>					<b>64</b>
Negative adjustments	25	92.6	2	7.4	27
Positive or zero Adjustment	35	94.6	2	5.4	37
<b>Total</b>					<b>210</b>

**Table 7.8 - AGRIP Number of implemented ex-post audit results (cumulative from start of MFF)**

REA	Audit results processed	% Audit results processed	Audit results pending	% Audit results pending	Total
Audits	5	83.3	1	16.7	6
Extensions	0	NA	0	NA	0
Total	5	83.3	1	16.7	6

**Table 7.9 - Time to implement closed audit results for AGRIP in 2022**

REA	0-6 months	% total number (0-6 months)	above 6 months	% above 6 months	Total number
<b>Closed Projects</b>	5	100.0	0	0.0	5
Negative adjustments with recovery	1	100.0	0	0.0	1
Negative adjustments without recovery	0	NA	0	NA	0
Positive or zero Adjustment	4	100.0	0	0.0	4
<b>Total</b>					5

**Table 7.10 - RFCS Number of implemented ex-post audit results (cumulative from start of MFF)<sup>33</sup>**

REA	Audit results processed	% Audit results processed	Audit results pending	% Audit results pending	Total
Audits	10	47.6	11	52.4	21
Extensions	0	NA	0	NA	0
<b>Total</b>	10	47.6	11	52.4	21

## Anti-fraud activities

**Table 7.11 - Overview of anti-fraud activities' status at year-end**

	Open cases at 01/01/2022	Open cases at 31/12/2022
Number of ongoing cases of potential fraud (FP7 – H2020)	54	49
Number of risky cases	11	6

Number of cases transmitted to OLAF during the period (01/01/2022 to 31/12/2022)	6
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<sup>33</sup> There were no audit results closed for RFCS in 2022.

**Table 7.12 - Performance against indicators in the AWP 2022 for anti-fraud activities**

<b>Objective:</b> The risk of fraud is minimised through the application of effective anti-fraud measures and the implementation of the Commission Anti-Fraud Strategy (CAFS) <sup>34</sup> aimed at the prevention, detection and correction <sup>35</sup> of fraud			
<b>Indicator: Implementation of the actions included in REA's anti-fraud strategy over the strategy's lifecycle</b>			
<b>Source of data:</b> Action plan 2019 for implementing the REA anti-fraud approach			
<b>Baseline</b> 2019	<b>Interim milestone</b> 2021	<b>Target</b> 2022	<b>Latest known result</b> (31/12/2022)
0% of action points implemented	86% of action points (12/14) implemented	100% of action points (14/14) implemented	93% of action points (13/14) implemented
<b>Main outputs in 2022:</b>			
<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known result</b> (31/12/2022)
Anti-fraud training sessions (made compulsory within 1 year from entering the service)	No. of sessions to organise	3 or more if necessary	4 sessions provided out of 4 scheduled
EDES and bankruptcy trainings	No. of sessions to organise	4	4 sessions provided out of 4 scheduled
REA Quarterly Reports "State of play of cases under OLAF investigation for serious irregularities"	Number of internal reports per year	4 (of which 2 transmitted to parent DGs)	3 reports issued (Q1, Q2 and Q3 2022) and Q4 2022 in progress
REA internal manual setting up an anti-fraud procedure in REA	Publication of manual	2022	Procedure published on the REA Intranet on 21/04/2022
Update of the REA Anti-Fraud Approach	Publication of document	2023	In progress
Streamline the reporting on recoveries and sanctions stemming from implementation of OLAF reports and their financial impact	New reporting tool (database)	2022	Launched

<sup>34</sup> Communication from the Commission "Commission Anti-Fraud Strategy: enhanced action to protect the EU budget", COM(2019) 176 of 29 April 2019 – 'the CAFS Communication' – and the accompanying action plan, SWD(2019) 170 – 'the CAFS Action Plan'.

<sup>35</sup> Correction of fraud is an umbrella term, which notably refers to the recovery of amounts unduly spent and to administrative sanctions.

