



Annual Activity Report 2021

Annexes

EUROPEAN RESEARCH EXECUTIVE AGENCY

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

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

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

Date 31 March 2022

Marc Bellens
e-signed

⁽¹⁾ C(2017)2373 of 19.04.2017.

ANNEX 2: Performance tables

OVERVIEW OF IMPLEMENTATION ACTIONS DELEGATED TO REA

Table 1 - Implementation of 2020 and 2021 calls (Data source: Horizon dashboard)

Call ID	Call Deadline	Eligible Proposals	Retained Proposals	Success Rate Proposals
H2020-BG-2020-1	2020-01-23	9	2	22%
H2020-BG-2020-2	2020-09-08	9	4	44%
H2020-FNR-2020-1	2020-01-23	93	21	23%
H2020-FNR-2020-2	2020-09-08	44	16	36%
H2020-IBA-CROSS-GEOSS-2021	2021-03-25	1	1	100%
H2020-IBA-INFRA-CORONA-2020	2020-08-06	1	1	100%
H2020-IBA-INFRA-ESFRI-Presidency-2021	2021-01-19	1	1	100%
H2020-IBA-MSCA-SNLS-2020	2020-04-23	5	5	100%
H2020-IBA-MSCA-SNLS-2020	2020-10-20	11	11	100%
H2020-IBA-SC5-IRP-2020	2020-07-09	1	1	100%
H2020-IBA-SC5-Portugal-2020	2020-10-27	1	1	100%
H2020-IBA-SC6-CEBRABIC-2020	2020-03-12	1	1	100%
H2020-IBA-SC6-ERICENA-2020	2020-03-12	1	1	100%
H2020-IBA-SC6-Near-2020	2020-03-12	1	1	100%
H2020-IBA-SwafS-EURAXESS-TN-2020	2020-10-29	1	1	100%
H2020-IBA-SwafS-EURAXESS-Top-IV-2020	2020-10-29	1	1	100%
H2020-IBA-SwafS-Support-1-2020	2020-06-18	17	17	100%
H2020-IBA-SwafS-Support-2-2020	2020-11-10	24	22	92%
H2020-IBA-SWFS-EUCYS-2020	2020-01-15	1	1	100%
H2020-INFRAIA-2020-1	2020-05-14	68	22	32%
H2020-INFRAINNOV-2020-2	2020-05-14	4	4	100%
H2020-INFRA-SUPP-2020-2	2020-05-14	3	1	33%
H2020-LC-GD-2020-3	2021-01-27	520	25	5%
H2020-LC-GD-2020-4	2021-01-27	422	12	3%
H2020-LC-GD-2020-6	2021-01-27	12	3	25%
H2020-MSCA-COFUND-2020	2020-09-29	148	43	29%
H2020-MSCA-IF-2020	2020-09-09	11,390	1,634	14%
H2020-MSCA-ITN-2020	2020-01-14	1,503	148	10%
H2020-MSCA-NIGHT-2020	2020-01-09	97	51	53%
H2020-MSCA-NIGHT-2020bis	2021-01-12	131	44	34%
H2020-MSCA-RISE-2020	2020-05-12	405	74	18%
H2020-RUR-2020-1	2020-01-23	106	15	14%
H2020-RUR-2020-2	2020-09-08	12	4	33%
H2020-SC6-GOVERNANCE-2020	2020-03-19	120	19	16%
H2020-SC6-MIGRATION-2020	2020-03-19	156	10	6%
H2020-SC6-TRANSFORMATIONS-2020	2020-03-19	239	21	9%
H2020-SFS-2020-1	2020-01-23	30	8	27%
H2020-SFS-2020-2	2020-09-08	51	18	35%
H2020-SU-AI-2020	2020-08-27	18	3	17%
H2020-SU-DS-2020	2020-08-27	162	12	7%
H2020-SU-INFRA-2020	2020-08-27	21	2	10%
H2020-SU-SEC-2020	2020-08-27	273	28	10%
H2020-SwafS-2020-1	2020-04-23	253	35	14%
H2020-SwafS-2020-2-two-stage	2020-11-17	19	5	26%
H2020-WF-03-2020	2020-09-09	57	46	81%
HORIZON-INFRA-2021-EMERGENCY-01	2021-05-20	2	1	50%
HORIZON-INFRA-2021-EMERGENCY-02	2021-05-20	2	1	50%
HORIZON-INFRA-2021-ESFRI20-IBA	2021-06-24	1	1	100%
HORIZON-INFRA-2021-ICRI-IBA	2021-06-24	1	1	100%
HORIZON-MSCA-2021-NCP-01	2021-08-31	1	1	100%
HORIZON-MSCA-2021-SNLS-IBA	2021-07-27	5	5	100%
HORIZON-WIDERA-2021-COST-FPA	2021-07-27	1	1	100%
HORIZON-WIDERA-2021-COST-SGA	2021-07-27	1	1	100%
HORIZON-WIDERA-2021-ESOF-IBA	2021-07-14	1	1	100%
HORIZON-WIDERA-2021-EUCYS-IBA	2021-08-24	1	1	100%
HORIZON-WIDERA-2021-RESAVER-IBA	2021-09-09	1	1	100%

Table 2 - Conclusion of H2020 grants in 2020 and 2021

Activity	Unit	Parent DG	Project Call Id	Project Call Deadline Date	#Grants Signed From MAIN List	#Grants Signed Within 245 days	% Main List Grants Signed Within 245 Days	Average TTI	Average TTG Main and Reserve	Max TTG	#Grants Signed Total (Incl. Reserve List)
MSCA	REA/A/01	EAC	H2020-IBA-MSCA-SNLS-2020	20-10-2020	4	1	25.00%	147	247.25	251	4
MSCA	REA/A/01	EAC	H2020-MSCA-ITN-2020	14-01-2020	148	146	98.65%	133	241.18012	479	161
MSCA	REA/A/02	EAC	H2020-IBA-MSCA-SNLS-2020	20-10-2020	3	3	100.00%	147	216.66667	233	3
MSCA	REA/A/02	EAC	H2020-MSCA-IF-2020	09-09-2020	1017	1015	99.80%	152	210.66635	401	1058
MSCA	REA/A/03	EAC	H2020-IBA-MSCA-SNLS-2020	23-04-2020	1	1	100.00%	152	215	215	1
MSCA	REA/A/03	EAC	H2020-MSCA-RISE-2020	12-05-2020	74	74	100.00%	113	192.35897	218	78
MSCA	REA/A/04	EAC	H2020-IBA-MSCA-SNLS-2020	23-04-2020	3	3	100.00%	152	217	237	3
MSCA	REA/A/04	EAC	H2020-IBA-MSCA-SNLS-2020	20-10-2020	4	4	100.00%	147	186.25	191	4
MSCA	REA/A/04	EAC	H2020-MSCA-COFUND-2020	29-09-2020	43	43	100.00%	127	198.38636	233	44
MSCA	REA/A/04	EAC	H2020-MSCA-IF-2020	09-09-2020	477	477	100.00%	152	203.09407	236	489
MSCA	REA/A/04	EAC	H2020-MSCA-NIGHT-2020bis	12-01-2021	24	24	100.00%	73	110.58333	129	24
MSCA					1798	1791	99.61%		209.02354	479	1869

Activity	Unit	Parent DG	Project Call Id	Project Call Deadline Date	#Grants Signed From MAIN List	#Grants Signed Within 245 days	% Main List Grants Signed Within 245 Days	Average TTI	Average TTG Main and Reserve	Max TTG	#Grants Signed Total (Incl. Reserve List)
SC2	REA/B/02	AGRI	H2020-FNR-2020-1	23-01-2020	9	9	100.00%	126	229.44444	239	9
SC2	REA/B/02	AGRI	H2020-FNR-2020-2	08-09-2020	3	3	100.00%	98	246	240	4
SC2	REA/B/02	AGRI	H2020-LC-GD-2020-4	27-01-2021	7	7	100.00%	120	230.28571	240	7
SC2	REA/B/02	AGRI	H2020-RUR-2020-1	23-01-2020	11	11	100.00%	126	236.45455	243	11
SC2	REA/B/02	AGRI	H2020-SFS-2020-1	23-01-2020	6	6	100.00%	126	232.83333	239	6
SC2	REA/B/02	AGRI	H2020-SFS-2020-2	08-09-2020	14	11	78.57%	98	258.14286	448	14
SC2	REA/B/02	RTD	H2020-BG-2020-2	08-09-2020	2	2	100.00%	98	239	239	2
SC2	REA/B/02	RTD	H2020-FNR-2020-1	23-01-2020	4	4	100.00%	126	227.75	238	4
SC2	REA/B/02	RTD	H2020-LC-GD-2020-4	27-01-2021	7	7	100.00%	120	230.28571	240	7
SC2	REA/B/02	RTD	H2020-SFS-2020-2	08-09-2020	1	1	100.00%	98	239	239	1
SC2	REA/B/03	AGRI	H2020-RUR-2020-1	23-01-2020	2	2	100.00%	126	235.5	239	2
SC2	REA/B/03	AGRI	H2020-SFS-2020-1	23-01-2020	2	2	100.00%	126	231	232	2
SC2	REA/B/03	AGRI	H2020-SFS-2020-2	08-09-2020	4	4	100.00%	98	246.4	240	5
SC2	REA/B/03	RTD	H2020-FNR-2020-1	23-01-2020	7	7	100.00%	126	230	242	7
SC2	REA/B/03	RTD	H2020-FNR-2020-2	08-09-2020	13	13	100.00%	98	232	239	13
SC2	REA/B/03	RTD	H2020-RUR-2020-2	08-09-2020	3	3	100.00%	98	239	239	3
SC2	REA/B/04	AGRI	H2020-RUR-2020-1	23-01-2020	2	2	100.00%	126	224	237	2
SC2	REA/B/04	AGRI	H2020-RUR-2020-2	08-09-2020	1	0	0.00%	98	267.5	260	2
SC2	REA/B/04	RTD	H2020-BG-2020-1	23-01-2020	2	2	100.00%	126	233.5	242	2

SC2	REA/B/04	RTD	H2020-BG-2020-2	08-09-2020	2	2	100.00%	98	239	239	2
SC2	REA/B/04	RTD	H2020-FNR-2020-1	23-01-2020	1	1	100.00%	126	225	225	1
SC2	REA/B/04	RTD	H2020-LC-GD-2020-4	27-01-2021	1	1	100.00%	120	245	245	1
SC2					96	92	95.83%		237.56075	448	99

Activity	Unit	Parent DG	Project Call Id	Project Call Deadline Date	#Grants Signed From MAIN List	#Grants Signed Within 245 days	% Main List Grants Signed Within 245 Days	Average TTI	Average TTG Main and Reserve	Max TTG	#Grants Signed Total (Incl. Reserve List)
SC6	REA/C/01	CNECT	H2020-SC6-GOVERNANCE-2020	19-03-2020	8	8	100.00%	120	241.22222	237	9
SC6	REA/C/01	CNECT	H2020-SC6-TRANSFORMATIONS-2020	19-03-2020	7	7	100.00%	123	228	239	7
SC6	REA/C/01	RTD	H2020-IBA-SC6-CEBRABIC-2020	12-03-2020	1	1	100.00%	137	215	215	1
SC6	REA/C/01	RTD	H2020-IBA-SC6-Near-2020	12-03-2020	1	1	100.00%	137	215	215	1
SC6	REA/C/01	RTD	H2020-LC-GD-2020-4	27-01-2021	4	4	100.00%	120	244.5	245	4
SC6	REA/C/01	RTD	H2020-SC6-GOVERNANCE-2020	19-03-2020	11	11	100.00%	120	233.36364	239	11
SC6	REA/C/01	RTD	H2020-SC6-MIGRATION-2020	19-03-2020	10	10	100.00%	123	227.1	236	10
SC6	REA/C/01	RTD	H2020-SC6-TRANSFORMATIONS-2020	19-03-2020	14	13	92.86%	123	244.2	246	15
SC6					56	55	98.21%		235.7931	246	58

Activity	Unit	Parent DG	Project Call Id	Project Call Deadline Date	#Grants Signed From MAIN List	#Grants Signed Within 245 days	% Main List Grants Signed Within 245 Days	Average TTI	Average TTG Main and Reserve	Max TTG	#Grants Signed Total (Incl. Reserve List)
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SC7	REA/C/02	CNECT	H2020-SU-AI-2020	27-08-2020	3	3	100.00%	144	236.33333	237	3
SC7	REA/C/02	CNECT	H2020-SU-DS-2020	27-08-2020	12	11	91.67%	144	243.5	319	12
SC7	REA/C/02	CNECT	H2020-SU-INFRA-2020	27-08-2020	2	2	100.00%	144	242	242	2
SC7	REA/C/02	HOME	H2020-SU-AI-2020	27-08-2020	3	3	100.00%	144	236.33333	237	3
SC7	REA/C/02	HOME	H2020-SU-INFRA-2020	27-08-2020	2	2	100.00%	144	242	242	2
SC7	REA/C/02	HOME	H2020-SU-SEC-2020	27-08-2020	28	22	78.57%	144	264.42857	434	28
SC7					45	38	84.44%		254.24	434	45

Activity	Unit	Parent DG	Project Call Id	Project Call Deadline Date	#Grants Signed From MAIN List	#Grants Signed Within 245 days	% Main List Grants Signed Within 245 Days	Average TTI	Average TTG Main and Reserve	Max TTG	#Grants Signed Total (Incl. Reserve List)
SEWP	REA/A/04	RTD	H2020-WF-03-2020	09-09-2020	38	38	100.00%	169	219.56818	233	44
SEWP					38	38	100.00%		219.56818	233	44

Activity	Unit	Parent DG	Project Call Id	Project Call Deadline Date	#Grants Signed From MAIN List	#Grants Signed Within 245 days	% Main List Grants Signed Within 245 Days	Average TTI	Average TTG Main and Reserve	Max TTG	#Grants Signed Total (Incl. Reserve List)
SWFS	REA/C/04	RTD	H2020-IBA-SwafS-EURAXESS-TN-2020	29-10-2020	1	1	100.00%	27	194	194	1

SWFS	REA/C/04	RTD	H2020-IBA-SwafS-EURAXESS-Top-IV-2020	29-10-2020	1	1	100.00%	27	222	222	1
SWFS	REA/C/04	RTD	H2020-IBA-SWAFS-PlanS-2020	28-05-2020	1	1	100.00%	83	197	197	1
SWFS	REA/C/04	RTD	H2020-IBA-SwafS-Support-1-2020	18-06-2020	17	17	100.00%	36	157.23529	180	17
SWFS	REA/C/04	RTD	H2020-IBA-SwafS-Support-2-2020	10-11-2020	22	22	100.00%	85	205.27273	238	22
SWFS	REA/C/04	RTD	H2020-SwafS-2020-1	23-04-2020	35	35	100.00%	84	208.05714	236	35
SWFS	REA/C/04	RTD	H2020-SwafS-2020-2-two-stage	17-11-2020	5	5	100.00%	112	244.2	245	5
SWFS					82	82	100.00%		198.84146	245	82

Activity	Unit	Parent DG	Project Call Id	Project Call Deadline Date	#Grants Signed From MAIN List	#Grants Signed Within 245 days	% Main List Grants Signed Within 245 Days	Average TTI	Average TTG Main and Reserve	Max TTG	#Grants Signed Total (Incl. Reserve List)
SC5	REA/B/03	RTD	H2020-IBA-SC5-IRP-2020	09-07-2020	1	0	0.00%	152	519	519	1
SC5	REA/B/03	RTD	H2020-LCCI-2020-EASME-twostage	03-09-2020	2	0	0.00%	102	264	264	2
SC5	REA/B/03	RTD	H2020-LC-CLA-2020-2	03-09-2020	8	0	0.00%	102	254.375	266	8
Green Deal	REA/B/03	RTD	H2020-LC-GD-2020-3	27-01-2021	18	18	100.00%	120	232.5	244	18
SC5	REA/B/03	RTD	H2020-SC5-2020-1	13-02-2020	4	4	100.00%	132	235.75	242	4
SC5	REA/B/03	RTD	H2020-SC5-2020-2	03-09-2020	12	2	16.67%	102	250.16667	264	12
	REA/B/04	RTD	H2020-IBA-CROSS-GEOSS-2021	25-03-2021	1	0	0.00%	83	249	249	1
SC5	REA/B/04	RTD	H2020-LC-CLA-2020-1	13-02-2020	1	1	100.00%	132	230	230	1
SC5	REA/B/04	RTD	H2020-LC-CLA-2020-2	03-09-2020	3	0	0.00%	102	257	257	3
Green Deal	REA/B/04	RTD	H2020-LC-GD-2020-3	27-01-2021	7	7	100.00%	120	223.71429	240	7
INFRA	REA/C/04	CNECT	H2020-INFRAEOSC-2020-2	18-06-2020	2	2	100.00%	103	160.5	166	2

INFRA	REA/C/04	RTD	H2020-IBA-INFRA-CORONA-2020	06-08-2020	1	1	100.00%	33	124	124	1
INFRA	REA/C/04	RTD	H2020-IBA-INFRA-ESFRI-Presidency-2021	19-01-2021	1	1	100.00%	62	134	134	1
INFRA	REA/C/04	RTD	H2020-INFRAIA-2020-1	14-05-2020	22	0	0.00%	173	321.6087	419	23
INFRA	REA/C/04	RTD	H2020-INFRAINNOV-2020-2	14-05-2020	4	0	0.00%	173	301.5	305	4
INFRA	REA/C/04	RTD	H2020-INFRA SUPP-2020-2	14-05-2020	1	0	0.00%	173	298	298	1
Green Deal	REA/C/04	RTD	H2020-LC-GD-2020-6	27-01-2021	3	3	100.00%	120	244.33333	245	3
					91	39	42.86%		263.48913	519	92

Table 3 - Implementation of Horizon Europe calls in 2021

Call name	Proposals	Projects	Call deadline year
HORIZON-CL2-2021-HERITAGE-02	2	2	2021
HORIZON-CL6-2021-BIODIV-01	71	26	2021
HORIZON-CL6-2021-BIODIV-02	0	1	2021
HORIZON-CL6-2021-CIRCBIO-01	99	20	2021
HORIZON-CL6-2021-CLIMATE-01	57	14	2021
HORIZON-CL6-2021-COMMUNITIES-01	46	8	2021
HORIZON-CL6-2021-FARM2FORK-01	170	30	2021
HORIZON-CL6-2021-GOVERNANCE-01	92	43	2021
HORIZON-CL6-2021-ZEROPOLLUTION-01	64	19	2021
HORIZON-INFRA-2021-DEV-01	10	6	2021
HORIZON-INFRA-2021-EMERGENCY-01	4	1	2021
HORIZON-INFRA-2021-EMERGENCY-02	8	1	2021
HORIZON-INFRA-2021-EOSC-01	15	9	2021
HORIZON-INFRA-2021-ESFRIZO-IBA	1	1	2021
HORIZON-INFRA-2021-ICRI-IBA	1	1	2021
HORIZON-INFRA-2021-SERV-01	15	8	2021
HORIZON-INFRA-2021-TECH-01	8	4	2021
HORIZON-MISS-2021-SOIL-01	2	1	2021
HORIZON-MSCA-2021-INCO-01	4	1	2021
HORIZON-MSCA-2021-NCP-01	2	1	2021
HORIZON-MSCA-2021-SNLS-IBA	9	5	2021
HORIZON-WIDERA-2021-ACCESS-02	128	15	2021
HORIZON-WIDERA-2021-COST-FPA	1	1	2021
HORIZON-WIDERA-2021-COST-SGA	1	1	2021
HORIZON-WIDERA-2021-ERA-01	44	20	2021
HORIZON-WIDERA-2021-ESOF-IBA	1	1	2021
HORIZON-WIDERA-2021-EUCYS-IBA	1	1	2021
HORIZON-WIDERA-2021-RESAVER-IBA	1	1	2021
HORIZON-CL2-2021-DEMOCRACY-01	68	0	2021
HORIZON-CL2-2021-HERITAGE-01	180	0	2021
HORIZON-CL2-2021-TRANSFORMATIONS-01	131	0	2021
HORIZON-CL3-2021-BM-01	28	0	2021
HORIZON-CL3-2021-DRS-01	68	0	2021
HORIZON-CL3-2021-FCT-01	104	0	2021
HORIZON-CL3-2021-INFRA-01	19	0	2021
HORIZON-CL3-2021-SSRI-01	11	0	2021
HORIZON-MSCA-2021-DN-01	1076	0	2021
HORIZON-MSCA-2021-PF-01	8356	0	2021
HORIZON-WIDERA-2021-ACCESS-05	12	0	2021
HORIZON-MSCA-2022-CITIZENS-01	111	0	2021
HORIZON-WIDERA-2022-ACCESS-01-two-stage	116	0	2021