**Table 7.13 - Follow-up of OLAF financial recommendations and breakdown of Final Amount Established to be Recovered (FAER)**

The table below reflects the state of play of the implementation of 48 OLAF reports with financial recommendations addressed to REA from 2009 up to December 2022 (rounded figures).

Value of OLAF financial recommendations (M€) <sup>1</sup>	Decision of the responsible authorising officer					
	27	Not implemented <sup>2</sup> (M€)	Actual amount to be recovered / corrected as established and confirmed by AOD (FAER) (M€)			
21 (77.77%)						
6		Recovery orders issued (M€)			Waived (bankruptcy) <sup>6</sup>	2
		Not yet cashed from beneficiaries - pending proceedings <sup>4</sup>	Cashed or offset from beneficiaries	Not yet cashed from beneficiaries, not enforced or waived <sup>5</sup>		
		6.3	4.4 (23%)	6.2	2.1 (11%)	

[1] Amounts as contained in the OLAF reports.

[2] This amount represents the amounts not implemented by REA either for cost-effectiveness or because of the outcome of the analysis of the impact of the OLAF findings onto the relevant projects or of the additional evidence provided by entities within the relevant contradictory procedures in view of recovery. In a few instances, recommendations were addressed to, or implemented by, other services. This figure also includes the amounts not yet decided for new reports, and the recoveries yet to be launched pending the closure of the relevant contradictory procedures for implementation of the OLAF report in the framework of the projects concerned.

[3] Recovered by means of costs rejections within the relevant grant agreements.

[4] Pending judicial or administrative proceedings, at either national (civil or criminal proceedings) or EU level (enforced recoveries, in process of adoption or adopted in process of enforcement).

[5] The recoveries are launched but they are not yet enforced nor waived (no pending proceedings) but they are yet not cashed from beneficiaries.

[6] Cashed by REA from the Participants' Guarantee Fund (PGF) and waived from the PGF's budget line.



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

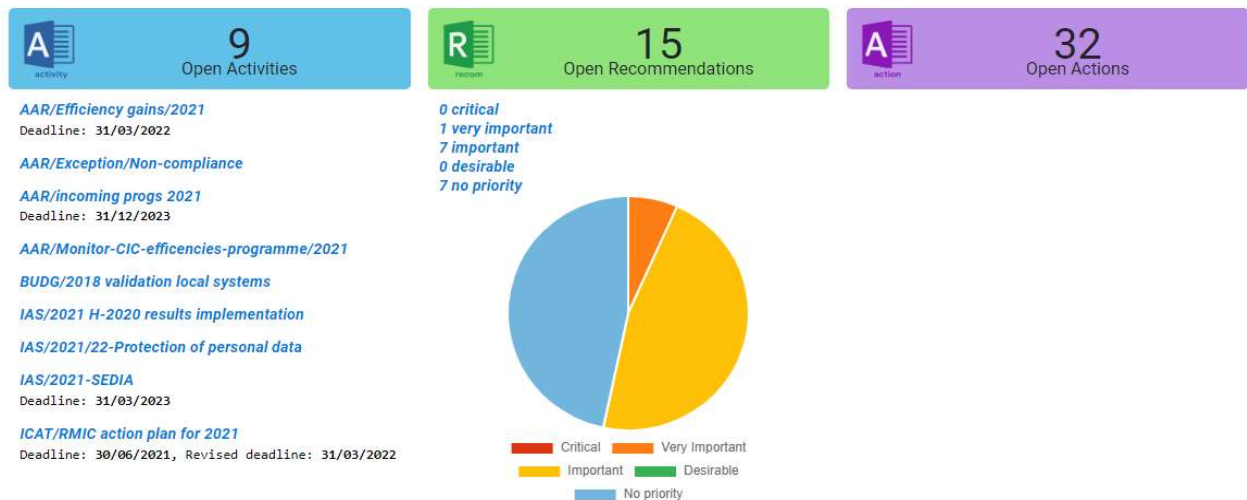
### Monitoring the implementation of action plans

REA implements various action plans that allow the Agency to mitigate risks, correct deficiencies of the control system, introduce improvements to business processes, and generally follow up on any matters that need to be addressed. This is a key element of the control system (principles 2, 3, 5, 7, 9, 16 and 17) which allows to create a culture of continuous improvement across the Agency.

Monitoring is implemented on a quarterly basis through the Internal Control Management (ICM) tool that REA developed for this purpose. There are actions plans for risks, audit recommendations, external evaluations, survey results, and various strategies. Individual units or departments are also able to monitor their own action plans.

During the year there have been increased efforts to fully update the information in ICM and to bring to a close as many overdue actions as possible. 53 actions were closed during the year, while 45 were launched. By the end of January, there remain 32 open actions related to 15 recommendations.

**Figure 8.1. pending recommendations and actions (source: ICM)**



*Implementation of action plans stemming from IAS audit recommendations*

Audit	Nr of Very Important Recommendations		Nr of Important Recommendations	
	Implemented	Under Implementation	Implemented	Under Implementation
SEDIA implementation	2 <sup>36</sup>	0	1	1
Protection of personal data under the responsibility of the EACEA, EISMEA, CINEA, REA, ERCEA and CIC	0	0	3	3
Thematic review on the Commission's corrective capacity	0	0	1	0
Implementation of anti-fraud actions in the research area (RTD; CNECT; REA; ERCEA; INEA; EASME)	0	0	3 <sup>37</sup>	0
Implementation of audit results (REA, CINEA, EISMEA, RTD/CIC, CNECT, ERCEA)	0	0	3	0

There were no undue delays in the implementation of critical or very important recommendations addressed to REA.

In 2022, REA reported to IAS the full implementation of recommendations for the following three audits:

- **Audit on implementation of anti-fraud actions in the research area**
- **Multi-DG audit on the implementation of audit results in Horizon 2020**
- **Limited review of the corrective capacity**

Two action plans following IAS audits are still under implementation:

- **Audit on protection of personal data**
- **Audit on SEDIA implementation**

The action plan for the SEDIA audit contained nine actions related to four recommendations: two important and two very important.

In 2022, all actions for two of the four recommendations were fully implemented by REA while another has been completed in the beginning of 2023. Their implementation is currently under review by IAS. That leaves one important recommendation still to be implemented.

<sup>36</sup> One 'very important' recommendation concerning SEDIA implementation was reported as ready for IAS review during the preparation of this report, beginning February 2023.

<sup>37</sup> One of them with the priority "desirable".

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

**Table 9.1: Estimated risk at payment and at closure**

EA REA	Payments made (2022; MEUR)	minus new prefinancing [plus retentions made] (in 2022; MEUR)	plus cleared prefinancing (in 2022; MEUR)	Relevant expenditure (for 2022; MEUR)	Detected error rate or equivalent estimates	Estimated risk at payment (2022; MEUR)	Expected Recoveries and Corrections ( <i>adjusted</i> ARC; %)	Estimated future corrections (for 2022; MEUR)	Estimated risk at Closure (2022; MEUR)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Horizon Europe	1 859.69	-1 858.49	0.00	1.20	2.00%	0.02	0.00%	0.00	0.02
H2020 - MSCA	282.35	- 105.71	571.62	748.26	1.06%	7.93	0.33%	2.47	5.46
H2020 - (excluding MSCA)	563.90	- 63.82	795.06	1 295.14	2.71%	35.10	0.83%	10.75	24.35
FP7 - People	0.00	0.00	0.09	0.09	1.73%	0.00	0.19%	0.00	0.00
FP7- SME actions	0.01	0.00	0.00	0.01	6.12%	0.00	0.37%	0.00	0.00
RFCS	24.17	- 4.06	15.97	36.07	2.71%	0.98	0.83%	0.30	0.68
AGRIP*	71.91	- 8.81	9.70	72.80	1.20%	0.87	0.20%	0.15	0.73
Expert management	67.81	0.00	0.00	67.81	0.50%	0.34	0.00%	0.00	0.34
<b>Sub-total</b>	<b>2 869.84</b>	<b>-2 040.89</b>	<b>1 392.44</b>	<b>2 221.39</b>		<b>45.25</b>	<b>0.62%</b>	<b>13.66</b>	<b>31.58</b>
operating budget	100.33	0.00	0.00	100.33	0.50%	0.50	0.00%	0.00	0.50
<b>total EA (operational + operating)</b>	<b>2 970.17</b>	<b>-2 040.89</b>	<b>1 392.44</b>	<b>2 321.72</b>		<b>45.75</b>	<b>0.59%</b>	<b>13.66</b>	<b>32.08</b>
						<b>1.97%</b>			<b>1.38%</b>
				<b>Overall risk at payment in %</b>		(7) / (5)		<b>Overall risk at closure in %</b>	(10) / (5)

## Notes to the table

(1) differentiated for the relevant portfolio segments at a level which is lower than the Agency total.