Table 4 - Stocktaking/activities for the management of H2020 projects

H2020 Activities		Parent DG	Running projects on 01/01/2021*	Running projects on 1/12/2021**
			No.	No.
Excellent Science	Marie Skłodowska-Curie Actions	EAC	5,199	5,593
	Research infrastructure	CNECT/RTD	None in REA on 01/01/2021	165
Societal Challenges	Societal Challenge 2	AGRI/RTD	309	330
	Societal Challenge 5	RTD	None in REA on 01/01/2021	146
	Societal Challenge 6	CNECT/RTD	184	188
	Societal Challenge 7	CNECT/HOME	132	170
Specific Objectives	Spreading Excellence and Widening Participation #	RTD	225	346
	Science with and for Society	RTD	152	173
Green Deal			-	40
TOTAL			6,201	7,151

IMPLEMENTATION BY PROGRAMME PART

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

Specific objective: 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

Parent DG: DG EAC

Related to spending programmes: Horizon Europe / Horizon 2020 / FP7

Main outputs in 2021:

Horizon Europe

Output	Indicator	Target	Latest known results (situation on 31/12/2021)
Events to ensure successful implementation of the programme and to promote funding opportunities (organised by REA)	Number of events organised by REA	2 (REA trainings for MSCA NCPs on Horizon Europe)	12
Calls for proposals	Number of calls	7	7 ²
Evaluation sessions	Number of sessions	6	6 ³
Number of individual proposals evaluated	Estimated number of proposals to evaluate	12157	9558
Number of grants signed	Number of grants	15 (all other grants will be signed in 2022)	0 ⁴
Procedures for selection by the Commission (where necessary)	Number of procedures	0 (expected only early 2022)	-
Pre-financing payments	Number of payments	0	-
Interim payments/progress reports	Number of payments	0	-
Final payments/final reports	Number of payments	0	-

Horizon 2020

Output	Indicator	Target	Latest known results (situation on 31/12/2021)
Events to ensure successful implementation of the programme (organised by REA)	Number of events organised by REA	7 (5 MSCA coordinators days + 2 cluster events – Cancer and Green Deal)	5

² COFUND and Staff exchanges will close in 2022

³ 2 evaluation sessions are still ongoing in 2022

⁴ These grants will be signed in 2022.

Evaluation sessions	Number of sessions	3 (1 NIGHT 2020bis + 2 SNLS cut offs)	2
Number of individual proposals evaluated	Estimated number of proposals to evaluate	169	138
Number of grants signed	Number of grants	1866	1824
Procedures for selection by the Commission (where necessary)	Number of procedures	4	2
Pre-financing payments	Number of payments	1918	1846
Interim payments/progress reports	Number of payments	399	366
Final payments/final reports	Number of payments	878	1218

Implementation of Horizon Europe – Excellent science – Research infrastructures and predecessor actions

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

Parent DG: DG RTD & DG CNECT

Related to spending programmes: Horizon Europe / Horizon 2020

Main outputs in 2021:

Horizon Europe			
Output	Indicator	Target	Latest known results <i>(situation on 31/12/2021)</i>
Events to ensure successful implementation of the programme and to promote funding opportunities (organised by REA)	Number of events organised by REA	1 (info day)	1
Calls for proposals	Number of calls	8	8
Evaluation sessions	Number of sessions	4	8
Number of individual proposals evaluated	Estimated number of proposals to evaluate	101	49
Number of grants signed	Number of grants	50	29
Procedures for selection by the Commission (where necessary)	Number of procedures	1	0
Pre-financing payments	Number of payments	1	2

Interim payments/progress reports	Number of payments	-	0
Final payments/final reports	Number of payments	-	0
Horizon 2020			
Output	Indicator	Target	Latest known results <i>(situation on 31/12/2021)</i>
Events to ensure successful implementation of the programme (organised by REA)	Number of events organised by REA	-	-
Evaluation sessions	Number of sessions	1 (Green Deal)	-
Number of individual proposals evaluated	Estimated number of proposals to evaluate	12	-
Number of grants signed	Number of grants	30	7
Procedures for selection by the Commission (where necessary)	Number of procedures	1	2
Pre-financing payments	Number of payments	32	17
Interim payments/progress reports	Number of payments	32	34
Final payments/final reports	Number of payments	1	16

Implementation of Horizon Europe – Global challenges and European industrial competitiveness – Cluster 2: culture, creativity and inclusive society, and predecessor actions

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

Parent DG: DG RTD

Related to spending programmes: Horizon Europe / Horizon 2020

Main outputs in 2021:

Horizon Europe			
Output	Indicator	Target	Latest known results

			<i>(situation on 31/12/2021)</i>
Events to ensure successful implementation of the programme and to promote funding opportunities (organised by REA)	Number of events organised by REA	2 (info days)	1
Calls for proposals	Number of calls	3	4
Evaluation sessions	Number of sessions	4	-
Number of individual proposals evaluated	Estimated number of proposals to evaluate	620	-366
Number of grants signed	Number of grants	2	-
Procedures for selection by the Commission (where necessary)	Number of procedures	1	-
Pre-financing payments	Number of payments	2	-
Interim payments/progress reports	Number of payments	-	-
Final payments/final reports	Number of payments	-	-
Horizon 2020			
Output	Indicator	Target	Latest known results <i>(situation on 31/12/2021)</i>
Events to ensure successful implementation of the programme (organised by REA)	Number of events organised by REA	9	8
Evaluation sessions	Number of sessions	1	1
Number of individual proposals evaluated	Estimated number of proposals to evaluate	169 received proposals, 163 retained for evaluation, 2 procurement	163
Number of grants signed	Number of grants	5 - 7	6
Procedures for selection by the Commission (where necessary)	Number of procedures	3	4
Pre-financing payments	Number of payments	46	47 ⁵
Interim payments/progress reports	Number of payments	60	73 ⁶
Final payments/final reports	Number of payments	26	26

⁵ An additional reserve list project from the Green Deal Call has been funded

⁶ An additional number of interim payments processed - initially forecasted in the margin To counterweight the risk of extensions due to pandemic

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

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

Parent DG: DG RTD & DG HOME

Related to spending programmes: Horizon Europe / Horizon 2020

Main outputs in 2021:

Horizon Europe			
Output	Indicator	Target	Latest known results (situation on 31/12/2021)
Events to ensure successful implementation of the programme and to promote funding opportunities (organised by REA)	Number of events 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	400	230
Number of grants signed	Number of grants	-	-
Procedures for selection by the Commission (where necessary)	Number of procedures	-	-
Pre-financing payments	Number of payments	-	-
Interim payments/progress reports	Number of payments	-	-
Final payments/final reports	Number of payments	-	-
Horizon 2020			
Output	Indicator	Target	Latest known results (situation on 31/12/2021)

Events to ensure successful implementation of the programme and to promote funding opportunities (organised by REA)	Number of events organised by REA	-	-
Evaluation sessions	Number of sessions	-	-
Number of individual proposals evaluated	Estimated number of proposals to evaluate	-	-
Number of grants signed	Number of grants	45	45
Procedures for selection by the Commission (where necessary)	Number of procedures	8	10
Pre-financing payments	Number of payments	45	46 ⁷
Interim payments/progress reports	Number of payments	48	51
Final payments/final reports	Number of payments	31	28

⁷ One pre-financing from Call 2019 (reserve list) and all projects from Call 2020

Implementation of Horizon Europe – Global challenges and European industrial competitiveness – Cluster 6: food, bioeconomy, natural resources, agriculture and environment, and predecessor actions

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 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

Parent DG: DG RTD, DG AGRI & DG ENV

Related to spending programmes: Horizon Europe / Horizon 2020

Main outputs in 2021:

Horizon Europe

Output	Indicator	Target	Latest known results <i>(situation on 31/12/2021)</i>
Events to ensure successful implementation of the programme and to promote funding opportunities (organised by REA)	Number of events organised by REA	1	2
Calls for proposals	Number of calls	8	8
Evaluation sessions	Number of sessions	8	8

Individual proposals evaluated	Estimated number of proposals to evaluate	1200	564 ⁸
Grants signed	Number of grants	-	
Procedures for selection by the Commission (where necessary)	Number of procedures	-	-
Pre-financing payments	Number of payments	-	-
Interim payments/progress reports	Number of payments reports	-	-
Final payments/final reports	Number of payments	-	-
Horizon 2020 - Societal Challenges (SCs) 2 & 5			
Output	Indicator	Target	Latest known results <i>(situation on 31/12/2021)</i>
Events to ensure successful implementation of the programme (organised by REA)	Number of events organised by REA	4 for SC2 grants 8 for SC5 grants 1 for Green Deal grants (TBC)	6 ⁹
Evaluation sessions	Number of sessions	3	6
Individual proposals evaluated	Estimated number of proposals to evaluate	261 SC2 538 SC5	265 SC2 521 SC5
Grants signed	Number of grants	54 grants SC2 25 grants SC5	53 grants SC2 52 grants SC5
Procedures for selection by the Commission (where necessary)	Number of procedures	14 (SC2) ; 6 (SC5)	22 SC2 9 SC5
Pre-financing payments	Number of payments	70 (SC2) ; 36 (SC5)	70(SC2) ; 52(SC5)
Interim payments/progress reports	Number of payments reports	118 (SC2) ; 50 (SC5)	100(SC2) ; 37(SC5)
Final payments/final reports	Number of payments	41 (SC2) ; 50 (SC5)	37(SC2)

⁸ HE calls have been largely undersubscribed.

⁹ Including one joint event for SC2-SC5 and Green Deal grants (7/9/2021)

Implementation of Horizon Europe – Widening participation and strengthening the European Research Area – Widening participation and spreading excellence

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

Parent DG: DG RTD

Related to spending programmes: Horizon Europe / Horizon 2020

Main outputs in 2021:			
Horizon Europe			
Output	Indicator	Target	Latest known results <i>(situation on 31/12/2021)</i>
Events to ensure successful implementation of the programme and to promote funding opportunities (organised by REA)	Number of events organised by REA	1	0* (delay in the WP adoption)
Calls for proposals	Number of calls	5	8
Evaluation sessions	Number of sessions	5	5
Number of individual proposals evaluated	Estimated number of proposals to evaluate	1060	2* (delay in the WP adoption)
Number of grants signed	Number of grants	1	2
Procedures for selection by the Commission (where necessary)	Number of procedures	-	-
Pre-financing payments	Number of payments	1	1
Interim payments/progress reports	Number of payments	-	-
Final payments/final reports	Number of payments	-	-

Horizon 2020			
Output	Indicator	Target	Latest known results <i>(situation on 31/12/2021)</i>
Events to ensure successful implementation of the programme (organised by REA)	Number of events organised by REA	-	-
Evaluation sessions	Number of sessions	-	-
Number of individual proposals evaluated	Estimated number of proposals to evaluate	-	-
Number of grants signed	Number of grants	-	-
Procedures for selection by the Commission (where necessary)	Number of procedures	-	-
Pre-financing payments	Number of payments	1	1
Interim payments/progress reports	Number of payments	72	68
Final payments/final reports	Number of payments	13	11

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

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

Parent DG: DG RTD

Related to spending programmes: Horizon Europe / Horizon 2020

Main outputs in 2021:

Horizon Europe			
Output	Indicator	Target	Latest known results <i>(situation on 31/12/2021)</i>
Events to ensure successful implementation of the programme and to promote funding opportunities (organised by REA)	Number of events organised by REA	1	-
Calls for proposals	Number of calls	5	4
Evaluation sessions	Number of sessions	5	4
Number of individual proposals evaluated	Estimated number of proposals to evaluate	1060	47
Number of grants signed	Number of grants	1	1

Procedures for selection by the Commission (where necessary)	Number of procedures	0	-
Pre-financing payments	Number of payments	1	1
Interim payments/progress reports	Number of payments	0	-
Final payments/final reports	Number of payments	0	--
Horizon 2020			
Output	Indicator	Target	Latest known results <i>(situation on 31/12/2021)</i>
Events to ensure successful implementation of the programme (organised by REA)	Number of events organised by REA	-	-
Evaluation sessions	Number of sessions	-	-
Number of individual proposals evaluated	Estimated number of proposals to evaluate	-	-
Number of grants signed	Number of grants	-	27
Procedures for selection by the Commission (where necessary)	Number of procedures	-	1
Pre-financing payments	Number of payments	1	53
Interim payments/progress reports	Number of payments	72	43
Final payments/final reports	Number of payments	13	15

Implementation of the research programme of the Research Fund for Coal and Steel

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

From 2020-2024 Strategic Plans

Parent DG: DG RTD

Main outputs in 2021:

Current programme			
Output	Indicator	Target	Latest known results <i>(situation on 31/12/2021)</i>
Events to ensure successful implementation of the programme and to promote funding opportunities (organised by REA)	Number of events organised by REA	7	7
Calls for proposals	Number of calls	1	1

Evaluation sessions	Number of sessions	1	1
Number of individual proposals evaluated	Estimated number of proposals to evaluate	140-200	108
Number of grants signed	Number of grants	25-30	25
Procedures for selection by the Commission (where necessary)	Number of procedures	0	0
Pre-financing payments	Number of payments	25	25
Interim payments/progress reports	Number of payments	33	33
Final payments/final reports	Number of payments	36	39
Legacy programmes			
Output	Indicator	Target	Latest known results <i>(situation on 31/12/2021)</i>
Final payments/final reports	Number of payments	56	51

Implementation of the information provision and promotion measures concerning agricultural products, and predecessor actions

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

Parent DG: DG AGRI

Related to spending programmes: MFF 2014-2020 / MFF 2021-2027

Main outputs in 2021: GRANTS

Under the multiannual financial framework 2021-2027

Output	Indicator	Target	Latest known results <i>(situation on 31/12/2021)</i>
Events to ensure successful implementation of the programme and to promote funding opportunities (organised by REA)	Number of events 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	198

Number of grants signed	Number of grants	30	31
Procedures for selection by the Commission (where necessary)	Number of procedures	1	1
Pre-financing payments	Number of payments	20	11
Interim payments/progress reports	Number of payments reports	-	-
Final payments/final reports	Number of payments	-	-
Under the multiannual financial framework 2014-2020			
Output	Indicator	Target	Latest known results <i>(situation on 31/12/2021)</i>
Events to ensure successful implementation of the programme (organised by REA)	Number of events organised by REA	-	-
Evaluation sessions	Number of sessions	-	-
Number of individual proposals evaluated	Estimated number of proposals to evaluate	-	-
Number of grants signed	Number of grants	-	-
Procedures for selection by the Commission (where necessary)	Number of procedures	-	-
Pre-financing payments	Number of payments	5	10
Interim payments/progress reports	Number of payments reports	22	21
Final payments/final reports	Number of payments	9	9
Main outputs in 2021: PROCUREMENT			
Under the multiannual financial framework 2021-2027			
Output	Indicator	Target	Latest known results <i>(situation on 31/12/2021)</i>
Number of promotional events outside the EU organised	Number of events	3	-
Number of on-going communication campaigns	Number of campaigns	2	-
Number of market research reports published	Number of reports	-	-
Number of open calls for tender published	Number of calls for tender	1	1
Interim payments/progress reports	Number of payments reports	2	-
Final payments/final reports	Number of payments	4	-
Under the multiannual financial framework 2014-2020			
Output	Indicator	Target	Latest known results <i>(situation on 31/12/2021)</i>

Number of promotional events outside the EU organised	Number of events	10	2
Number of on-going communication campaigns	Number of campaigns	10	4
Number of market research reports published	Number of reports	6	1
Interim payments/progress reports	Number of payments	15	-
Final payments/final reports	Number of payments	14	16

SUPPORT TASKS DELEGATED TO THE AGENCY

REA provides support according to the Annex VIII of the Delegation Act.

Administrative and logistical support services

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

Parent DG: DG RTD

Related to spending programme: Horizon Europe

Main outputs in 2021:

Horizon Europe			
Output	Indicator	Target	Latest known results <i>(situation on 31/12/2021)</i>
Validation of experts' legal entity and bank account files	Files are validated within 25 working days of the approval of the pool of experts.	100%	88.5%
Contracts signed with experts	Contracts are signed within 10 calendar days of the launch of the contract signature process.	100%	99.0%
Payments made to experts	Payments are made within 30 calendar days of the receipt of the cost claim from the expert.	100%	99.4%

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

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

Parent DG: DG RTD

Main outputs in 2021:

EU funding under SEDIA

Output	Indicator	Target	Latest known results <i>(situation on 31/12/2021)</i>
Tasks related to participant validation – legal validation			
Legal entity validation (for all EU funding programmes under SEDIA)	Number of validations	10000	4554
LEAR validation	Number of validations	10000	7138
UTRO validations and ICM	Number of validations	400 UTROs 60 ICMs	379 UTROs 33 ICMs
Requests for change or additional corrections*	Number of requests	40000	43009
Bank account validations	Number of validations	9000	5558
Tasks related to participant validation – SME validation/mid-cap assessment/third country control assessment			
SME validations	Number of validations	120	82
Mid-capitalisation assessment	Number of assessments	10	15
Third-country control assessments	Number of assessments	230 ¹⁰	46
Tasks related to participant validation – preparation of financial capacity assessment			
Preparation of financial capacity assessment	Number of assessments	6000	5234
Tasks related to the management of Research Enquiry Service			
Replies to RES questions (directly by the RES team, the service provider and the local helpdesks)	Number of replies	11.000	9844
Tasks related to Frequently Asked Questions in the Funding and Tenders Portal			
FAQs approved	Number of FAQ	1.000	1016
KPI 5			

¹⁰ This is the estimated target for assessments under Horizon Europe and Digital Europe programmes, according to REA's current mandate.