In AGRIP, 25.2% of the expenditure was procurement. However, for readability reasons the two segments are presented together. The estimated error rate for procurement expenditure is 0.5%, therefore the amount at risk remains a conservative estimate”

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

(3) New pre-financing actually paid by out by REA during the financial year (i.e. excluding any pre-financing received as a transfer from another DG). Excluding "Other advances to Member States" which are covered on a purely payment-made basis.

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

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

(6) In this column, we disclose the detected error rates or equivalent estimates. Details are available in the main body of this report.

(8) Even though to some extent an adjusted average based on the 4-year historic Average of Recoveries and financial Corrections (adjusted ARC) is the best available indication of the corrective capacity of the ex-post control systems implemented by the Agency, following 2017 ECA/IAS recommendations the AOD has adjusted this historic average and used as best estimation:

- for the Seventh Framework Programme, H2020, RFCS and AGRIP grants (direct management): the difference between the overall detected error rates and REA's residual error rates (source: Common Audit Service)
- for other expenditure, it is assumed that the ex-post future corrections would be 0%.

The average amount of the implemented corrections over the past 4 years (2019-2022) is 0.19% of the average amount of relevant expenditure of that period, whereas the amount of estimated future corrections is 0.62% of the relevant expenditure of 2022, and the average amount of estimated future corrections during 2019-2022 is 0.44% of the relevant expenditure of the same period. The explanation of the difference of 0.25 % between the two average figures can be found in footnote (9).

(9) Analysis of the correlation between estimated future corrections and implemented amount of corrections and recoveries.

In its AAR 2021, REA estimated that corrections relating to ex-post audits worth EUR 5.9 million were to be made in the near future. During 2022, REA implemented corrections worth EUR 3.97 million. In addition, there are EUR 1.6 million pending implementation at the end of the year, and EUR 0.3 million pending future extension of audit results (systematic errors identified in audited participations to be corrected in non-audited participations of the same beneficiary). REA does not report material delays in the implementation of the audit results in 2022.

In 2022, REA's relevant expenditure for Horizon 2020 increased substantially compared to 2021. The share of systematic errors detected in the cost claims also increased significantly, resulting in a higher percentage of the future corrections via extension of the audit results (see annex 5). The combined effects of these two factors result in a comparatively high amount of estimated future corrections (EUR 13.66 million) that will be implemented in subsequent years.

Considering the above, and the fact that beneficiaries often apply corrections themselves on their subsequent cost claims as a result of systematic errors detected in ex-post audits (hence no corrective financial transaction is needed), the difference between the executed ex-post corrective capacity and the estimated future corrections is in line with expectations.

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

### Staff per activity

Programmes	Staff (EU budget)				Staff from other fund sources	Total all staff
	TAs	Of which seconded officials	CAs	Total staff EU budget	Third countries contrib.	
<b>Marie Skłodowska-Curie Actions (EAC)</b>	<b>66.15</b>	<b>10.07</b>	<b>181.25</b>	<b>247.40</b>	<b>13.33</b>	<b>260.73</b>
<b>Operational staff for MSCA</b>	60.03	7.84	165.56	225.59	12.59	238.18
<b>Management and administrative support staff for MSCA</b>	6.12	2.23	15.69	21.81	0.74	22.55
<b>Cluster 2: Culture, Creativity and Inclusive Society</b>	<b>15.02</b>	<b>4.11</b>	<b>39.43</b>	<b>54.46</b>	<b>0.49</b>	<b>54.95</b>
<b>Operational staff for Cluster 2</b>	13.73	3.64	36.13	49.86	0.33	50.20
<b>Management and administrative support staff for Cluster 2</b>	1.29	0.47	3.31	4.59	0.16	4.75
<b>Cluster 3: Civil Security for Society (HOME)</b>	<b>12.35</b>	<b>1.86</b>	<b>29.00</b>	<b>41.36</b>	<b>1.38</b>	<b>42.74</b>
<b>Operational staff for Cluster 3</b>	11.35	1.50	26.43	37.78	1.26	39.04
<b>Management and administrative support staff for Cluster 3</b>	1.00	0.37	2.57	3.57	0.12	3.70
<b>Cluster 6: Food, Bioeconomy, Natural Resources, Agriculture and Environment</b>	<b>40.07</b>	<b>12.38</b>	<b>98.56</b>	<b>138.63</b>	<b>5.28</b>	<b>143.91</b>
<b>Operational staff for Cluster 6</b>	36.71	11.15	89.95	126.66	4.87	131.53
<b>Management and administrative support staff for Cluster 6</b>	3.36	1.23	8.62	11.98	0.41	12.39
<b>Sharing Excellence (RTD)</b>	<b>16.70</b>	<b>2.36</b>	<b>48.86</b>	<b>65.56</b>	<b>1.60</b>	<b>67.16</b>
<b>Operational staff for Sharing Excellence</b>	15.12	1.78	44.82	59.94	1.41	61.35
<b>Management and administrative support staff for Sharing Excellence</b>	1.58	0.58	4.04	5.62	0.19	5.81
<b>Reforming and enhancing the European R&amp;I system (RTD)</b>	<b>6.89</b>	<b>2.42</b>	<b>16.60</b>	<b>23.50</b>	<b>1.27</b>	<b>24.77</b>
<b>Operational staff for Reforming and enhancing the European R&amp;I system</b>	6.17	2.16	14.75	20.92	1.19	22.11
<b>Management and administrative support staff for Reforming and enhancing the European R&amp;I system</b>	0.72	0.26	1.85	2.57	0.09	2.66
<b>Research infrastructure</b>	<b>6.93</b>	<b>2.62</b>	<b>18.40</b>	<b>25.33</b>	<b>2.18</b>	<b>27.51</b>
<b>Operational staff for Research infrastructure</b>	6.45	2.44	17.17	23.62	2.12	25.74

Management and administrative support staff for Research infrastructure	0.48	0.18	1.23	1.72	0.06	1.77
<b>Agricultural promotion measures (AGRI)</b>	<b>6.32</b>	<b>2.16</b>	<b>21.84</b>	<b>28.16</b>	<b>0.00</b>	<b>28.16</b>
Operational staff for Agricultural promotion measures	5.64	1.92	20.09	25.73	0.00	25.73
Management and administrative support staff for Agricultural promotion measures	0.68	0.25	1.75	2.43	0.00	2.43
<b>Research fund for Coal and Steel (RTD)</b>	<b>8.77</b>	<b>3.60</b>	<b>20.30</b>	<b>29.07</b>	<b>0.00</b>	<b>29.07</b>
Operational staff for RFCS	8.08	3.35	18.54	26.62	0.00	26.62
Management and administrative support staff for RFCS	0.69	0.25	1.76	2.45	0.00	2.45
<b>Expert management &amp; support</b>	<b>13.90</b>	<b>4.03</b>	<b>66.00</b>	<b>79.89</b>	<b>0.46</b>	<b>80.36</b>
Operational staff for Expert management & support	12.18	3.38	61.73	73.92	0.23	74.15
Management and administrative support staff for Expert management & support	1.71	0.65	4.26	5.97	0.23	6.21
<b>Central validation Service</b>	<b>15.90</b>	<b>3.38</b>	<b>91.73</b>	<b>107.63</b>	<b>0.00</b>	<b>107.63</b>
Operational staff for Central validation Service	13.59	2.51	85.99	99.58	0.00	99.58
Management and administrative support staff for Central validation Service	2.31	0.87	5.74	8.05	0.00	8.05
<b>Total</b>	<b>209.00</b>	<b>49.00</b>	<b>632.00</b>	<b>841.00</b>	<b>26.00</b>	<b>867.00</b>