% of validations performed within 90 days from "raise priority" date	% of validations	95%	98.62%
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External communication

Specific objective: A MODERN, HIGH PERFORMING AND SUSTAINABLE EUROPEAN COMMISSION

Related to spending programmes: Horizon Europe / Research Fund for Coal and Steel / Promotion of agricultural products

Main outputs in 2021:

Horizon Europe, Research Fund for Coal and Steel and Promotion of Agricultural Products

Output	Indicator	Target	Latest known results <i>(situation on 31/12/2021)</i>
Reach on the website (source: website statistics)	Total average page views per month	20.000	20.520 ¹¹
Reach on social media (source: social media statistics)	Twitter average impressions ¹² per post	10.000	10.300 ¹³
Reach via info days (source: participant surveys)	Average satisfaction rate	80%	82% ¹⁴

¹¹ Statistics for REA's new website launched on 10 May

¹² Impressions: number of times a tweet shows up in people's feed

¹³ @REA_research Twitter account

¹⁴ Results for Horizon Europe Cluster 6 Info Days in October (organised with REA in the lead)

ANNEX 3: Draft annual accounts and financial reports

AAR 2021 Version 2

Annex 3 Financial Reports - DG REA - Financial Year 2021

Table 1 : Commitments

Table 2 : Payments

Table 3 : Commitments to be settled

Table 4 : Balance Sheet

Table 5 : Statement of Financial Performance

Table 5 Bis: Off Balance Sheet

Table 6 : Average Payment Times

Table 7 : Income

Table 8 : Recovery of undue Payments

Table 9 : Ageing Balance of Recovery Orders

Table 10 : Waivers of Recovery Orders

Table 11 : Negotiated Procedures

Table 12 : Summary of Procedures

Table 13 : Building Contracts

Table 14 : Contracts declared Secret

Table 15 : FPA duration exceeds 4 years

Additional comments

Tables 1, 2 and 3

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

Tables 1, 2 and 3 of Annex 3 provide data by Budget Titles and Chapters. The Budget Chapter 01 02 “Horizon Europe” contains the amounts of all the research and innovation framework-programmes managed by the Executive Agency, namely the Seventh framework-programme (FP7), the Horizon 2020 and the Horizon Europe Framework Programmes of research and innovation.

Table 6

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

TABLE 1: OUTTURN ON COMMITMENT APPROPRIATIONS IN 2021 (in Mio €) for DG REA					
			Commitment appropriations authorised	Commitments made	%
			1	2	3=2/1
Title 01 Research and Innovation					
01	01 02	Horizon Europe	3 003.46	2 982.65	99.31%
	01 20	Pilot projects, preparatory actions, prerogatives and other actions	41.18	32.24	78.30%
Total Title 01			3 044.64	3 014.89	99.02%
Title 08 Agriculture and Maritime Policy					
08	08 02	European Agricultural Guarantee Fund (EAGF)	97.01	96.90	99.89%
Total Title 08			97.01	96.90	99.89%
Total Excluding NGEU			3 141.65	3 111.79	99.05%
Total DG REA			3 141.65	3 111.79	99.05%

* 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).

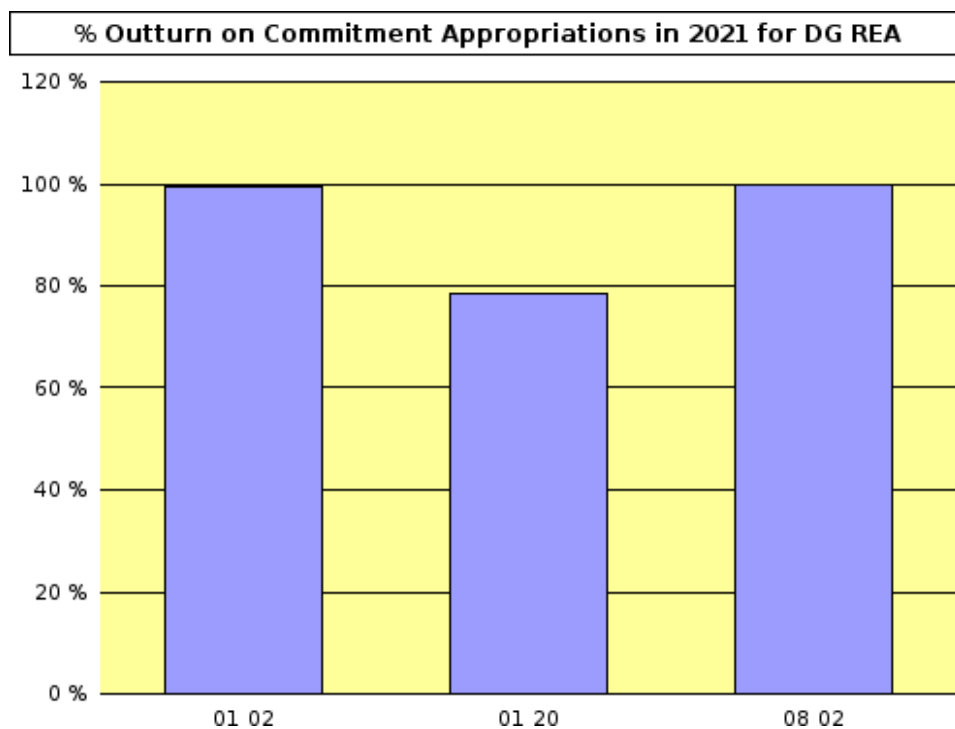


TABLE 2: OUTTURN ON PAYMENT APPROPRIATIONS in 2021 (in Mio €) for DG REA					
			Payment appropriations authorised *	Payments made	%
			1	2	3=2/1
Title 01 Research and Innovation					
01	01 02	Horizon Europe	2 758.10	2 215.93	80.34%
	01 20	Pilot projects, preparatory actions, prerogatives and other actions	46.24	34.64	74.93%
Total Title 01			2 804.33	2 250.58	80.25%
Title 08 Agriculture and Maritime Policy					
08	08 02	European Agricultural Guarantee Fund (EAGF)	53.74	53.64	99.80%
Total Title 08			53.74	53.64	99.80%
Total Excluding NGEU			2 858.08	2 304.21	80.62%
Total DG REA			2 858.08	2 304.21	80.62%

* 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).

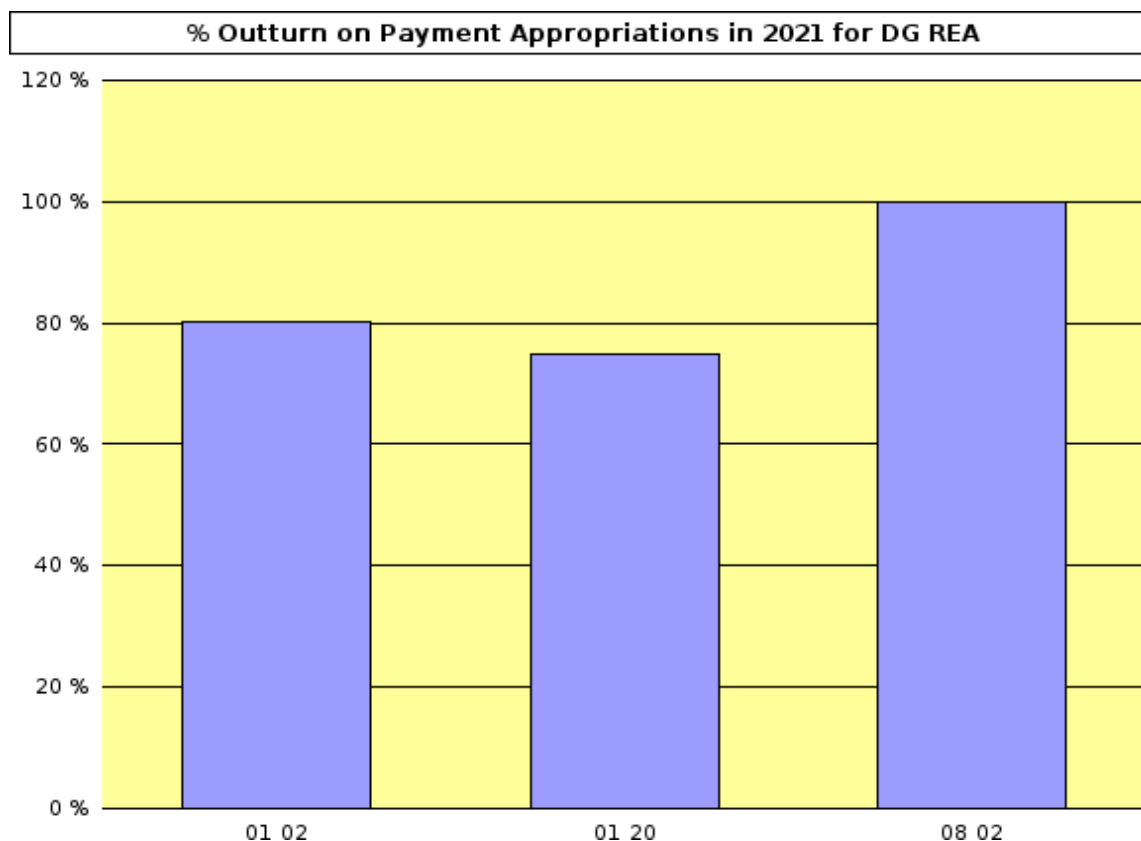


TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2021 (in Mio €) for DG REA

Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2020	Total of commitments to be settled at end of financial year 2021	Total of commitments to be settled at end of financial year 2020
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
01	01 02	Horizon Europe	2 982.65	127.44	2 855.21	95.73%	2 991.58	5 846.79	5 337.55
	01 20	Pilot projects, preparatory actions, prerogatives and other actions	32.24	12.66	19.58	60.73%	53.25	72.84	81.26
Total Title 01			3 014.89	140.10	2 874.79	95.35%	3 044.84	5 919.63	5 418.81

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2021 (in Mio €) for DG REA

Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2020	Total of commitments to be settled at end of financial year 2021	Total of commitments to be settled at end of financial year 2020
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
08	08 02	European Agricultural Guarantee Fund (EAGF)	96.90	6.60	90.30	93.19%	167.42	257.72	221.69
Total Title 08			96.90	6.60	90.30	93.19%	167.42	257.72	221.69
Total Excluding NGEU			3 111.79	146.71	2 965.09	95.29%	3 212.26	6 177.34	5 640.50

Total for DG REA			3 111.79	146.71	2 965.09	95.29%	3 212.26	6 177.34	5 640.50
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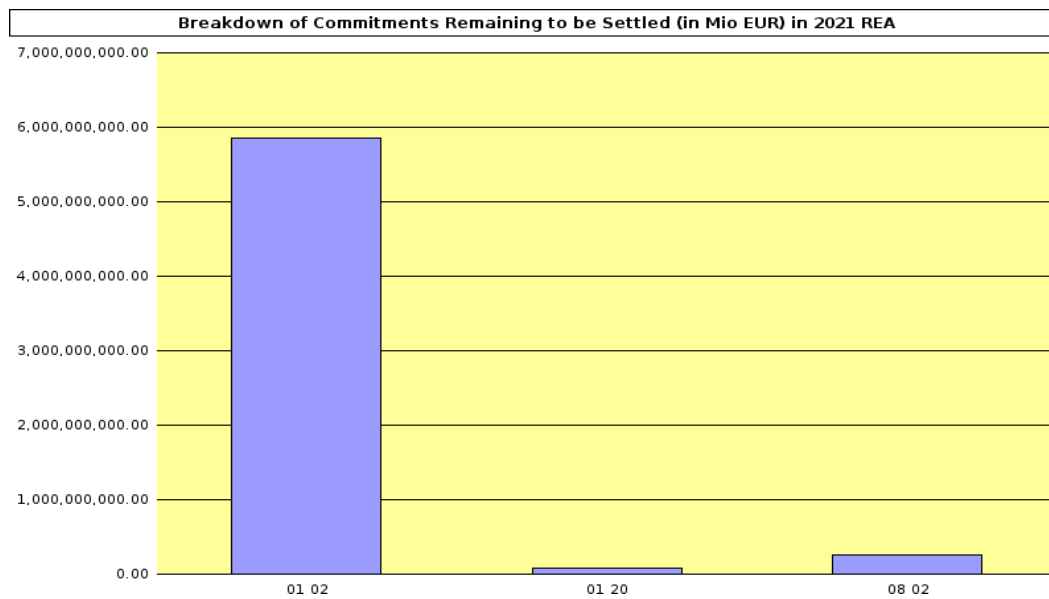


TABLE 4 : BALANCE SHEET for DG REA

BALANCE SHEET	2021	2020
A.I. NON CURRENT ASSETS	920 466 184.13	973 704 265.62
A.I.5. Non-Current Pre-Financing	920 466 184.13	973 704 265.62
A.II. CURRENT ASSETS	1 876 591 536.68	1 620 756 173.53
A.II.2. Current Pre-Financing	1 878 228 396.99	1 608 003 749.91
A.II.3. Curr Exch Receiv & Non-Ex Recoverables	-1 636 860.31	12 752 423.62
ASSETS	2 797 057 720.81	2 594 460 439.15
P.II. CURRENT LIABILITIES	-224 753 883.94	-109 307 943.25
P.II.4. Current Payables	-65 386 787.75	-35 524 066.66
P.II.5. Current Accrued Charges & Defrd Income	-159 367 096.19	-73 783 876.59
LIABILITIES	-224 753 883.94	-109 307 943.25
NET ASSETS (ASSETS less LIABILITIES)	2 572 303 836.87	2 485 152 495.90
P.III.2. Accumulated Surplus/Deficit	11 732 085 391.21	9 959 726 267.39
Non-allocated central (surplus)/deficit*	-14 304 389 228.08	-12 444 878 763.29
TOTAL DG REA	0.00	0.00

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

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

TABLE 5 : STATEMENT OF FINANCIAL PERFORMANCE for DG REA

STATEMENT OF FINANCIAL PERFORMANCE	2021	2020
II.1 REVENUES	-100 406.93	-1 972 842.31
II.1.1. NON-EXCHANGE REVENUES	-1 285 181.30	-2 980 642.73
II.1.1.6. RECOVERY OF EXPENSES	-1 207 033.14	-2 878 531.10
II.1.1.8. OTHER NON-EXCHANGE REVENUES	-78 148.16	-102 111.63
II.1.2. EXCHANGE REVENUES	1 184 774.37	1 007 800.42
II.1.2.1. FINANCIAL INCOME		-101.44
II.1.2.2. OTHER EXCHANGE REVENUE	1 184 774.37	1 007 901.86
II.2. EXPENSES	2 711 364 679.44	1 774 331 966.13
II.2. EXPENSES	2 711 364 679.44	1 774 331 966.13
II.2.10. OTHER EXPENSES	134 282.54	462 260.98
II.2.2. EXP IMPLEM BY COMMISS&EX.AGENC. (DM)	2 711 225 650.48	1 773 868 089.07
II.2.8. FINANCE COSTS	4 746.42	1 616.08
STATEMENT OF FINANCIAL PERFORMANCE	2 711 264 272.51	1 772 359 123.82

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

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

TABLE 5bis : OFF BALANCE SHEET for DG REA

OFF BALANCE	2021	2020
OB.1. Contingent Assets	11 684 471.45	1 635 000.00
GR for pre-financing	11 684 471.45	1 635 000.00
OB.2. Contingent Liabilities	0.00	0.00
OB.2.7. CL Legal cases OTHER	0.00	0.00
OB.3. Other Significant Disclosures	-5 952 656 896.08	-4 139 722 602.51
OB.3.2. Comm against app. not yet consumed	-5 952 656 896.08	-4 139 722 602.51
OB.4. Balancing Accounts	5 940 972 424.63	4 138 087 602.51
OB.4. Balancing Accounts	5 940 972 424.63	4 138 087 602.51
OFF BALANCE	0.00	0.00

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

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

Table 6 : Average Payment Times for DG 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
30	16 275	16 195	99.51%	7.5489966	80	0.49%	37.7375000	3 841 194.43	0.25%
45	1	1	100.00%	17.0000000				0.00	0.00%
60	63	62	98.41%	33.2741935	1	1.59%	63.0000000	3 945 867.26	5.96%
90	2 231	2 210	99.06%	52.7742081	21	0.94%	138.6190476	4 621 069.57	0.78%

Total Number of Payments	18 570	18 468	99.45%		102	0.55%		12 408 131.26	0.57%
Average Net Payment Time	13.2988691			13.0478124			58.7549020		
Average Gross Payment Time	18.0385568			17.5614035			104.4313725		

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	49.81	1 767	9.52%	18 570	543 301 188.52	24.99%	2 173 780 469.88

Late Interest paid in 2021			
DG	GL Account	Description	Amount (Eur)
REA	65010100	Interest on late payment of charges New FR	4 746.42
			4 746.42

TABLE 7 : SITUATION ON REVENUE AND INCOME in 2021 for DG 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	7=3-6
33	Other administrative revenue	-43 064.90	415 672.51	372 607.61	-38 040.05	41 518.02	3 477.97	369 129.64
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	23 899 706.93	0.00	23 899 706.93	17 794 975.47	0.00	17 794 975.47	6 104 731.46
62	Natural resources and environment	108 555.84	0.00	108 555.84	108 555.84	0.00	108 555.84	0.00
66	Other contributions and refunds	189 518.27	0.00	189 518.27	189 518.27	0.00	189 518.27	0.00
67	Completion for outstanding recovery orders prior to 2021	115 263.94	5 753 511.49	5 868 775.43	-608.18	2 222 241.28	2 221 633.10	3 647 142.33
Total DG REA		24 269 980.08	6 206 914.00	30 476 894.08	18 054 401.35	2 263 759.30	20 318 160.65	10 158 733.43

TABLE 8 : RECOVERY OF PAYMENTS in 2021 for DG REA

INCOME BUDGET RECOVERY ORDERS ISSUED IN 2021	Irregularity		OLAF notified		Total undue payments recovered		Total transactions in recovery context (incl. non- qualified)		% Qualified/Total RC	
	Year of Origin (commitment)	Nbr	RO Amount	Nbr	RO Amount	Nbr	RO Amount	Nbr	RO Amount	Nbr
2009	1	2 433.71			1	2 433.71	11	192 771.48	9.09%	1.26%
2010	3	31 197.36			3	31 197.36	5	112 725.81	60.00%	27.68%
2011	1	6 549.86			1	6 549.86	5	762 660.71	20.00%	0.86%
2012			2	477 369.23	2	477 369.23	8	2 285 859.69	25.00%	20.88%
2013	6	96 674.14	2	60 820.98	8	157 495.12	26	2 742 897.49	30.77%	5.74%
2014	11	288 508.60			11	288 508.60	19	355 947.05	57.89%	81.05%
2015	11	556 421.04			11	556 421.04	38	5 084 392.55	28.95%	10.94%
2016	10	67 916.88			10	67 916.88	36	1 250 999.07	27.78%	5.43%
2017	5	28 972.39			5	28 972.39	16	4 692 015.12	31.25%	0.62%
2018							55	1 306 817.76		
2019							101	3 214 138.29		
2020	2	6 390.00			2	6 390.00	67	2 259 812.20	2.99%	0.28%
2021	7	6 120.00			7	6 120.00	12	101 844.09	58.33%	6.01%
Sub-Total	57	1 091 183.98	4	538 190.21	61	1 629 374.19	399	24 362 881.31	15.29%	6.69%