## Achievement of the Human Resources objectives set in the AWP

<b>Objective:</b> REA employs a competent and engaged workforce and contributes to gender equality at all levels of management to effectively deliver on the agency's priorities and core business.			
<b>Indicator 1<sup>38</sup>: Number and percentage of first female appointments to middle management positions<sup>39</sup></b>			
<b>Source of data:</b> DG HR			
<b>Baseline (female representation in middle management positions)</b> (01/11/2021)	<b>Final Target</b> 50% in 2024 <sup>40</sup>	<b>Latest known result (31/12/2022)</b>	
45%	<b>2022 Target</b> min 45%	52% (11 out of 21; 2 female Heads of Department and 9 female Heads of Unit).	
<b>Indicator 2: REA staff engagement index</b>			
<b>Source of data:</b> DG HR			
<b>Baseline</b> 2018 European Commission Staff Survey	<b>Target</b> 2022 European Commission Staff Survey	<b>Latest known result (31/12/2022)</b>	
69% for REA	Equivalent result to the EC average	77% (EC: 72%)	
<b>Main outputs in 2022:</b>			
<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known result (31/12/2022)</b>
Executing the planned staffing of the Agency	Occupation rate of the establishment plan	>97.5% by 31.12.2022	98%
Ensuring that all staff concerned have attended the training sessions that are mandatory for all/many staff <sup>41</sup>	Percentage of REA staff in the population for whom the training is mandatory who have participated	>90% by 31.12.2023 <sup>42</sup>	100% for Ethics and Integrity (for all staff; 865 out of 867); 99% for Anti-Fraud Prevention (for concerned staff only; 476 out of 480)

<sup>38</sup> Seconded middle managers are part of the seconding DGs' staff: The responsibility for achieving the targets is at DG level. The Agency is responsible for providing a regular overview to its parent DGs and to DG HR of the gender representation in middle management within the Agency and coordinate between them.

<sup>39</sup> The functions of head of unit and head of department are hereby defined as middle management functions.

<sup>40</sup> DG HR communicated this target, as well as the 2020 status and 2021 forecast for REA, to executive agencies and their parent DGs on 12.02.2021

<sup>41</sup> Specifically, the training on Ethics & integrity (all staff concerned), Introduction to fraud prevention and detection (all finance and programme management staff, as defined in REA's Training Path Grids document), and GoFund (all grant management staff, as defined in the aforementioned document),

<sup>42</sup> Target date postponed by one year due to unavailability of relevant training during part of the covid-19 period 2020-21.

Supporting selection panel members through relevant professionalisation training	REA selection panels in 2022 with at least one panel member trained in competency-based interviewing (CBI) methods	100%	100% <sup>43</sup>
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## Digital transformation and information management

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

**Indicator 1: Degree of implementation of the digital strategy principles by the most important IT solutions<sup>44</sup>**

**Source of data:** REA

Baseline (2021)	Interim milestone (2022)	Target (2024)	Latest known results (31/12/2022)
60% The most important REA IT tool has been evaluated: OMEGA <sup>45</sup>	70%	95%	72,73% As of 2022, the DAR system (new IT development) has been added to the indicator.

**Indicator 2: Percentage of REA's key data assets<sup>46</sup> for which corporate principles for data governance have been implemented**

**Source of data:** REA

Baseline (2021)	Interim milestone (2022)	Target (2024)	Latest known results (31/12/2022)
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<sup>43</sup> Regular beginner and refresher CBI training sessions provided for training new panel members, thus ensuring full coverage).

<sup>44</sup> The European Commission Digital Strategy (C(2018)7118): <https://ec.europa.eu/transparency/regdoc/rep/3/2018/EN/C-2018-7118-F1-EN-MAIN-PART-1.PDF>

calls on Commission services to digitally transform their business processes by developing new innovative digital solutions or make evolve the existing ones in line with the principles of the strategy.