EXPENSES BUDGET	Irregularity		OLAF Notified		Total undue payments recovered		Total transactions in recovery context (incl. non- qualified)		% Qualified/Total RC	
		Nbr	Amount	Nbr	Amount	Nbr	Amount	Nbr	Amount	Nbr
INCOME LINES IN INVOICES	17	158 778.17			17	158 778.17	17	158 778.17	100.00%	100.00%
NON ELIGIBLE IN COST CLAIMS	129	10 233 374.03	4	557 136.45	133	10 790 510.48	271	29 185 167.91	49.08%	36.97%
CREDIT NOTES	2	951 126.10			2	951 126.10	3	1 005 430.29	66.67%	94.60%
Sub-Total	148	11 343 278.30	4	557 136.45	152	11 900 414.75	291	30 349 376.37	52.23%	39.21%
GRAND TOTAL	205	12 434 462.28	8	1 095 326.66	213	13 529 788.94	690	54 712 257.68	30.87%	24.73%

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

	Number at 1/1/2021	Number at 31/12/2021	Evolution	Open Amount (Eur) at 1/1/2021	Open Amount (Eur) at 31/12/2021	Evolution
2015	4	4	0.00%	44 762.54	44 762.54	0.00%
2016	2	2	0.00%	42 983.34	42 983.34	0.00%
2017	13	11	-15.38%	1 653 391.34	1 576 303.09	-4.66%
2018	8	7	-12.50%	167 353.95	166 745.77	-0.36%
2019	15	13	-13.33%	1 739 449.89	1 631 131.50	-6.23%
2020	55	24	-56.36%	3 691 626.61	1 613 882.13	-56.28%
2021		45			6 220 603.58	
	97	106	9.28%	7 339 567.67	11 296 411.95	53.91%

The total open amount on 31/12/2021 does not take into account partial cancellations of Recovery Orders. This explains the difference of +1.1 M€ compared

TABLE 10 :Recovery Order Waivers >= 60 000 € in 2021 for DG REA

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

Total DG REA	
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Number of RO waivers	
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There are 9 waivers below 60 000 € for a total amount of -134,282.54

TABLE 11 : Negotiated Procedures in 2021 for DG REA

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

TABLE 12 : Summary of Procedures in 2021 for DG REA

Procedure Legal base	Number of Procedures	Amount (€)
Total		

TABLE 13 : BUILDING CONTRACTS in 2021 for DG REA

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

TABLE 14 : CONTRACTS DECLARED SECRET in 2021 for DG REA

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

TABLE 15 : FPA duration exceeds 4 years - DG 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

TABLE 16 : Commitments co-delegation type 3 in 2021 for DG REA

Annex 3 Financial Reports - REA - Financial Year 2021**Table 1 : Commitments****Table 2 : Payments****Table 3 : Commitments to be settled****Table 4 : Balance Sheet****Table 5 : Statement of Financial Performance****Table 5 Bis: Off Balance Sheet****Table 6 : Average Payment Times****Table 7 : Income****Table 8 : Recovery of undue Payments****Table 9 : Ageing Balance of Recovery Orders****Table 10 : Waivers of Recovery Orders**

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 2021 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 2021 on the REA Administrative Budget shows by default the information regarding the payments authorised during the Year 2021 excluding the non-budgetary payments (i.e. those made in the Budget Regime H).

TABLE 1*: OUTTURN ON COMMITMENT APPROPRIATIONS IN 2021 (in Mio €) for REA					
			Commitment appropriations authorised**	Commitments made	%
			1	2	3=2/1
Title 1 STAFF EXPENDITURE					
1	1 1	REMUNERATIONS, ALLOWANCES AND CHARGES	5.61	5.61	100.00%
	1 2	PROFESSIONAL DEVELOPMENT AND SOCIAL EXPENDITURE	2.86	2.85	99.71%
Total Title 1			8.48	8.47	99.90%
Title 2 INFRASTRUCTURE AND OPERATING EXPENDITURE					
2	2 1	BUILDING EXPENDITURE	9.35	9.35	100.00%
	2 2	ICT EXPENDITURE	4.15	4.12	99.31%
	2 3	MOVABLE PROPERTY AND CURRENT OPERATING EXPENDITURE	0.39	0.38	97.39%
Total Title 2			13.89	13.85	99.72%
Title 3 PROGRAMME SUPPORT EXPENDITURE					
3	3 1	PROGRAMME MANAGEMENT EXPENDITURE	1.32	1.27	96.41%
	3 2	COMMON SUPPORT SERVICES EXPENDITURE	5.68	5.68	99.88%
Total Title 3			7.00	6.95	99.23%
Total REA			29.36	29.26	99.66%

* 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).

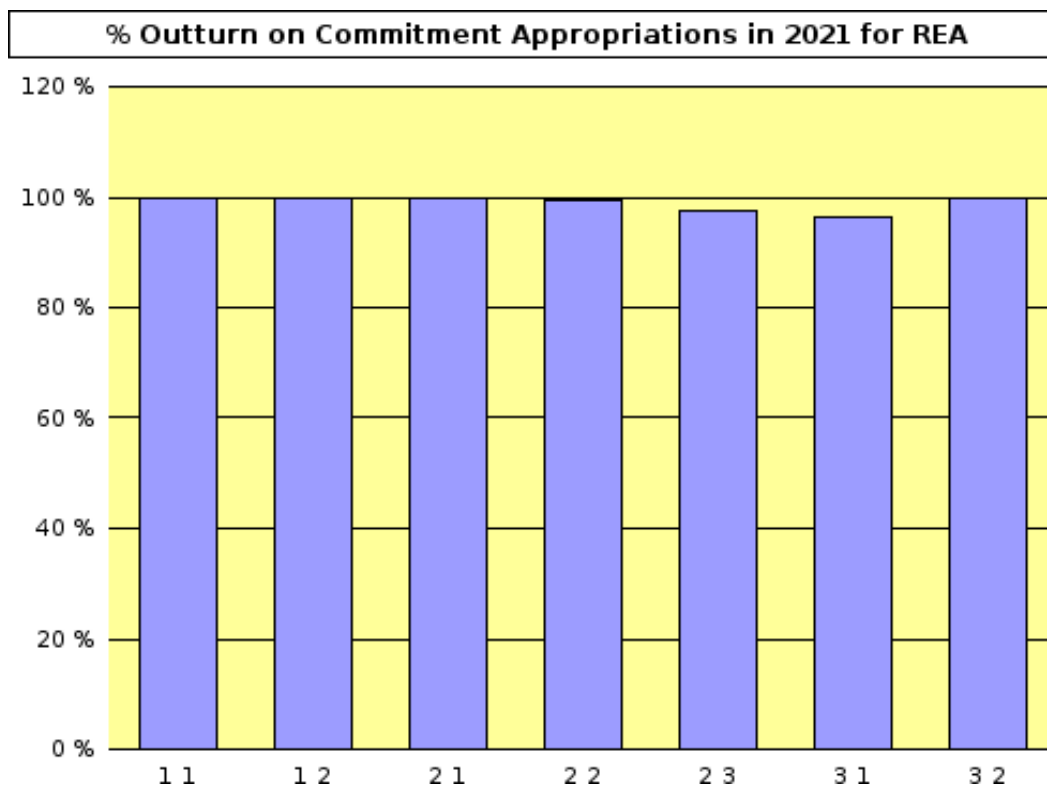


TABLE 1*: OUTTURN ON COMMITMENT APPROPRIATIONS IN 2021 (in Mio €) for REA					
			** Commitment appropriations authorised	Commitments made	%
			1	2	3=2/1
Title 1 STAFF EXPENDITURE					
1	1 1	REMUNERATIONS, ALLOWANCES AND CHARGES	64.62	64.62	99.99%
	1 2	PROFESSIONAL DEVELOPMENT AND SOCIAL EXPENDITURE	2.95	2.94	99.72%
Total Title 1			67.57	67.56	99.98%
Title 2 INFRASTRUCTURE AND OPERATING EXPENDITURE					
2	2 1	BUILDING EXPENDITURE	9.35	9.35	100.00%
	2 2	ICT EXPENDITURE	4.15	4.12	99.31%
	2 3	MOVABLE PROPERTY AND CURRENT OPERATING EXPENDITURE	0.39	0.38	97.39%
Total Title 2			13.89	13.85	99.72%
Title 3 PROGRAMME SUPPORT EXPENDITURE					
3	3 1	PROGRAMME MANAGEMENT EXPENDITURE	1.33	1.28	96.44%
	3 2	COMMON SUPPORT SERVICES EXPENDITURE	5.68	5.68	99.88%
Total Title 3			7.01	6.96	99.23%
Total REA			88.47	88.37	99.88%

* 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).

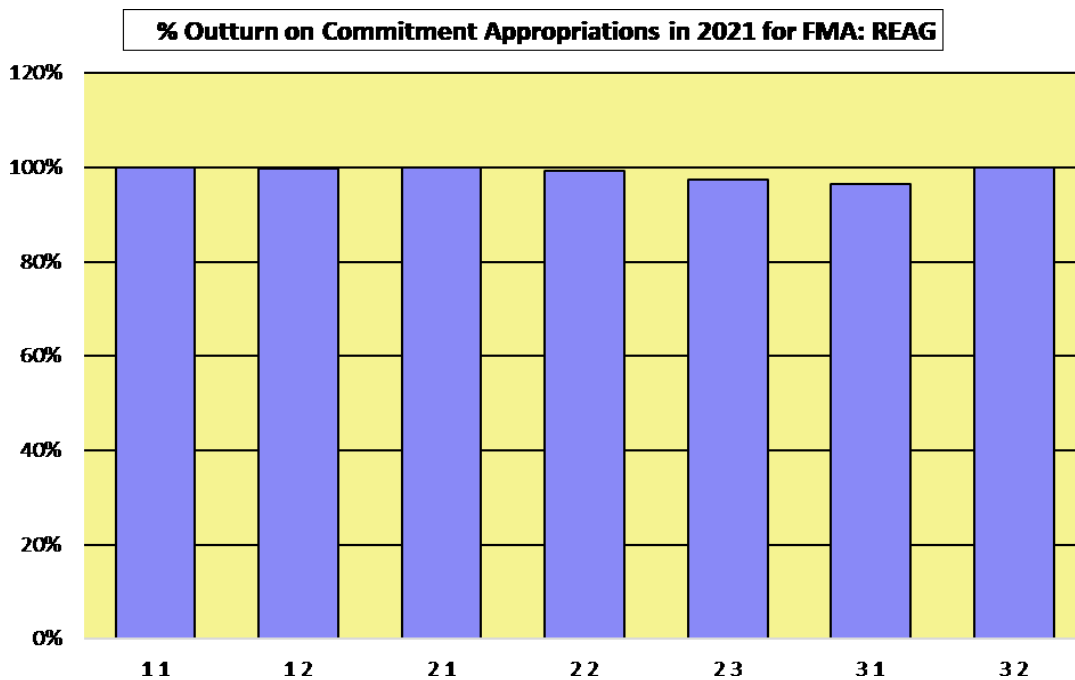


TABLE 2*: OUTTURN ON PAYMENT APPROPRIATIONS IN 2021 (in Mio €) for REA					
			Payment appropriations authorised **	Payments made	%
			1	2	3=2/1
Title 1 STAFF EXPENDITURE					
1	1 1	REMUNERATIONS, ALLOWANCES AND CHARGES	5.71	5.50	96.33%
	1 2	PROFESSIONAL DEVELOPMENT AND SOCIAL EXPENDITURE	3.17	2.87	90.48%
Total Title 1			8.88	8.37	94.24%
Title 2 INFRASTRUCTURE AND OPERATING EXPENDITURE					
2	2 1	BUILDING EXPENDITURE	11.34	8.95	78.94%
	2 2	ICT EXPENDITURE	4.79	4.28	89.35%
	2 3	MOVABLE PROPERTY AND CURRENT OPERATING EXPENDITURE	0.63	0.43	68.36%
Total Title 2			16.76	13.66	81.52%
Title 3 PROGRAMME SUPPORT EXPENDITURE					
3	3 1	PROGRAMME MANAGEMENT EXPENDITURE	1.64	0.79	48.17%
	3 2	COMMON SUPPORT SERVICES EXPENDITURE	9.95	5.97	59.96%
Total Title 3			11.59	6.76	58.29%
Total REA			37.23	28.79	77.32%

* 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).

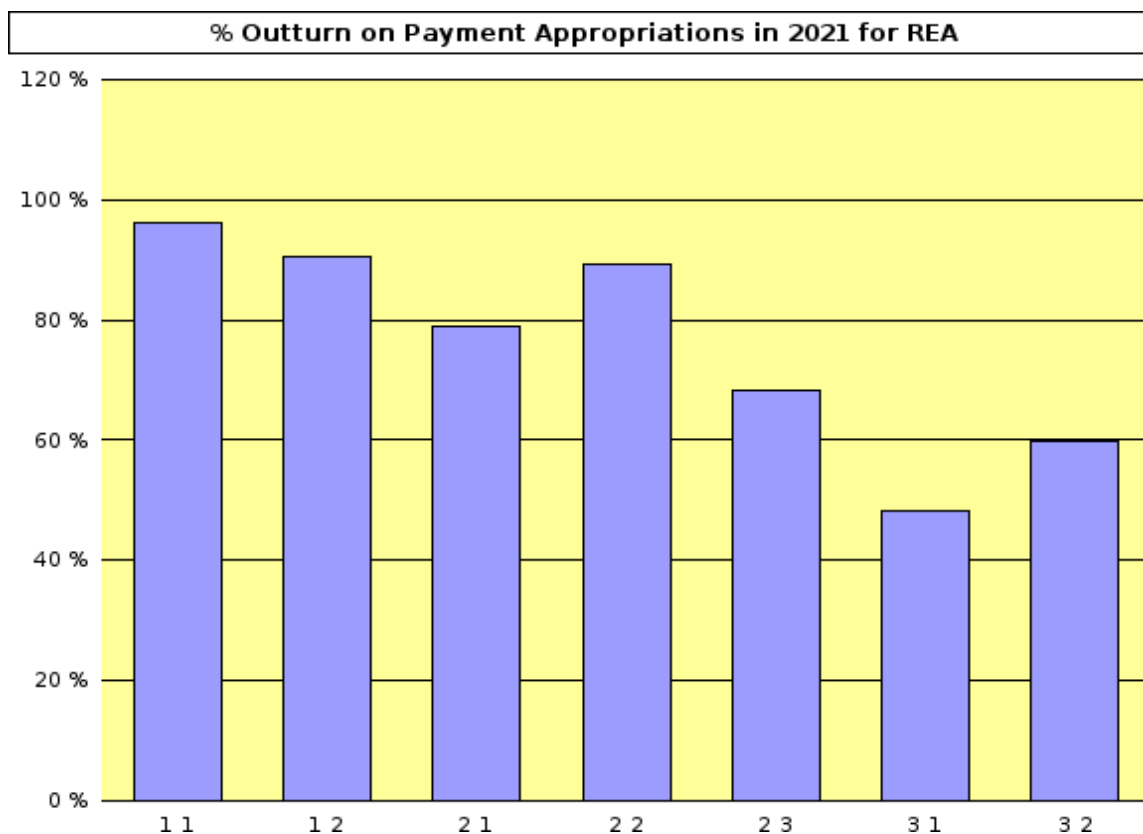


TABLE 2*: OUTTURN ON PAYMENT APPROPRIATIONS IN 2021 (in Mio €) for REA					
			Payment appropriations authorised **	Payments made	%
			1	2	3=2/1
Title 1 STAFF EXPENDITURE					
1	1 1	REMUNERATIONS, ALLOWANCES AND CHARGES	64.72	64.51	99.67%
	1 2	PROFESSIONAL DEVELOPMENT AND SOCIAL EXPENDITURE	3.26	2.96	90.74%
Total Title 1			67.98	67.46	99.24%
Title 2 INFRASTRUCTURE AND OPERATING EXPENDITURE					
2	2 1	BUILDING EXPENDITURE	11.34	8.95	78.94%
	2 2	ICT EXPENDITURE	4.79	4.28	89.35%
	2 3	MOVABLE PROPERTY AND CURRENT OPERATING EXPENDITURE	0.63	0.43	68.36%
Total Title 2			16.76	13.66	81.52%
Title 3 PROGRAMME SUPPORT EXPENDITURE					
3	3 1	PROGRAMME MANAGEMENT EXPENDITURE	1.65	0.80	48.19%
	3 2	COMMON SUPPORT SERVICES EXPENDITURE	9.95	5.97	59.96%
Total Title 3			11.60	6.76	58.29%
Total REA			96.34	87.88	91.22%

* 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).

% Outturn on Payment Appropriations in 2021 for FMA: REAG

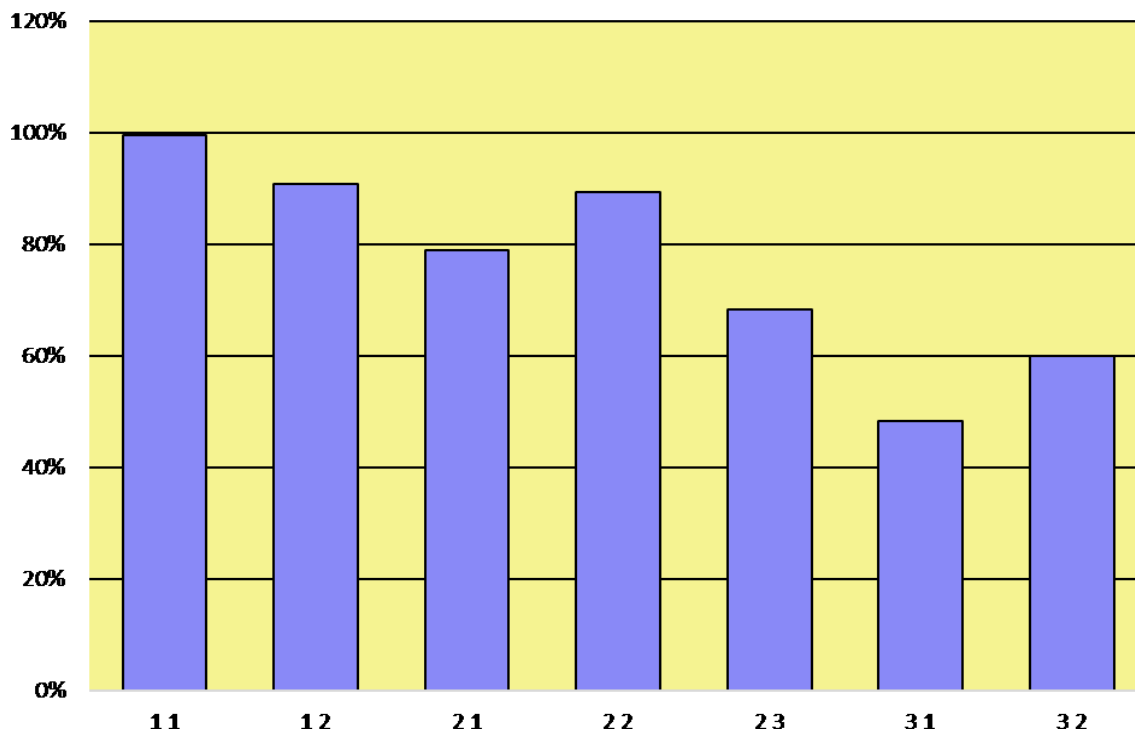


TABLE 3*: BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2021 (in Mio €) for REA									
Chapter		Commitments to be settled				Commitments to be settled from financial years previous to 2020	Total of commitments to be settled at end of financial year 2021	Total of commitments to be settled at end of financial year 2020	
		Commitments	Payments	RAL	% to be settled				
		1	2	3=1-2	4=1-2/1	5	6=3+5	7	
1	1 1	REMUNERATIONS, ALLOWANCES AND CHARGES	5.61	5.41	0.20	3.61%	0.00	0.20	0.10
	1 2	PROFESSIONAL DEVELOPMENT AND SOCIAL EXPENDITURE	2.85	2.67	0.18	6.34%	0.00	0.18	0.31
Total Title 1			8.47	8.08	0.38	4.53%	0.00	0.38	0.41

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2021 (in Mio €) for REA									
Chapter		Commitments to be settled				Commitments to be settled from financial years previous to 2020	Total of commitments to be settled at end of financial year 2021	Total of commitments to be settled at end of financial year 2020	
		Commitments	Payments	RAL	% to be settled				
		1	2	3=1-2	4=1-2/1	5	6=3+5	7	
2	2 1	BUILDING EXPENDITURE	9.35	6.97	2.38	25.40%	0.00	2.38	1.99
	2 2	ICT EXPENDITURE	4.12	3.69	0.43	10.47%	0.00	0.43	0.64
	2 3	MOVABLE PROPERTY AND CURRENT OPERATING EXPENDITURE	0.38	0.22	0.16	42.03%	0.00	0.16	0.24
Total Title 2			13.85	10.88	2.97	21.41%	0.00	2.97	2.87

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2021 (in Mio €) for REA									
Chapter		Commitments to be settled				Commitments to be settled from financial years previous to 2020	Total of commitments to be settled at end of financial year 2021	Total of commitments to be settled at end of financial year 2020	
		Commitments	Payments	RAL	% to be settled				
		1	2	3=1-2	4=1-2/1	5	6=3+5	7	
3	3 1	PROGRAMME MANAGEMENT EXPENDITURE	1.27	0.54	0.74	57.90%	0.00	0.74	0.32
	3 2	COMMON SUPPORT SERVICES EXPENDITURE	5.68	1.71	3.96	69.84%	0.00	3.96	4.27
Total Title 3			6.95	2.25	4.70	67.65%	0.00	4.70	4.59
Total :			29.26	21.21	8.05	27.50%	0.00	8.05	7.86

* FMC "REA".

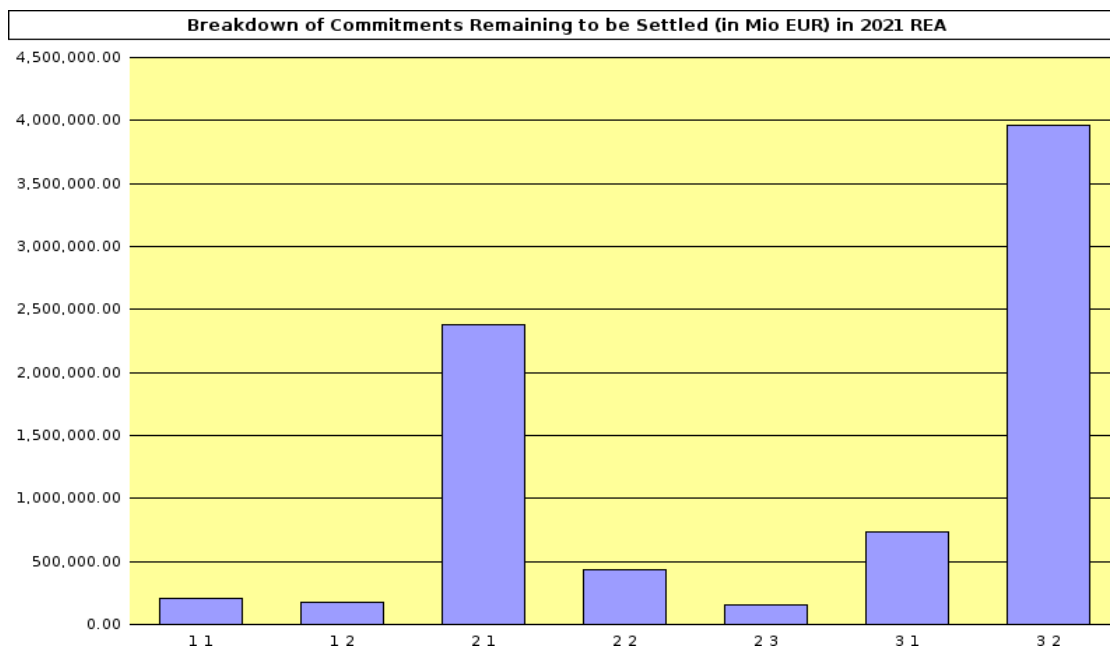


TABLE 3* : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2021 (in Mio €) for REA									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2020	Total of commitments to be settled at end of financial year 2021	Total of commitments to be settled at end of financial year 2020
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
1	1 1	REMUNERATIONS, ALLOWANCES AND CHARGES	64.62	64.41	0.20	0.31%	0.00	0.20	0.10
	1 2	PROFESSIONAL DEVELOPMENT AND SOCIAL EXPENDITURE	2.94	2.76	0.18	6.15%	0.00	0.18	0.31
Total Title 1			67.56	67.17	0.38	0.57%	0.00	0.38	0.41

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2021 (in Mio €) for REA									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2020	Total of commitments to be settled at end of financial year 2021	Total of commitments to be settled at end of financial year 2020
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
2	2 1	BUILDING EXPENDITURE	9.35	6.97	2.38	25.40%	0.00	2.38	1.99
	2 2	ICT EXPENDITURE	4.12	3.69	0.43	10.47%	0.00	0.43	0.64
	2 3	MOVABLE PROPERTY AND CURRENT OPERATING EXPENDITURE	0.38	0.22	0.16	42.03%	0.00	0.16	0.24
Total Title 2			13.85	10.88	2.97	21.41%	0.00	2.97	2.87

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2021 (in Mio €) for REA									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2020	Total of commitments to be settled at end of financial year 2021	Total of commitments to be settled at end of financial year 2020
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
3	3 1	PROGRAMME MANAGEMENT EXPENDITURE	1.28	0.54	0.74	57.82%	0.00	0.74	0.32
	3 2	COMMON SUPPORT SERVICES EXPENDITURE	5.68	1.71	3.96	69.84%	0.00	3.96	4.27
Total Title 3			6.96	2.25	4.71	67.62%	0.00	4.71	4.59
Total :			88.37	80.31	8.06	9.12%	0.00	8.06	7.86

* FMA: REAG

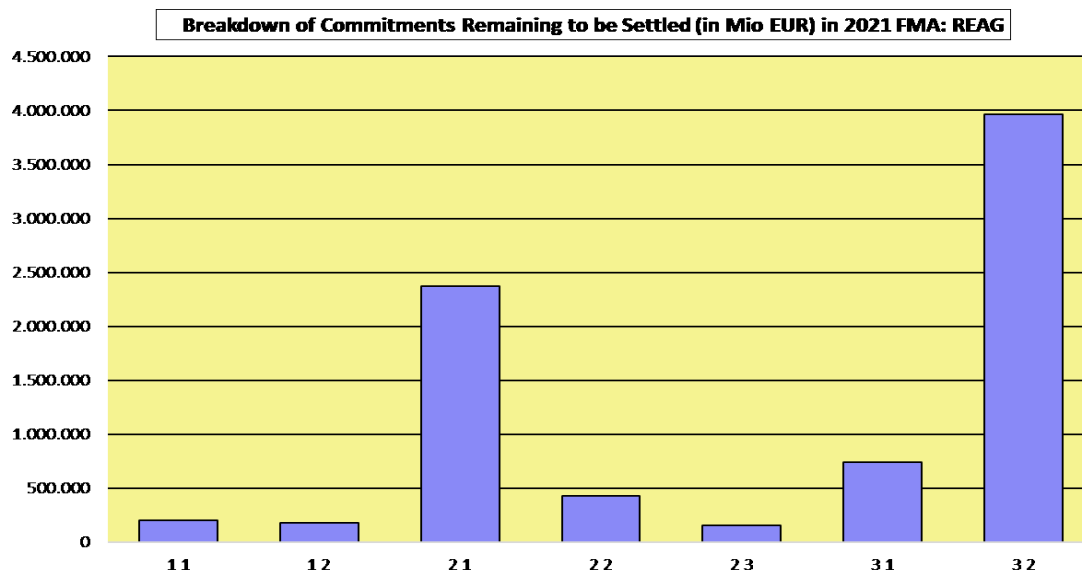


TABLE 4 : BALANCE SHEET for REA

BALANCE SHEET	2021	2020
A.I. NON CURRENT ASSETS	1 675 793.81	1 967 564.27
A.I.1. Intangible Assets	1 040 277.24	695 496.22
A.I.2. Property, Plant and Equipment	635 516.57	1 272 068.05
A.II. CURRENT ASSETS	11 534 296.54	11 292 741.18
A.II.3. Curr Exch Receiv &Non-Ex Recoverables	11 534 296.54	11 292 741.18
A.II.6. Cash and Cash Equivalents	0.00	0.00
ASSETS	13 210 090.35	13 260 305.45
P.I. NON CURRENT LIABILITIES	0.00	-90 242.32
P.I.3. Non-Current Financial Liabilities	0.00	-90 242.32
P.II. CURRENT LIABILITIES	-7 146 069.89	-5 730 014.58
P.II.2. Current Provisions	-120 960.00	
P.II.3. Current Financial Liabilities	0.00	-44 704.42
P.II.4. Current Payables	-877 299.69	-1 194 707.03
P.II.5. Current Accrued Charges &Defrd Income	-6 147 810.20	-4 490 603.13
LIABILITIES	-7 146 069.89	-5 820 256.90
NET ASSETS (ASSETS less LIABILITIES)	6 064 020.46	7 440 048.55
P.III.2. Accumulated Surplus/Deficit	-7 440 048.55	-8 660 339.61
Non-allocated central (surplus)/deficit*	1 376 028.09	1 220 291.06
TOTAL	0.00	0.00

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

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

TABLE 5 : STATEMENT OF FINANCIAL PERFORMANCE for REA

STATEMENT OF FINANCIAL PERFORMANCE	2021	2020
II.1 REVENUES	-88 253 454.77	-79 108 527.69
II.1.1. NON-EXCHANGE REVENUES	-88 157 324.12	-78 519 881.75
II.1.1.8. OTHER NON-EXCHANGE REVENUES	-88 157 324.12	-78 519 881.75
II.1.2. EXCHANGE REVENUES	-96 130.65	-588 645.94
II.1.2.2. OTHER EXCHANGE REVENUE	-96 130.65	-588 645.94
II.2. EXPENSES	89 629 482.86	80 328 818.75
II.2. EXPENSES	89 629 482.86	80 328 818.75
II.2.10. OTHER EXPENSES	25 035 336.20	22 010 546.63
II.2.6. STAFF AND PENSION COSTS	64 593 465.05	58 309 283.19
II.2.8. FINANCE COSTS	681.61	8 988.93
STATEMENT OF FINANCIAL PERFORMANCE	1 376 028.09	1 220 291.06

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

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

TABLE 5bis : OFF BALANCE SHEET for REA

OFF BALANCE	2021	2020
OB.1. Contingent Assets	0.00	
OB.1.3. CA Other	0.00	
OB.2. Contingent Liabilities	0.00	-566 182.00
OB.2.6. CL Other	0.00	-566 182.00
OB.3. Other Significant Disclosures	-7 037 330.00	-11 750 489.62
OB.3.2. Comm against app. not yet consumed	-3 232 259.66	-4 744 782.09
OB.3.5. Operating lease commitments	-3 805 070.34	-7 005 707.53
OB.4. Balancing Accounts	7 037 330.00	12 316 671.62
OB.4. Balancing Accounts	7 037 330.00	12 316 671.62
OFF BALANCE	0.00	0.00

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

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

TABLE 6*: AVERAGE PAYMENT TIMES FOR 2021 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
14	1	1	100.00 %	9				0.00	0.00%
28	1	1	100.00 %	15				0.00	0.00%
30	445	444	99.78 %	14.09459459	1	0.22%	34	291.70	0.00%
40	1	1	100.00 %	33				0.00	0.00%
43	8	8	100.00 %	13.5				0.00	0.00%
56	2	2	100.00 %	26.5				0.00	0.00%
57	1	1	100.00 %	15				0.00	0.00%
58	1	1	100.00 %	8				0.00	0.00%
60	15	15	100.00 %	26.86666667				0.00	0.00%
61	5	5	100.00 %	27.6				0.00	0.00%
77	1	1	100.00 %	66				0.00	0.00%
83	2	2	100.00 %	46.5				0.00	0.00%
84	2	2	100.00 %	40.5				0.00	0.00%
87	2	2	100.00 %	36.5				0.00	0.00%
88	1	1	100.00 %	13				0.00	0.00%
89	3	3	100.00 %	28				0.00	0.00%
90	401	401	100.00 %	42.38653367				0.00	0.00%
91	2	2	100.00 %	49.5				0.00	0.00%

Total Number of Payments	894	893	99.89%		1	0.11%		291.70	0.01%
Average Net Payment Time	27.49440716			27.48712206			34		
Average Gross Payment Time	35.78747204			35.78947368			34		

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	27	274	30.65%	894	4 139 482.49	17.36%	23 848 430.97

Late Interest paid in 2021			
DG	GL Account	Description	Amount (Eur)
REA	65010000	Interest expense on late payment of charges	0.00
			0.00

* FMC "REA".

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

TABLE 6*: AVERAGE PAYMENT TIMES FOR 2021 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
14	1	1	100.00 %	9				0.00	0.00%
28	1	1	100.00 %	15				0.00	0.00%
30	457	455	99.56 %	14.1978022	2	0.44%	34	1 469.97	0.01%
40	1	1	100.00 %	33				0.00	0.00%
43	8	8	100.00 %	13.5				0.00	0.00%
56	2	2	100.00 %	26.5				0.00	0.00%
57	1	1	100.00 %	15				0.00	0.00%
58	1	1	100.00 %	8				0.00	0.00%
60	15	15	100.00 %	26.86666667				0.00	0.00%
61	5	5	100.00 %	27.6				0.00	0.00%
77	1	1	100.00 %	66				0.00	0.00%
83	2	2	100.00 %	46.5				0.00	0.00%
84	2	2	100.00 %	40.5				0.00	0.00%
87	2	2	100.00 %	36.5				0.00	0.00%
88	1	1	100.00 %	13				0.00	0.00%
89	3	3	100.00 %	28				0.00	0.00%
90	401	401	100.00 %	42.38653367				0.00	0.00%
91	2	2	100.00 %	49.5				0.00	0.00%

Total Number of Payments	906	904	99.78%		2	0.22%		1 469.97	0.01%
Average Net Payment Time	27.39072848			27.37610619			34		
Average Gross Payment Time	35.57395143			35.57743363			34		

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	27	274	30.24%	906	4 139 482.49	17.35%	23 855 138.58

Late Interest paid in 2021			
DG	GL Account	Description	Amount (Eur)
REA	65010000	Interest expense on late payment of charges	0.00
			0.00

* FMA: REAG

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

TABLE 7 : SITUATION ON REVENUE AND INCOME IN 2021 for REA

Chapter		Revenue and income recognized			Revenue and income cashed from			Outstanding
		Current year RO	Carried over RO	Total	Current Year RO	Carried over RO	Total	balance
		1	2	3=1+2	4	5	6=4+5	7=3-6
2 0	COMMISSION SUBSIDY	88 440 215.60	0.00	88 440 215.60	88 440 215.60	0.00	88 440 215.60	0.00
9 0	MISCELLANEOUS REVENUE	38 343.12	11 601.03	49 944.15	38 343.12	5 851.03	44 194.15	5 750.00
Total REA		88 478 558.72	11 601.03	88 490 159.75	88 478 558.72	5 851.03	88 484 409.75	5 750.00

**TABLE 8 : RECOVERY OF PAYMENTS in 2021 for REA
(Number of Recovery Contexts and corresponding Transaction Amount)**

Year of Origin (commitment)	Total undue payments recovered		Total transactions in recovery context (incl. non-qualified)		% Qualified/Total RC	
	Nbr	RO Amount	Nbr	RO Amount	Nbr	RO Amount
2019			1	234.52		
2020			2	27 983.07		
No Link			105	88 843 022.51		
Sub-Total			108	88 871 240.10		

EXPENSES BUDGET	Irregularity		OLAF Notified		Total undue payments recovered		Total transactions in recovery context (incl. non-qualified)		% Qualified/Total RC	
	Nbr	Amount	Nbr	Amount	Nbr	Amount	Nbr	Amount	Nbr	Amount
INCOME LINES IN INVOICES							5	8 399.85		
NON ELIGIBLE IN COST CLAIMS										
CREDIT NOTES							1	170 150.34		
Sub-Total							6	178 550.19		

GRAND TOTAL							114	89 049 790.29		
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TABLE 9: AGEING BALANCE OF RECOVERY ORDERS AT 31/12/2021 for REA

	Number at 1/1/2021	Number at 31/12/2021	Evolution	Open Amount (Eur) at 1/1/2021	Open Amount (Eur) at 31/12/2021	Evolution
2015	1	1	0.00%	7 713.17	0.05	-100.00%
2019	1	1	0.00%	5 750.00	5 750.00	0.00%
2020	2		-100.00%	5 941.53		-100.00%
2021		2			389.76	
	4	4	0.00%	19 404.70	6 139.81	-68.36%

The Aging Balance also includes the recovery orders on HB line while the Table 7 only includes RO on revenue budget lines

TABLE 10 :Recovery Order Waivers >= 60 000 € in 2021 for REA						
	Waiver Central Key	Linked RO Central Key	RO Accepted Amount (Eur)	LE Account Group	Commission Decision	Comments

Total DG	
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Number of RO waivers	
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There are no waivers in 2021 for the administrative budget.

ANNEX 4: Financial Scorecard

The Annex 4 summarises the annual result of the standard financial indicators measurement. 10 standard financial indicators are presented below, each with its objective and result for REA and for the EC as a whole (for benchmarking purposes).