<sup>45</sup> The full name of the IT tool is *Operational Management of E-Grants Activities*

<sup>46</sup> A key data asset is defined as any entity that comprises a source of data based on projects or administrative processes, structured or semi-structured in an information system, a database or a repository of data or corpora of text. A data asset can include multiple datasets or files somehow linked, e.g. by common codes or metadata. Commission key data assets have been documented in the data inventory Ares(2019)2586155.



Data governance and data policies have been embedded in the corporate tools used in REA	50% (minimum two principles implemented out of four)	80% (targeting 100%)	71% (All principles applied to different degrees)
<b>Indicator 3: Percentage of staff attending awareness raising activities on data protection compliance</b>			
<b>Source of data: REA</b>			
<b>Baseline</b> (2021)	<b>Interim milestone</b> (2022)	<b>Target</b> (2024)	<b>Latest known results</b> (31/12/2022)
55% of REA staff attended an awareness raising session in either 2020 or in 2021	70%	100% of staff in post for 6 months or longer	N/A <sup>47</sup>

<b>Main outputs in 2022:</b>			
<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results</b> (31/12/2022)
Actions to safeguard the data in REA-owned IT systems	Status of the security measures of the ECS and PDM systems	<p>The security measures of the ECS and PDM/URF systems remain up-to-date:</p> <ul style="list-style-type: none"> <li>In 2021, penetration and vulnerability tests for PDM/URF were performed. In 2022, the actions resulting from the tests will be implemented in the system.</li> <li>Any security actions to take in follow-up of the 2022 ECS security plan and back-office pilots will be implemented by the end of 2022.</li> </ul>	<ul style="list-style-type: none"> <li>In 2022, no critical issues were identified as a result of the penetration and vulnerability tests and no actions were taken.</li> <li>ECS: All security measures selected to mitigate the risk to the data and functions of the system have been implemented.</li> </ul>

<sup>47</sup> The data supporting this indicator was not considered reliable for 2022 for technical reasons.

## Sound environmental management

**Objective:** REA takes account of their environmental impact in their actions and actively promote measures to reduce the related day-to-day impact of the administration and its work and promote climate and biodiversity mainstreaming, with the support of their respective EMAS Correspondents.

### Main outputs in 2022:

<b>Article I. MORE EFFICIENT USE OF RESOURCES (ENERGY, WATER, PAPER)</b>			
<b>Output</b>	<b>Indicator</b>	<b>Target (2021 as baseline)</b>	<b>Latest known results</b>
Staff awareness actions to reduce energy use in the framework of EMAS corporate campaigns and/or awareness actions about DG/service/EA's total energy consumption in collaboration with OIB/OIL <sup>48</sup> where appropriate.	No. staff informed	All staff informed	All staff informed, disseminated to all REA staff via dedicated news item.
Participation in the end of the year energy saving action, by closing down DG/service/EA's buildings during the Christmas and New Year's holiday period.	YES/NO	YES	YES. REA participated in the summer BEST action 2022; as well as in the end of the year action 2022.
Staff awareness actions to reduce water use (for example ensuring that staff use the technical services hotline to report leaks) in the framework of EMAS corporate campaigns and/or awareness raising actions about DG/service/EA's water consumption in collaboration with OIB/OIL where appropriate.	No. staff informed	All staff informed	All staff informed. Information disseminated to all REA staff via dedicated news item.
Paperless working methods at DG/service/EA level (such as paperless working: e-signatories, financial circuits, collaborative working tools) and staff awareness actions to reduce office paper use in the framework of EMAS corporate campaigns and/or raise awareness about DG/service/EA's office paper use in collaboration with OIB/OIL where appropriate.	No. staff informed	All staff informed	All staff informed. REA is part of the Digital Solutions Modernisation Plan (DSMP)/ Paperless cluster led by DG DIGIT. REA promoted the Summer paperless competition – 'share your ideas for a greener Commission' among REA staff, initiative launched by DIGIT. All staff has been informed.
<b>REDUCING CO2, EQUIVALENT CO2 AND OTHER ATMOSPHERIC EMISSIONS</b>			
<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results</b>

<sup>48</sup> See [OIB – Environmental Building Performances for Brussels](#) and [OIL- Environmental Building Profiles for Luxembourg](#).