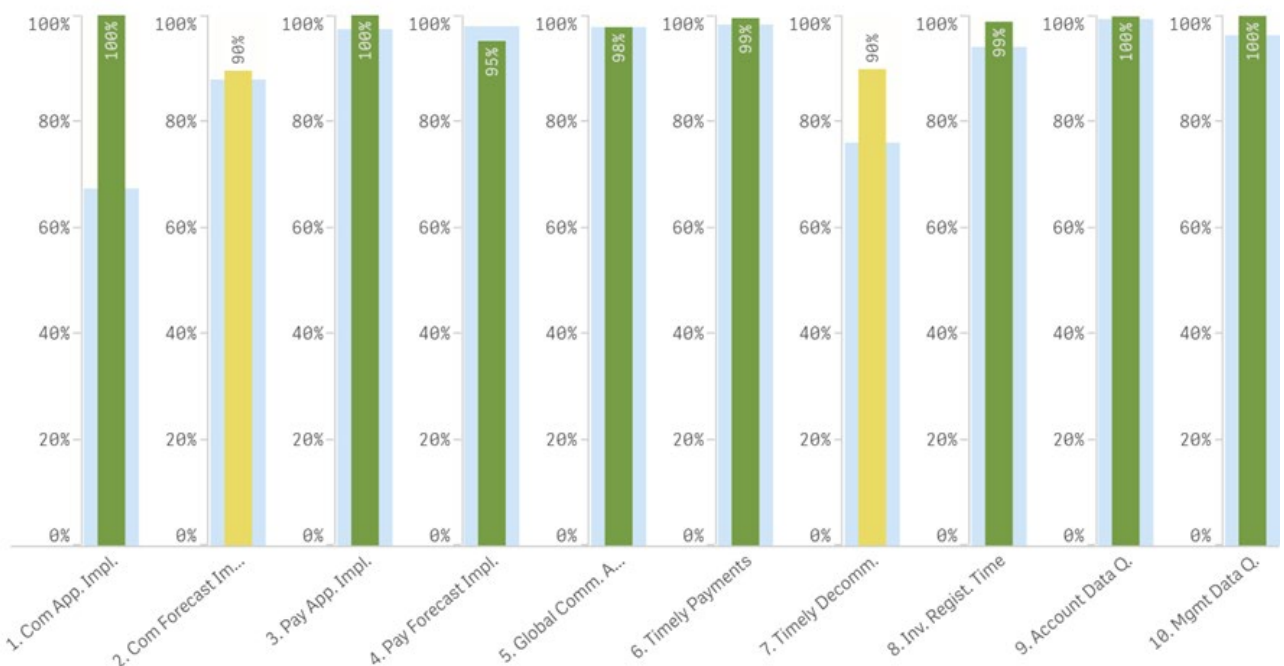
- Commitment Appropriations (CA) Implementation
- CA Forecast Implementation
- Payment Appropriations (PA) Implementation
- PA Forecast Implementation
- Global Commitment Absorption
- Timely Payments
- Timely Decommitments
- Invoice Registration Time
- Accounting Data Quality
- Management Data Quality

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

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

Operational budget

REA Indicator Scores 2021



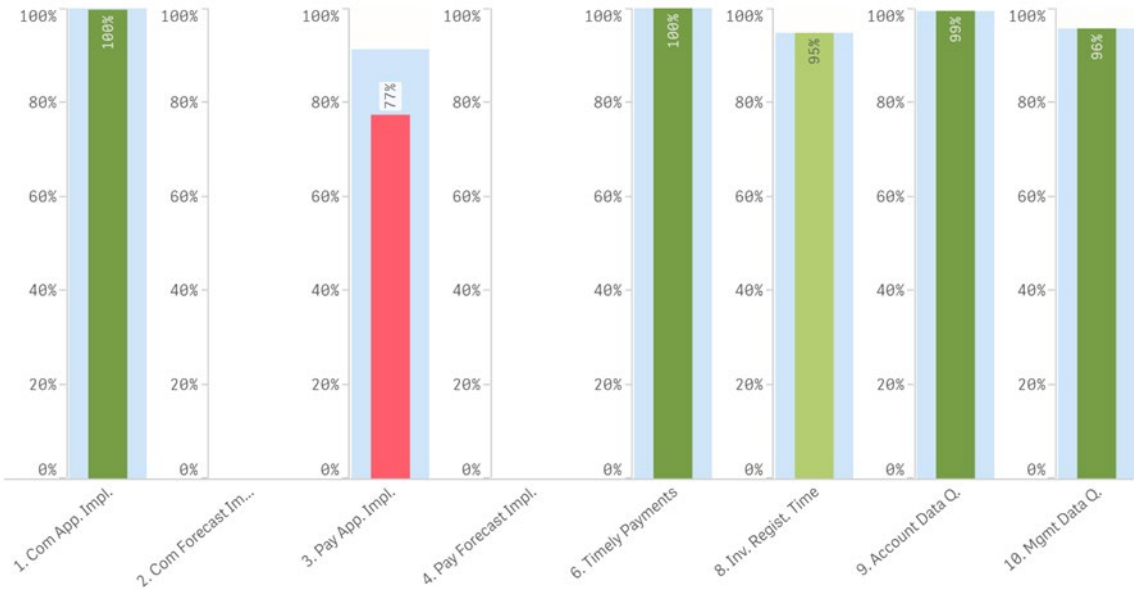
For each indicator the light blue bar denotes the EC Score.

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%	67%
2. Commitment Forecast Implementation	Ensure the cumulative alignment of the commitment implementation with the commitment forecast in a financial year	The Forecast Tool did not allow forecasts in budget lines that had no budget allocated early September 2021 . If the impact of this is taken into account, REA's score increases to 95% .	90%	88%
3. Payment Appropriations Implementation	Ensure efficient use of payment appropriations expiring at the end of Financial Year		100%	97%
4. Payment Forecast Implementation	Ensure the cumulative alignment of the payment implementation with the payment forecast in a financial year	The Forecast Tool did not allow forecasts in budget lines that had no budget allocated early September 2021 . If the impact of this is taken into account, REA's score increases to 100% .	95%	98%
5. Global Commitment Absorption ¹⁵	Ensure efficient use of already earmarked commitment appropriations (at L1 level)		98%	98%
6. Timely Payments	Ensure efficient processing of payments within the legal deadlines	REA ensured efficient processing of payments within the legal deadlines through regular and close monitoring. In 2021, REA made 18 570 payments totalling EUR 2.17 billion. Only 0.57% of the total amount of payments processed during 2021 was delayed.	99%	98%
7. Timely Decommitments	Ensure efficient decommitment of outstanding RAL at the end of commitment life cycle		90%	76%
8. Invoice Registration Time	Monitor the accounting risk stemming from late registration of invoices in the central accounting system ABAC		99%	94%
9. Accounting Data Quality	Ensure the good data quality of ABAC transactions with the focus on fields having a primary impact on the accounts		100%	99%
10. Management Data Quality	Ensure the good data quality of ABAC transactions with the focus on fields having a primary impact on the management decisions		100%	96%

¹⁵ Due to technical limitation, the indicator does not take into account the Com L1 Consumption between the FDC ILC date and the FA FDI allowed as an exception in the external actions for Com L1 of type GF, i.e. with Financing Agreement, under the FR2018 Article 114.2. As a result, the actual Indicator score may be slightly higher than the one reported for DGs using the GF commitments.

Administrative budget

REA Indicator Scores 2021



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

Indicator	Objective	Comment ¹⁶	REA Score	EC Score
1. Commitment Appropriations Implementation	Ensure efficient use of commitment appropriations expiring at the end of Financial Year		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.	-	-
3. Payment Appropriations Implementation	Ensure efficient use of payment appropriations expiring at the end of Financial Year	REA implemented 91.2% of its payment appropriations, 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 2022 for the part of commitments concluded in 2021 and remaining to be paid at year-end.	77%	91%
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.	-	-
5. Global Commitment Absorption ¹⁷	Ensure efficient use of already earmarked commitment appropriations (at L1 level)	REA spending of its administrative budget does not call on the use of global commitments.	-	-
6. Timely Payments	Ensure efficient processing of payments within the legal deadlines	REA ensured efficient processing of payments within the legal deadlines. A total of EUR 23.8 million was paid on time, representing a performance of 100% timely payments in term of amount. This performance is in line with the Commission's performance. Only 1 payment was delayed, representing 0.006% of the total amount of payments processed during 2021 by REA.	100%	100%
7. Timely Decommitments	Ensure efficient decommitment of outstanding RAL at the end of commitment life cycle	The indicator is not applicable for DG REA in YEAR due to the lack of underlying transactions recorded by DG REA in 2021.	-	-

¹⁶ An explanation behind the indicator result can be provided, e.g. the comment about the achievement itself, reference to the whole Commission performance (better or worse), reasons behind this achievement. The comment is mandatory for the 'Timely payments' indicator. For the rest of indicators the comment is mandatory only if the score is equal or below the target of 80%.

¹⁷ Due to technical limitation, the indicator does not take into account the Com L1 Consumption between the FDC ILC date and the FA FDI allowed as an exception in the external actions for Com L1 of type GF, i.e. with Financing Agreement, under the FR2018 Article 114.2. As a result, the actual Indicator score may be slightly higher than the one reported for DGs using the GF commitments.

Indicator	Objective	Comment¹⁶	REA Score	EC Score
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 with the 7-calendar-days limit. 703 invoices, out of the total 742, representing a performance of 95% of invoices registered on time. This performance is in line with the Commission's performance.	95%	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		99%	99%
10. Management Data Quality	Ensure the good data quality of ABAC transactions with the focus on fields having a primary impact on the management decisions		96%	96%

ANNEX 5: Materiality criteria

The present document 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.

Considering that around 98% 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 management system.

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

Assessment of the effectiveness of controls

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

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

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

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

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

where:

ResER% residual error rate, expressed as a percentage.

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

- RepERsys%** portion of the RepER% representing negative systematic errors, (expressed as a percentage). The RepERsys% is the same for all entities and it is calculated from the same set of results as the RepER%
- P** total requested EC contribution (€) in the auditable population (i.e. all paid financial statements).
- A** total requested EC contribution (€) as approved by financial officers of all audited financial statements. This will be collected from audit results.
- E** total non-audited requested EC contribution (€) of all audited beneficiaries.

The Common Representative Sample (CRS) is the starting point for the calculation of the residual error rate. It is representative of the expenditure of each FP as a whole. Nevertheless, the Director of the Agency must also take into account other information when considering if the overall residual error rate is a sufficient basis on which to draw a conclusion on assurance (or make a reservation) for specific segment(s) of the Seventh Framework Programme (FP7)/Horizon 2020. This may include the results of other ex-post audits, ex-ante controls, risk assessments, audit reports from external or internal auditors, etc. All this information may be used in assessing the overall impact of a weakness and considering whether to make a reservation or not.

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

Should a calculation of the residual error rate based on a representative sample not be possible for a FP for reasons not involving control deficiencies,¹⁸ the consequences are to be assessed quantitatively by making a best estimate of the likely exposure for the reporting year based on all available information. The relative impact on the Declaration of Assurance would then be considered by analysing the available information on qualitative grounds and considering evidence from other sources and areas. This should be clearly explained in the AAR.

Multiannual approach

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

¹⁸ 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.

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 financial reporting year. In order to determine whether to qualify this statement of assurance with a reservation, the effectiveness of the control systems in place needs to be assessed not only for the year of reference but also with a multiannual perspective, to determine whether it is possible to reasonably conclude that the control objectives will be met in the future as foreseen.

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

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

Adequacy of the audit scope

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

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

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

European Court of Auditors observations

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

In response to this observation, in 2020 the Commission re-defined its methodology for calculating the Horizon 2020 error rate. In order to quantify any potential understatement mentioned by the Court, the Commission applied a new methodology for all audits closed as from 1 January 2020. The main change in the methodology is that, the denominator used in the error calculation is the sum of costs actually audited and not the sum of all accepted costs.

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

IAS limited review on the 2020 error rate calculation for H2020

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

1. The 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. Recommendations 2.2 and 2.3 will be implemented in time within 2022.

Research Framework programmes – specific aspects

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

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

Seventh Framework programme and the Coal and Steel Research Fund

For the Seventh Framework programme and 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.

Horizon 2020 Framework Programme

The Commission's proposal for the Regulation establishing H2020 framework programme¹⁹ states that

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

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

Further, it explains also that

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

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

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

¹⁹ COM(2011) 809/3 Proposal for a Regulation of the European Parliament and of the Council establishing Horizon 2020 – the Framework programme for Research and Innovation (2014-2020), see point 2.2, pp 98-102.

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

Horizon Europe Framework Programme

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

De minimis threshold for financial reservation

As from 2019²⁰, a 'de minimis' threshold for financial reservations is introduced. Quantified AAR reservations related to residual error rates above the 2% materiality threshold, are deemed not substantial for segments representing less than 5% of a DG's total payments and with a financial impact below EUR 5 million. In such cases, quantified reservations are no longer needed.

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 its management. All of these grants follow the same homogeneous overall control system, which is set out in this report.

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

²⁰ Agreement of the Corporate Management Board of 30/4/2019.

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:

Representative Detected Error Rate for the Framework Programme (RepER%) as explained above, under the section “Research Framework Programmes – common aspects”

Local Representative Error Rates: These error rates are calculated for the MSCA actions that have a risk profile different 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”.

Residual Local Error Rates: 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 the 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 System(s) for budget implementation (RCSs)

REA implements one Relevant Control System per ongoing research programme for the direct management of grants (FP7, Horizon 2020 and Horizon Europe), as designed by the Common Policy Centre and Common Implementation Centre in DG RTD. The Control Strategy for Horizon Europe grant management is under preparation. However, the new controls already in place are reported in section 1 “Ex-ante controls” (sub-sections A, C and D).

A. Grants direct management –Horizon 2020 & Horizon Europe

1. Ex-ante controls

Effectiveness, efficiency are detailed per stages A to D. Economy is calculated overall for the ex-ante controls and detailed at the end of paragraph 1.

A - Preparation, adoption and publication of the Annual Work Programme and Calls for proposals 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)
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>For Horizon 2020 and Horizon Europe, 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</p>	<p>Coverage / Frequency: 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</p>	<p>Effectiveness: 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>Qualitative Benefits: A good Work Programme and well publicised calls should generate a large number of good quality projects, from which the most</p>

Main risks It may happen (again) that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (effectiveness, efficiency, economy)
<p>The Horizon 2020 and Horizon Europe implementation (procedures, monitoring arrangements, communication with beneficiaries, budget planning, etc) has serious shortcomings.</p>	<p>Commission decision C(2021)4472 are co-created with the work of the various instances and with the processes established in this decision.</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.</p> <p>The Common Policy Centre (CPC) in DG Research and Innovation under Horizon Europe centralises the budget planning and the monitoring of the Horizon Europe and Horizon 2020's budget implementation.</p> <p>The CIC/CPC governance structure ensures that programme implementation experience gathered feeds back to the programme design.</p>	<p>instances like the Steering Board, the Executive Committee, the Directors Groups and key user groups.</p>	<p>excellent 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.²¹</p>

²¹ 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</p> <p>Comprehensive IT system supporting the stage and allowing better monitoring of the 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>100% vetting (including selecting) of experts for technical expertise and independence (e.g. conflicts of interests, nationality bias, ex-employer bias, collusion)</p> <p>100% of proposals are evaluated. 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>The beneficiary lacks operational and/or financial capacity to carry out the actions.</p> <p>Procedures do not comply with regulatory framework.</p> <p>The evaluation stage has not detected a potentially fraudulent proposal/beneficiary.</p> <p>The project implementation might not comply with Ethics requirements</p> <p>Sensitive/classified information in future deliverables of a selected projects might not be handled with the adequate Security measures</p>	<p>Validation of beneficiaries (financial capacity checks on demand). 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 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>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>Effectiveness: Number of grants signed</p> <p>Efficiency Indicators:</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>Ethics requirements are not fulfilled.</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</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 Effective external communication about guidance to the beneficiaries (e.g. Funding and Tender portal, info days for the calls)</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>100% of the projects are controlled, including only value-adding checks. Riskier operations subject to more in-depth controls.</p> <p>The depth depends on risk criteria. However, as a deliberate policy to reduce administrative burden, and to ensure a good balance between trust and control, the level of control at this stage is reduced to a minimum</p> <p>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 375 000 (FP7), EUR 325 000 (Horizon 2020). EUR 430 000 (Horizon Europe)</p>	<p>Effectiveness: Number of payments (interim and final)</p> <p>Efficiency: Time-to-pay: % of payments (in value) made on time Time-to pay: Average number days net/gross + suspension days</p> <p>Qualitative Benefits: Projects are executed and produce benefits for the community</p>

Main risks It may happen (again) that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (effectiveness, efficiency, economy)
	If needed: application of Suspension/interruption of payments, Referring grant/beneficiary to OLAF/EPPO		

Overall economy and quantitative benefit for ex-ante control

			<p>Economy</p> <p>a. <u>Estimation of cost of staff involved in the ex-ante checks</u></p> <ul style="list-style-type: none"> -Programme management and monitoring -Financial management -Budget and accounting -General Coordination incl. Strategic Programming and Planning, internal control, assurance and quality management -Anti-fraud -Development and support of IT systems linked to managing funding programmes <p>b. <u>Estimation of other costs linked to ex-ante checks</u></p> <ul style="list-style-type: none"> Cost of experts and costs of experts management Costs of IT external contracts of CIC
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2. Ex-post controls

Effectiveness, efficiency and qualitative benefits are detailed per stages A to D. Economy is calculated overall for the ex-post controls and 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.</p> <p>Lack of efficiency for absence of coordination: multiple audits on the same beneficiary, same programme: reputational risk and high administrative burden on the beneficiaries' side.</p>	<p>Common Ex-post control strategy for the entire Research and Innovation family (Horizon 2020), implemented by a central service ((Common Audit Service (CAS) part of the Common Implementation Centre, DG Research and Innovation):</p> <ul style="list-style-type: none"> - At intervals carry out audits of a representative sample of operations to measure the level of error in the population after ex-ante controls have been performed. - Calculates the representative error rate for the R&I programme - Additional sample to address specific risks - When relevant, joint audits with the Court of Auditors <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>	<ul style="list-style-type: none"> - Common Representative audit Sample (CRaS): MUS sample across the programme to draw valid management conclusions on the error rate in the population. - Research and Innovation risk-based sample, determined in accordance with the selected risk criteria aimed to maximise deterrent effect and prevention of fraud or serious error 	<p>Effectiveness: Representative and residual error rate identified Number of audits finalised % of beneficiaries & value coverage</p> <p>Efficiency: 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 or not addressed in a timely manner</p>	<p>Systematic registration of audit / control results to be implemented and actual implementation.</p> <p>Validation of recovery in accordance with financial circuits.</p> <p>Authorisation by AOSD</p> <p>Coordination at the level of the R&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>Coverage: 100% of final audit results with a financial impact.</p> <p>Depth: All audit results are examined in-depth in making the final recoveries. Systemic errors are extended to all the ongoing non-audited projects of the same beneficiary (or closed within two years).</p>	<p>Effectiveness: Amounts being recovered and offset</p> <p>Efficiency: Number/value/% of audit results pending implementation, Number/value/% of audit results implemented</p>

Overall economy of ex-post control

			<p>Economy 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</p>
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A. 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>Validation of legal entities</p> <p>Legal entity and status:</p> <ul style="list-style-type: none"> - 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). <p>Bank accounts:</p> <ul style="list-style-type: none"> - Upon request, REA creates the entry for legal entity registration and bank accounts in ABAC. <p>LEAR appointment/extended mandate</p> <ul style="list-style-type: none"> - 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. 	<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>Effectiveness:</p> <p>Number of legal validations performed.</p> <p>Number of LEAR validated.</p> <p>Number of Universal takeover (former UTRO) validations and ICM/Ex-post modifications.</p> <p>Number of change requests or additional corrections.</p> <p>Efficiency Indicators:</p> <p>Participant validation: 95% of validations performed within the 90 days from the "raise priority" date.</p>

Main risks It may happen (again) that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (effectiveness, efficiency)
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>Financial Capacity Assessment (FCA)</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>	100% coverage of the client's requests.	<p>Effectiveness:</p> <p>Number of FCA performed.</p>
<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>Small- and Medium-sized Enterprises</p> <p>SME validation:</p> <ul style="list-style-type: none"> - 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 may also be performed by REA. <p>SME ex-post verifications:</p> <ul style="list-style-type: none"> - REA, in close cooperation with EASME and/or other clients where relevant, performs sample based ex-post checks on self-assessed SMEs. 	<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>Effectiveness:</p> <p>Number of SME validations performed.</p>

Overall economy indicator for validation services

			<p>Economy</p> <p>Estimation of the overall administrative cost of the legal and financial participant validation activity</p>
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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"> – using the framework contract of DG COMM for the Europe Direct Contact centre to have an external contractor for answering basic questions, – answering the questions which have been forwarded to REA by the external contractor, – verifying that questions are allocated to the appropriate thematic helpdesk, – training and supporting the contractor, and monitoring the quality of answers provided directly by them, – organising training by specific thematic helpdesks for the contractor on certain calls/topics, – training and supporting the thematic help desks' members on the use of the RES dedicated IT tool for providing answers to the questions, – 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, – performing ex-post quality controls of all answers provided by the external contractor and by the thematic helpdesks. 	<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>Effectiveness: Number of replies to enquiries.</p> <p>Efficiency Indicators: 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)
<p>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.</p>	<p>Frequently Asked Questions (FAQ)</p> <ul style="list-style-type: none"> - Review all the FAQ related to the business processes to be published on the Funding & Tender Portal (F&T Portal). - Coordinate with the FAQ authors and submit the FAQ to CIC.B1 for publication on the F&T Portal. 	<p>At any time.</p> <p>Within 2 weeks from the submission for review.</p>	<p>Effectiveness:</p> <p>No of questions approved and published.</p> <p>NB: No specific economy indicator (the costs of this activity are included in the validation services, as they mainly serve them)</p>

3- Expert management and support

1 - 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"> - Management and capacity planning of the Common Evaluation Facility (COVE, BXL). - 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. 	<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>	<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>
	<ul style="list-style-type: none"> - 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). 	<p>6 months before the planned adoption of Work Programme.</p>	
	<ul style="list-style-type: none"> - Negotiation between the clients in case of conflicts in the allocation of resources between the various calls. 	<p>4 1/2 months before the planned adoption Work Programme.</p>	
	<ul style="list-style-type: none"> - Final agreement with the clients on the call planning schedule. 	<p>During Inter-Service Consultation (ISC) on the Work programme (at the latest).</p>	
<p>Potential participants could not receive timely information on the calls.</p>	<p>Call publication on the EU Funding & Tender Portal:</p> <ul style="list-style-type: none"> - The information is checked and the call is published on the Funding and Tenders portal via the Call Passport System (CPS). 	<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.	On-site support to expert evaluators during the central evaluation: <ul style="list-style-type: none"> - Verify if arrangements for the evaluation need to be updated (depending on the number of proposals received). - Reservation of the facilities in COVE. - Evaluation preparation: for instance, the weekly update of information screens and the delivery of copies of the submitted proposals. 	2 weeks before the start date for the central evaluation.	
	<ul style="list-style-type: none"> - Support during the evaluation sessions: this covers the reception of the expert evaluators. - Management of the Common Evaluation Facility, including the supervision of the service providers for security, the building management. 	During 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.	On-site support to expert evaluators during the central evaluation <ul style="list-style-type: none"> - Reimbursement briefings to expert evaluators: these are regularly organised during on-site sessions. - Reimbursement helpdesk: this service to expert evaluators is organised twice a week during on-site evaluations in Brussels. 	During central evaluation.	

2 – Contracting and payment of expert evaluators and monitors²²

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> <p>a) Global budget planning;</p> <p>b) 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);</p> <p>c) Payment of experts and issuing of VAT certificates at request;</p> <p>d) Reporting on all non-compliance cases arising in relation to expert contracting and payment;</p> <p>e) Management of support activities (e.g. exceptional travel arrangements of experts and conflict of interest);</p> <p>f) Verification of Legal Entity and Bank Account for H2020 expert monitors.</p>	<p>b) 100% of experts 100% of BA, LE, contracts</p> <p>d) Quarterly</p> <p>f) 100%</p>	<p>Efficiency Indicators:</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>

²² 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.

Overall economy indicator for expert management and support

			Economy Estimation of the overall administrative cost of the activity (costs of the evaluation platform excluded)
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B. 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>Step 1: Call for Tenders</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>Step 2: Evaluation of tenders</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>Step 1: Call for Tenders</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>Step 2: Evaluation of tenders</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, compliance with all legal and procedural requirements is verified by an independent procurement committee. The evaluation committee issues contract award recommendation in the form</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>Step 3: Award of contract</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>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>Step 3: Award of contract</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>Step 1: Monitoring</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>Step 2: Payment</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>Step 1 : Monitoring</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>Step 2 : Payment</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-payment; Late interest payment and damages paid by the Agency.</p>

Main risks It may happen that...	Mitigating controls	Coverage, frequency and depth of controls	Cost effectiveness indicators (three E's)
			<p>Economy overall PROCUREMENT</p> <p>Cost-effectiveness in % of costs of FTEs involved in controls vs the total funds managed (evolution over time);</p> <p>Cost/benefit ratio regarding controls on payments, (evolution over time).</p>

ANNEX 7: Specific annexes related to "Financial Management"

As a complement to the information provided in the report, 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 (Section 2.1).

1) Table 5 on the estimated “cost of controls” at Commission level

Table 5 - Overview of REA estimated cost of controls at Commission (EC) level:

NB. The absolute values are presented in EUR.

EXPENDITURE

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	61,223,488.58 €	2,276,021,198.11 €	2.69%	1,189,590.71 €	- €	0.00%	62,413,079.29 €	2.74%
			0.00%	- €	- €	0.00%	- €	0.00%
OVERALL total estimated cost of control at EC level for expenditure	61,223,488.58 €	2,276,021,198.11 €	2.69%	1,189,590.71 €	- €	0.00%	62,413,079.29 €	2.74%

SHARED/POOLED CONTROL ACTIVITIES (RTD & REA)

Validation services (only REA)	9,826,125.28 €	- €	0.00%	- €	- €	0.00%	9,826,125.28 €	0.00%
Expert management (only REA)	36,913,012.99 €	- €	0.00%	- €	- €	0.00%	36,913,012.99 €	0.00%

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

** ratio possibly “Not Applicable (N/A)”, e.g. if a RCS specifically covers an Internal Control Objective such as safeguarding sensitive information, reliable accounting/reporting, etc

*** any ‘holistic’ control elements (e.g. with ‘combined’ ex-ante & ex-post characteristics) can be reported in the ex-ante column provided that a footnote clarifies this (their nature + their cost).

Example: MS system audits in shared management.

(d) The REA costs for ex-post controls relate to the implementation of the audit results and extensions.

(e) Ex-post audits are implemented by DG RTD (Common Audit Service), therefore the “audited amounts” are reported in DG RTD’s AAR.

(h) This ratio doesn’t include the costs of ex ante controls carried out by expert evaluators, which are occurred in REA for the R&I Family and calculated separately (0.63%). It does not include either the costs of the ex-post controls provided by the Common Implementation Center (0.72%). See Table 7 - Overall costs of controls for direct grant management in Horizon programmes) for more details

→ Validation services being EC corporate services, the costs of control do not relate to expenditure implemented by the Agency

→ Expert management : shared/pooled control activities performed by REA for Research and Innovation Family

Complementary information for section 2.1.1: “Economy or costs of controls”

C. Costs 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 6 - Costs of controls incurred by REA

		Total staff costs (in M€) (Title 1 of the administrative budget)	Other expenditures (in M€)		Total cost of controls (in M€)
			of which charged to the administrative budget (Titles 2 and 3)	of which charged to the operational budget (expert reviewers)	
Grant Management	Ex-ante controls	47.40	10.15	3.67	61.22
	Ex-post controls	0.98	0.21	0.00	1.19
	Total:	48.38	10.37	3.67	62.41
		58.74			
Administrative & logistic support services	Validation services & Research Enquiry Service	8.09	1.74	0.00	9.83
	Experts management & Evaluation Platform	5.29	7.10	0.00	12.39
Other tasks	Coordination and administrative support	5.70	1.22		
	Total:	67.46	20.42		
		87.88			

D. Costs of controls for direct grant management in Horizon programmes, including the costs shared by the R&I family

Table 7 - Overall costs of controls for direct grant management in Horizon programmes

Effectiveness indicator in direct grant management	Total costs (m€)	2020 Grants payments for H2020 Family (m€)	Overall rate (total costs/total amount paid) %
<i>Services provided by the Common Implementation Centre</i>			
Ex-ante controls (mainly Common services in IT systems and operations, business processes) Ex-post controls (Common Audit Service)	51.74¹	7,637 ²	0.68%
<i>Services provided by REA</i>			
Evaluation experts' costs	36.91³	5,900 ⁴	0.63%
		Operational payments for grants 2021 REA	
REA costs of controls for grant management	62.41	2,276	2.74%
Overall cost effectiveness for grant management in REA			4.05%

¹ Costs (Million €) (data from Atlas 10.01.2022 for internal costs and budget execution CIC for external costs)

² Data from Corda 06.01.2022

³ Operational and administrative costs (expert cost claims and staff and logistic costs)

⁴ Excluding ERCEA

E. REA operating (administrative) budget executed in 2021 per activity

Table 8 - REA operating (administrative) budget executed in 2021 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)	18.87	3.82	0.22	22.17	0.74	0.00	22.91
Cluster 2: Culture, Creativity and Inclusive Society	3.90	0.79	0.05	4.59	0.15	0.00	4.74
Cluster 3: Civil Security for Society (HOME)	3.21	0.65	0.04	3.77	0.13	0.00	3.90
Cluster 6: Food, Bioeconomy, Natural Resources, Agriculture and Environment	10.37	2.10	0.12	12.18	0.41	0.00	12.59
Sharing Excellence	4.86	0.98	0.06	5.71	0.19	0.00	5.90
Reforming and enhancing the European R&I system	1.58	0.32	0.02	1.86	0.06	0.00	1.92
Research infrastructure	1.97	0.40	0.02	2.32	0.08	0.00	2.40
Agricultural promotion measures (AGRI)	1.62	0.33	0.02	1.97	0.00	0.00	1.97
Research fund for Coal and Steel (R&I)	1.99	0.40	0.02	2.42	0.00	0.00	2.42
Expert management & support	5.29	1.07	6.02	12.18	0.21	0.00	12.39
Central validation Service	8.09	1.64	0.10	9.51	0.32	0.00	9.83

Management and administrative support							
Marie Skłodowska-Curie Actions	1.81	0.37	0.02	2.13	0.07	0.00	2.20
Cluster 2: Culture, Creativity and Inclusive Society	0.37	0.08	0.00	0.44	0.01	0.00	0.46
Cluster 3: Civil Security for Society	0.31	0.06	0.00	0.36	0.01	0.00	0.37
Cluster 6: Food, Bioeconomy, Natural Resources, Agriculture and Environment	0.96	0.19	0.01	1.13	0.04	0.00	1.17
Sharing Excellence	0.47	0.09	0.01	0.55	0.02	0.00	0.57
Reforming and enhancing the European R&I system	0.17	0.03	0.00	0.20	0.01	0.00	0.21
Research infrastructure	0.17	0.03	0.00	0.20	0.01	0.00	0.21
Agricultural promotion measures	0.18	0.04	0.00	0.21	0.00	0.00	0.21
Research fund for Coal and Steel	0.18	0.04	0.00	0.21	0.00	0.00	0.21
Expert management & support	0.45	0.09	0.01	0.53	0.02	0.00	0.55
Central validation Service	0.63	0.13	0.01	0.74	0.02	0.00	0.77
Total	67.46	13.66	6.76	85.39	2.49	0.00	87.88

F. Additional reporting requirements foreseen in 2018 Financial Regulation

Table 9 - Financial Framework Partnerships with a duration of more than 4 years

HE -FPAs

Project Number	Project Acronym	Project Title	Project Start Date	Project End Date
101052382	COST- FPA	COST: Europe's most empowering research programme - Strengthening science and innovation through research networking	01-11-2021	31-10-2028
101052382	COST- FPA	COST: Europe's most empowering research programme - Strengthening science and innovation through research networking	01-11-2021	31-10-2028
101052382	COST- FPA	COST: Europe's most empowering research programme - Strengthening science and innovation through research networking	01-11-2021	31-10-2028
101052382	COST- FPA	COST: Europe's most empowering research programme - Strengthening science and innovation through research networking	01-11-2021	31-10-2028

Complementary information for section 2.1.1: “Control effectiveness as regards legality and regularity”

G. 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 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 Research and Innovation Family as a whole produced 4 633 audit results by the end of 2021, sufficiently covering the Seventh Framework Programme expenditure.

With the Seventh Framework Programme running towards the end, and with all Common Representative Sample items closed, the audit strategy for the FP7 is considered to be fully implemented.

DG Research and Innovation produced 2068 FP7 audit results by the end of 2021, covering 64.1 % of its Seventh Framework Programme expenditure and effectively exceeding its target.

The percentage of the Seventh Framework Programme expenditure covered by the audits (64.1 %) refers to the value of the participations of the audited beneficiaries, comprising 9.8 % direct coverage and 54.3 % indirect coverage.

Horizon 2020 (H2020)

By the end of 2021, the Research and Innovation Family audited 3 424 participations, covering 55.6 % of total H2020 expenditure to date.

The percentage of H2020 expenditure covered by the audits (55.6 %) refers to the value of the participations of the audited beneficiaries. It includes both the fully audited participations (3.7 %), also referred to as the 'direct' coverage, and the non-audited participations which nevertheless, after the full treatment of audit results, are clean from systematic errors (51.9 %), also referred to as the 'indirect' coverage.

The overall target (most probable scenario) in the H2020 Audit Strategy for 2021 is 493 audited participations. By 31 December 2021, the audits of 514 participations were closed, (completion rate 104,3%).

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

Table 10 Performance table for sound financial management – main indicators

Objective: 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	
Indicator: Estimated risk at closure	
Source of data: ABAC as source of financial data, error rates used in the calculation are provided by the Common Audit Service (CAS) of DG RTD	
Baseline (2020)	Target (2021)
1.68% of relevant expenditure	< 2% of relevant expenditure
Situation at the end of the year:	With an estimated risk (error rate) at payment error rate of 1.54%, the amount at risk at payment has been estimated at €22.12 million at the end of 2021. This represents 1.21% of the relevant expenditure.

Table 11 - Main outputs delivered in 2021 for ensuring a sound financial management

Main outputs in 2021:		
Output	Indicator	Target
Effective controls: Legal and regular transactions	Risk at payment	Becomes < 2 % of relevant expenditure
	Situation at the end of the year:	1.54%
	Estimated risk at closure	Remains < 2 % of relevant expenditure
	Situation at the end of the year:	1.21%
	Implementation of H2020 audit findings	80% by 31/12/2021
	Situation at the end of the year:	
	Cumulative implementation rate of audit results for H2020: 97% ²³	
Effective controls: Safeguarded information	Number of security incidents with impact on the confidentiality, integrity or availability of EMI (ECS) or PDM systems	No reported incident is categorised as major
	Situation at the end of the year:	
	No reported incident is categorised as major	

²³ This percentage is calculated according to a formula that was subject to observations by the internal audit service in its recent audit. It compares to the objective as set in the AWP. In 2022 the calculation method of the indicator will be revised, following the IAS's recommendation.

Efficient controls	Budget execution and time-to-pay	Remains 100% of operational payment appropriations and remains 100% of operational payments (in value) on time
	Situation at the end of the year:	
	The Budget execution remains 100% of operational payment appropriations in C1, C5 and E0 (i.e., for the credits that cannot be carried-over) while the operational budget time-to-pay reached 99.44% on time	
Economical controls	Overall estimated cost of controls	Remains stable ²⁴
	Situation at the end of the year:	
	The indicator stayed in the same range (2.74% versus 2.61% in 2020). However, because of the significant change in REA's portfolio and the late start of Horizon Europe programme (impact on the payments implemented), the value of indicator cannot be compared to end of 2020.	

Table 12 Implementation of H2020 ex-post audit results during 2021 - adjustments in favour of the EU budget excluding extrapolation cases

Year of audit closure	Audit adjustments for which implementation is pending on 31/12/2020		New audit adjustments during 2021		Audit adjustments implemented during 2021		Audit adjustments for which implementation is pending on 31/12/2021	
	No. of projects	Funding adjustments (in €)	No. of projects	Funding adjustments (in €)	No. of projects	Funding adjustments (in €)	No. of projects	Funding adjustments made (in €)
2017-2020	22	958.024	0	0	21	917.524	1	40.500
2021	0	0	28	702.521	7	212.524	21	489.997
TOTAL	22	958.024	28	702.521	28	1.130.048	22	530.497

Table 13 - Implementation of H2020 extensions of audit findings by 31/12/2021

Number of projects with extensions	Extensions implemented		No correction is required	Number of cases to be analysed/implemented by the REA
	No	EUR		
507	76	386.115	389	42
Cumulative implementation rate for H2020 extensions, %				92%

²⁴ For the parts of the REA mandate where a comparison with the 2020 baseline is possible.

Table 14 - Implementation of H2020 extensions of audit findings up to 31.12.2021 – Comparison with

	Number of projects with extensions	Extensions implemented		No correction is required	Number of cases to be analysed/ implemented by the REA
		No	EUR		
TOTAL as of 31/12/2021	507	76	386.115	389	42
TOTAL as of 31/12/2020	393	33	182.487	338	22
Change compared to the previous year	114	43	203.628	51	20

I. Anti-fraud activities

Table 15 - Performance against indicators in the AWP 2021 for anti-fraud activities

Objective: The risk of fraud is minimised through the application of effective anti-fraud measures and the implementation of the Commission Anti-Fraud Strategy (CAFS) ²⁵ aimed at the prevention, detection and correction ²⁶ of fraud		
Indicator: Implementation of the actions included in REA's anti-fraud strategy over the strategy's lifecycle		
Source of data: Action plan 2019 for implementing the REA anti-fraud approach		
Baseline 2018	Interim milestone 2020	Target 2021
0% of action points implemented	86% of action points (12/14) implemented in time	100% of action points (14/14) implemented in time
Situation at the end of the year:	All action points from the 2019 Action plan in Antifraud Approach have been implemented except for the OLAF reporting IT tool, in progress	

Table 16 - Main outputs delivered in 2021, supporting the anti-fraud activities

Output	Indicator	Target
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²⁵ 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'.

²⁶ Correction of fraud is an umbrella term, which notably refers to the recovery of amounts unduly spent and to administrative sanctions.