		<b>(2021 baseline)</b>	<b>as</b>
Staff awareness actions on reducing GHG emissions (such as actions on sustainable commuting during EU Mobility week and VeloWalk corporate events) and/or raise staff awareness on sustainable commuting in collaboration with OIB or OIL (e.g. availability of bike parking facilities, lockers and showers, promote the reduction of parking spaces' use amongst staff).	% of staff participating in VeloWalk	30% increase of staff participating in VeloWalk	The 30% increase in the participation has been achieved. REA staff actively participated in Velo Mai 2022; the gREAn group organised an award ceremony for the best performers in REA.
Analysis of DG/service/EA's missions trends /patterns (based on corporate EC-staff's professional trips (missions) data provided by HR.D.02), optimise and gradually reduce CO <sub>2</sub> emissions (e.g. by optimising the number of participants in the same mission, promoting more sustainable travelling options, promoting videoconferencing/ virtual events as an alternative).	Completion of the review	Review completed	All REA staff have been informed, via the gREAn ambassadors and or via the HoUs. REA signed up for the corporate pledge on 19/05/2022 for organizing business travel for staff and external experts in the frame of 'greening' the Commission services. In this context, the gREAn team has carried out a mapping of business trips in 2022 to make sure that the corporate commitment to reduce GHG emissions linked to missions would be complied with. The allocated budget for 2023 staff missions has been reduced.
Encourage colleagues to replace on-site meetings with hybrid meetings; explore possible reductions in balancing the use of remote versus central evaluations involving experts recruited on a wide geographical basis	No. staff informed	All staff informed	All REA staff have been informed, via the gREAn ambassadors and or via the HoUs. REA staff has been informed via the 'green' ambassadors. gREAn team presentations on the EC 'Greening' Communication have been launched in the REA unit meetings.
Staff awareness on digital pollution and gradual change of behaviours avoiding heavy emails, encouraging the use of ICT platforms, avoiding unnecessary storage of data.	No. staff informed	All staff informed	All REA staff has been informed about the 'Green week' and many colleagues have signed up for the online-seminars. The COV2 agencies (REA, EISMEA, HaDEA, and ERCEA) have organised a dedicated 'Green week' that took place from 28/11-02/12, focusing on 'waste reduction' with a session on digital pollution.

<b>Article II. REDUCING AND MANAGING WASTE</b>			
<b>Output</b>	<b>Indicator</b>	<b>Target (2021 as baseline)</b>	<b>Latest known results</b>
Staff awareness actions about waste reduction and sorting in the framework of EMAS corporate campaigns and/or staff awareness actions about DG/service/EA's waste generation in collaboration with OIB/OIL where appropriate (for example, promote and label the waste sorting schemes in place).	No. staff informed	All staff informed	All staff informed Information disseminated to all REA staff via dedicated news item. The COV2 agencies (REA, EISMEA, HaDEA, and ERCEA) have organised a dedicated 'Green week' that took place from 28/11-02/12, focusing on 'waste reduction'.
Promote the organisation of sustainable meetings and events (following the <a href="#">EC Guidelines for sustainable meetings and events</a> )	No. staff informed	All staff informed	All staff informed REA EMAS correspondent presented the EC guidelines to the REA RCN, where all REA units were represented. REA was awarded the first prize at the award ceremony of the 3rd Corporate Competition on Sustainable Conferences and Events in the category "Less is more"; with the Horizon Europe Cluster 6 Information days, which were organised on 25-26 October 2021.
<b>Article III. PROMOTING GREEN PUBLIC PROCUREMENT</b>			
<b>Outputs</b>	<b>Indicator</b>	<b>Target (2021 as baseline)</b>	<b>Latest known results</b>
Staff awareness actions on the promotion of "green items" among EC office supplies' catalogue (for example, introduce a DG/EA-specific office supplies' catalogue, including only 100% "green items").			gREAn ambassadors have been informed. REA has become part of the inter-institutional GPP Helpdesk. All gREAn ambassadors have been informed on green items among EC supplies' catalogue.
1. A targeted follow-up webinar on GPP	No. relevant staff informed	All relevant staff informed	