Anti-fraud training sessions (made compulsory within 1 year from entering the service)	No. of sessions to organise	3 or more if necessary
Situation at the end of the year:	4 training sessions provided (one more session organised out of the planned 3 due to increase in demand)	
EDES and bankruptcy training	No. of sessions to organise	2
Situation at the end of the year:	2 training sessions provided out of 2	
REA Quarterly Reports “State of play of cases under OLAF investigation for serious irregularities”	Number of internal reports per year	4 (2 are externalised to parent DGs)
Situation at the end of the year:	All quarterly reports provided and Q4 2021 (October–December 2021) report being prepared	
Drafting of REA internal manual setting up an anti-fraud procedure in REA	Publication of manual	2021
Situation at the end of the year:	Publication in progress, expected for Q1 2022	
Update of the internal REA EDES guide	Publication of updated guide	2021
Situation at the end of the year:	Update adopted by management on 14/07/2021 (ARES/2021/4783402)	
Streamline the reporting on recoveries and sanctions stemming from implementation of OLAF reports and their financial impact	New reporting tool (database)	2021
Situation at the end of the year:	Reporting tool in progress	

Table 17 - Overview of anti-fraud activities' status at year-end

	Status at year end 31.12.2021
Number of OLAF cases handled by REA on 31/12/2020	66
New OLAF cases handled by REA in 2021	11
Of which the source of the case is:	
REA	3
OLAF	6
Parent DGs	2

Cases that stopped to be followed-up and reported in 202	23
Of which the source of the case was:	
REA	14
OLAF	5
Parent DGs	4
Number of pending OLAF cases on 31/12/2021	54
New cases transmitted by the REA to OLAF in 2021	3
New cases transmitted by the REA to OLAF in 2021 and retained by OLAF for further investigation	1
New cases transmitted by the REA to OLAF in 2021 and dismissed by OLAF	2
New cases transmitted by the REA to OLAF in 2021 for which OLAF's decision is still pending	0
Cases for which OLAF concluded its investigations and issued its conclusions in 2021	8
Cases for which OLAF decided not to open an investigation and dismissed them in 2021	5

Table 18 - 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 41 OLAF reports with financial recommendations addressed to REA from 2009 up to December 2021 (rounded figures).

Value-of-OLAF-financial-recommendations-¶ (M€)¶	Decision-of-the-responsible-authorising-officer¶					
	Not-implemented¶ (M€)¶	Actual-amount-to-be-recovered-/-corrected-as-established-and-confirmed-by-AOD-(FAER)¶ (M€)¶ 20.3·(86.9%)¶				
23.3¶	3¶	Recovery-orders-issued¶ (M€)¶ 18.9¶			Rejections¶ (M€)¶	
		Not-yet-cashed-from-beneficiaries--pending-proceedings¶ ¶	Cashed-or-offset-from-beneficiaries¶ ¶	Not-yet-cashed-from-beneficiaries,-not-enforced-or-waived¶ ¶	Waived-(bankruptcy)¶ ¶	
		6.4¶	4·(21%)¶	6.4¶	2.1·(11%)¶	
					1.4¶	

^[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"

"not applicable"

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

1) Annex related to "Control results" - Table 19: Estimated risk at payment and at closure

Table 19 Estimated risk at payment and at closure

EA REA	'payments made' (2021;MEUR)	minus new prefinancing [plus retentions made] (in 2021;MEUR)	plus cleared prefinancing [minus retentions released and deductions of expenditure made by MS] (in 2021;MEUR)	'relevant expenditure' (for 2021;MEUR)	Detected error rate or equivalent estimates	estimated risk at payment (2021;MEUR)	Adjusted Average Recoveries and Corrections (adjusted ARC, %)	estimated future corrections [and deductions] (for 2021;MEUR)	estimated risk at Closure (2021;MEUR)
-1	-2	-3	-4	-5	-6	-7	-8	-9	-10
Horizon Europe	94.76	- 93.56	0.00	1.20	0.50% - 0.50%	0.01 - 0.01	0.00% - 0.00%	0.00 - 0.00	0.01 - 0.01
RFCS	34.46	- 12.47	14.67	36.66	4.26% - 4.26%	1.56 - 1.56	1.13% - 1.13%	0.41 - 0.41	1.15 - 1.15
AGRIP*	53.28	- 11.05	7.39	49.62	1.88% - 1.88%	0.93 - 0.93	0.35% - 0.35%	0.17 - 0.17	0.76 - 0.76
H2020 - MSCA	679.74	- 504.65	534.13	709.21	0.56% - 0.56%	3.97 - 3.97	0.06% - 0.06%	0.43 - 0.43	3.55 - 3.55
H2020 - (excluding MSCA)	1 411.96	-1 017.58	503.29	897.67	2.29% - 2.29%	20.56 - 20.56	0.54% - 0.54%	4.85 - 4.85	15.71 - 15.71
FP7 - People	0.67	0.00	11.30	11.97	1.73% - 1.73%	0.21 - 0.21	0.19% - 0.19%	0.02 - 0.02	0.18 - 0.18
FP7- Security theme	0.63	0.00	0.00	0.63	5.44% - 5.44%	0.03 - 0.03	1.53% - 1.53%	0.01 - 0.01	0.02 - 0.02
FP7- SME actions	0.52	0.00	2.10	2.62	6.12% - 6.12%	0.16 - 0.16	0.37% - 0.37%	0.01 - 0.01	0.15 - 0.15
Expert management	28.19	0.00	0.00	28.19	0.50% - 0.50%	0.14 - 0.14	0.00% - 0.00%	0.00 - 0.00	0.14 - 0.14
Sub-total	2 304.21	-1 639.31	1 072.87	1 737.77		27.57 - 27.57	0.34% - 0.34%	5.90 - 5.90	21.67 - 21.67
operating budget	87.88	0.00	0.00	87.88	0.50% - 0.50%	0.44 - 0.44	0.00% - 0.00%	0.00 - 0.00	0.44 - 0.44
total EA (operational + operating)	2 392.10	-1 639.31	1 072.87	1 825.66		28.01 - 28.01	0.32% - 0.32%	5.90 - 5.90	22.11 - 22.11
					Overall risk at payment in %	1.53% - 1.53% (7) / (5)		Overall risk at closure in %	1.21% 1.21% (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% of the expenditure was spent under procurement (see table 1 in the main report). However, for readability reasons the two segments are presented together. The estimated error rate for the 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). as per note 2.5.1 to the Commission annual accounts thus excluding "Other advances to Member States" which are covered on a purely payment-made basis (note 2.5.2).

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

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

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

(6) In order to calculate the weighted Average Error Rate (AER) for the total relevant expenditure in the reporting year, the common representative error rate for FP7 and the Research Family expected representative error rate for the full sample for H2020, excluding draft reports, have been used. For MSCA grants, the "local" error rate has been used. For RFCS the error rates have been estimated based on the last available audit campaign's non representative results. For AGRIP the error rates have been estimated based on available non representative ex-post audit results. For types of low-risk expenditure with indications that the equivalent error rate might be close to 'zero' (e.g. administrative expenditure, operating subsidies to agencies), we use 0.5% as a conservative estimate.

(8) Even though to some extent based on the 7 years historic Average of Recoveries and financial Corrections (ARC), which is the best available indication of the corrective capacity of the ex-post control systems implemented by the agency over the past years, the AOD adjusted this historic average (1.2%), further to ECA/IAS recommendations, and used, as best estimation: *for FP7 and RFCS: the difference between overall detected error rate and the residual error rate *for H2020: the R&I family expected detected error rate for the full sample excluding draft audit reports and DG R&I residual error rate excluding draft audit reports *for AGRIP: the expected detected, weighted error rate."

2) Reservations

No reservation is made for 2021. De minimis rule applied (see AAR, Part 2.1.1, *Section 1a*)

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

Staff per activity

Table 20 REA Staff per activity as of 31.12.2022

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.	
Marie Skłodowska-Curie Actions (EAC)	68,37	9,22	183,64	252,01	14,13	266,14
Operational staff for MSCA	62,21	7,62	168,46	230,67	12,15	242,82
Management and administrative support staff for MSCA	6,16	1,60	15,18	21,34	1,98	23,33
Cluster 2: Culture, Creativity and Inclusive Society	14,02	2,92	39,40	53,42	1,65	55,06
Operational staff for Cluster 2	12,74	2,59	36,26	49,00	1,24	50,24
Management and administrative support staff for Cluster 2	1,27	0,33	3,14	4,41	0,41	4,82
Cluster 3: Civil Security for Society (HOME)	13,48	2,75	30,26	43,74	1,53	45,27
Operational staff for Cluster 3	12,43	2,48	27,68	40,11	1,19	41,31
Management and administrative support staff for Cluster 3	1,05	0,27	2,58	3,63	0,34	3,97
Cluster 6: Food, Bioeconomy, Natural Resources, Agriculture and Environment	39,90	11,81	98,16	138,05	7,66	145,71
Operational staff for Cluster 6	36,63	10,97	90,12	126,76	6,61	133,36
Management and administrative support staff for Cluster 6	3,26	0,85	8,03	11,30	1,05	12,35
Sharing Excellence (RTD)	14,75	2,14	50,97	65,72	2,81	68,52
Operational staff for Sharing Excellence	13,17	1,73	47,06	60,22	2,29	62,52
Management and administrative support staff for Sharing Excellence	1,59	0,41	3,91	5,49	0,51	6,00
Reforming and enhancing the European R&I system (RTD)	6,37	2,42	14,92	21,29	1,29	22,58
Operational staff for Reforming and enhancing the European R&I system	5,79	2,27	13,49	19,28	1,11	20,39

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.	
Management and administrative support staff for Reforming and enhancing the European R&I system	0,58	0,15	1,43	2,01	0,19	2,20
Research infrastructure	5,37	2,42	20,92	26,29	1,29	27,58
Operational staff for Research infrastructure	4,79	2,27	19,49	24,28	1,11	25,39
Management and administrative support staff for Research infrastructure	0,58	0,15	1,43	2,01	0,19	2,20
Agricultural promotion measures (AGRI)	4,31	1,09	18,76	23,06	0,00	23,06
Operational staff for Agricultural promotion measures	3,65	0,92	17,15	20,80	0,00	20,80
Management and administrative support staff for Agricultural promotion measures	0,65	0,17	1,61	2,26	0,00	2,26
Research fund for Coal and Steel (RTD)	7,70	4,48	20,15	27,85	0,00	27,85
Operational staff for RFCS	7,05	4,31	18,55	25,59	0,00	25,59
Management and administrative support staff for RFCS	0,65	0,17	1,61	2,26	0,00	2,26
Expert management & support	12,66	2,69	59,68	72,34	1,64	73,98
Operational staff for Expert management & support	11,10	2,28	55,92	67,02	1,11	68,13
Management and administrative support staff for Expert management & support	1,56	0,41	3,76	5,32	0,53	5,85
Central validation Service	13,07	3,05	99,16	112,23	0,00	112,23
Operational staff for Central validation Service	10,69	2,43	93,40	104,09	0,00	104,09
Management and administrative support staff for Central validation Service	2,38	0,62	5,75	8,14	0,00	8,14
Total	200,00	45,00	636,00	836,00	32,00	868,00

Achievement of the objectives Human Resources set in the AWP

Objective: 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

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

Source of data: Sysper

Baseline 2020	Target	Latest known results (31/12/2021)
40% of the middle managers were women	<p>Commission target until end of 2024: full gender equality, i.e. 50% of the total middle management population is female 50% of first female appointments in middle management positions</p> <p>Target 2021 (as set in AWP 2021): 45% of the total middle management population is female</p> <p>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.</p>	<p>1 (100%) first female appointment to middle management position in 2021</p> <p>Female in middle management (HoD+HoU): 47% (9 out of 19)</p>

Indicator 2: Staff engagement index

Source of data: Commission staff survey 2018 and 2021 (data provided by DG HR)

Baseline 2018	Target (2021)	Latest known results (31/12/2021)
69% compared to the Commission average of 69%	European Staff Survey 2021 – target is to maintain or improve the REA 2018 result.	77% compared to the Commission average of 72%

Main outputs in 2021:

Description	Indicator	Target	Latest known results (31/12/2021)
Executing the planned staffing of the Agency	Occupation rate of the establishment plan	>95%	97.9%

Description	Indicator	Target	Latest known results (31/12/2021)
Ensuring that all staff has attended mandatory training	Coverage (%) of REA newcomers and other staff that did not yet attend the mandatory training	>90% (availability of training sessions in 2021 as limitative factor, reaching 100% attendance by 2023)	81% for Ethics and Integrity (for all staff; 673 out of 827); 69,5% for Anti-Fraud Prevention (for concerned staff only; 312 out of 449)
Supporting selection panel members	REA selection panels in 2021 with at least one panel member trained in competency based interviewing methods	100%	100%

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, userfocused and data-driven Agency

Indicator 1: Degree of implementation of the digital strategy principles by the most important IT solutions²⁷

Source of data: REA - The most important REA IT tool has been evaluated: OMEGA²⁸

Baseline 2021	Target	Latest known results (31/12/2021)
60%	Target 2024: 95% 2022 interim milestone: 70%	63% with a goal to 70% for end of 2022

Indicator 2: Percentage of REA's key data assets²⁹ for which corporate principles for data governance have been implemented

Source of data: REA

Baseline 2021	Target	Latest known results (31/12/2021)
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²⁷ 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.

²⁸ The full name of the IT tool is Operational Management of E-Grants Activities.

²⁹ 4 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.

Baseline 2021	Target	Latest known results (31/12/2021)
Data governance and data policies will be put in place during 2021-2022	Target 2024: 80% (targeting 100%) 2022 interim milestone: 50% (minimum two principles implemented out of four)	No progress on indicator 2. ³⁰ Data governance and policies will be in place in 2022, the first two principles (out of four) will be done.
Indicator 3: Percentage of staff attending awareness raising activities on data protection compliance Source of data: EU-Learn statistics and other		
Baseline 2020	Target	Latest known results (31/12/2021)

³⁰ For the indicator 2, the REA ICT should assign, per principle, a score from 0% if the principle is not respected at all, to 100% if the principle is fully respected (partial score per principle is possible). Then, the REA ICT should calculate an average across all four principles, equally weighted (i.e. 25% each). The four principles are:

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

Baseline 2021	Target	Latest known results (31/12/2021)
<ol style="list-style-type: none"> 34% of staff registered for a REA awareness raising activity on data protection compliance. In addition: <ul style="list-style-type: none"> Approx. 85 staff of the REA participant validation services unit participated in a data protection awareness session, and 21 REA managers received a presentation by members of the office of the European Data Protection Supervisor (EDPS)³¹ 	<p>Target 2024: 100% of staff in post for 6 months or longer</p> <p>2021 interim milestone: 50% of REA staff have since 2020 registered for a REA awareness raising activity on data protection compliance</p>	55% of REA staff [477 persons] attended an awareness raising session in either 2020 or in 2021. Most recent session on 30 September 2021 (Newcomers Induction Day).

Main outputs in 2021:

Description	Indicator	Target	Latest known results (31/12/2021)
Actions to safeguard the data in REA-owned IT systems	Status of the security plans of the EMI (ECS) and PDM systems	The security plans of the EMI and PDM systems are up-to-date, there are no pending actions to take	-
Filing of HAN documents in order to retrieve information more easily and enlarge documents' visibility	% of registered documents filed in HAN files	>95%	99.7%

Sound environmental management

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

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

Source of data: environmental performance of the COV(E) building

³¹ At the REA management meeting of 3.3.2020, minutes: Ares(2020)1354898.

Baseline (please indicate the year) 2020	Target	Latest known results (31/12/2021)
	≥ baseline	

Main outputs in 2021:

Description	Indicator	Target	Latest known results
<i>Staff awareness actions about optimal energy use</i>	No. staff informed	All staff informed	All staff informed
<ul style="list-style-type: none"> A dedicated webinar/quiz on Home office sustainability was organised on 16/07; the content of the seminar was shared with all gREAn ambassadors for further dispatch to all REA staff. The environmental performance of the COV(E) building was shared with all REA staff on 08/12 			
<i>Awareness about total energy consumption in the building (COV2 and COVE together) in collaboration with OIB; and communicate observed trends to staff (once per year)¹⁷, based on verified data from Commission's Environmental Statement (data – per building).</i>	No. staff informed	All staff informed	All staff informed
<ul style="list-style-type: none"> The environmental performance of the COV(E) building was shared with all REA staff on 08/12 			
<i>Raised awareness about - office paper use in collaboration with OIB and communicate observed trends to staff), based on verified data from Commission's Environmental Statement (data – per building, and/or staff if available)</i>	No. staff informed	All staff informed	All staff informed
<ul style="list-style-type: none"> The environmental performance of the COV(E) building was shared with all REA staff on 08/12 			

Indicator: II. Reducing CO2, equivalent CO2 and other atmospheric emissions

Source of data: Intracom

Baseline (please indicate the year) 2020	Target	Latest known results (31/12/2021)	
	≥ baseline		
Description	Indicator	Target	Latest known results
<i>Promote staff awareness actions about sustainable commuting</i>	No. staff informed	All staff informed	All staff informed
<ul style="list-style-type: none"> REA participated in the veloMay 2021 action. All REA staff was informed thereof via a dedicated article/news item on intracom. https://myintracom.ec.europa.eu/DG/REA/newsportal/Pages/20210428_Velomai_fifth_edition.aspx https://myintracom.ec.europa.eu/DG/REA/newsportal/Pages/20210705_VeloMai_winners.aspx			

Indicator: III. Reducing and managing waste

Source of data: environmental performance of the COV(E) building; REA Intranet

Baseline (please indicate the year) 2020	Target	Latest known results (31/12/2021)	
	≥ baseline		
Description	Indicator	Target	Latest known results
<i>Raise staff awareness on waste generation in the building (COV2 and COVE together) in collaboration with OIB; and communicate observed trends to staff, based on verified data from Commission's Environmental Statement (data – per building)</i>	No. staff informed	All staff informed	All staff informed
<ul style="list-style-type: none"> The environmental performance of the COV(E) building was shared with all REA staff on 08/12 			
<i>Promote the organisation of sustainable meetings and events (following the EC Guidelines for sustainable meetings and events)</i>			
<ul style="list-style-type: none"> The REA Communication Correspondents Network (RCN) was informed by the gREAn team on the Guidelines for sustainable events on 30/04. <p>The SCIC reference on sustainable events has been included in the REA guidelines for hybrid events, published on the</p>			

REA intracom: https://myintracomm.ec.europa.eu/DG/REA/my_daily_work/communication/Pages/organising_events.aspx

- REA submitted two applications to the second edition of the EC's corporate competition on sustainable conferences and events organised by DG SCIC. One of the applications (submitted by REA.B2) was awarded first prize by Commissioner Hahn in the category "External small events with less than 1.000 participants", at the dedicated ceremony on 08/10/2021. REA's winning event was also highlighted in a dedicated brochure: Sustainable Events EMAS

Awards https://myintracomm.ec.europa.eu/staff/Documents/buildings-transport/environment/emas/eBrochure_Winning_projects_2nd_edition_sustainable_events_competition_final.pdf

Information on the award ceremony on sustainable events was published on the

EC intracomm: <https://myintracomm.ec.europa.eu/news/AuQuotidien/Pages/sustainable-events-awards-2021.aspx>, and on the REA intracomm:

[REA awarded for its sustainable H2020 SC2 Coordinators' day! \(europa.eu\);](https://myintracomm.ec.europa.eu/news/AuQuotidien/Pages/sustainable-events-awards-2021.aspx)

Indicator: IV. Promoting Green Public Procurement (GPP)

Source of data: environmental performance of the COV(E) building; Guidelines for sustainable meetings and events

Baseline (please indicate the year) 2020	Target	Latest known results (31/12/2021)	
	≥ baseline		
Description	Indicator	Target	Latest known results
<i>Promoted staff awareness about GPP</i>	No. staff informed	All relevant staff informed	All relevant staff informed
<ul style="list-style-type: none"> • A dedicated seminar was organised and delivered by the gREAn group on 17/11/2021. • A FMB for REA on GPP inquiries has been set up; it is managed by the gREAn group 			

Indicator: V. Supporting biodiversity. **N/A**

Source of data: N/A

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

"not applicable"

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

"not applicable"

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

"not applicable"

ANNEX 14: Reporting on the Recovery and Resilience Facility

"not applicable"