Ref. Ares(2026)3299009 - 27/03/2026

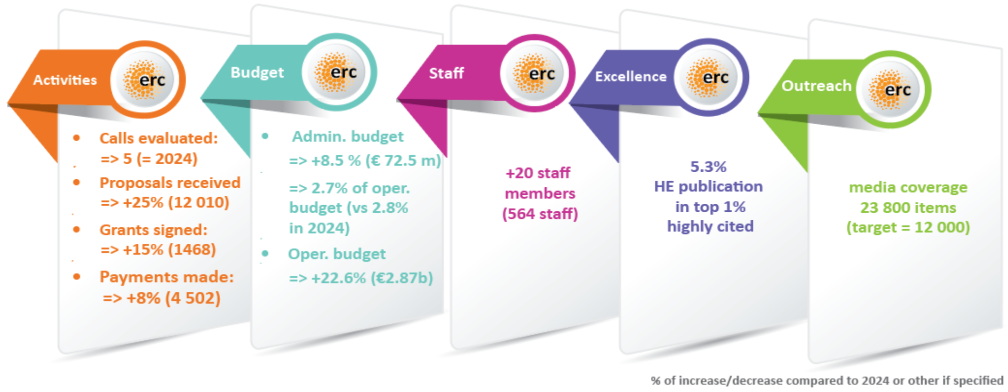
European Commission

Annual Activity Report 2025

European Research Council Executive Agency

Contents

THE EUROPEAN RESEARCH COUNCIL (ERC) AND ITS AGENCY IN BRIEF



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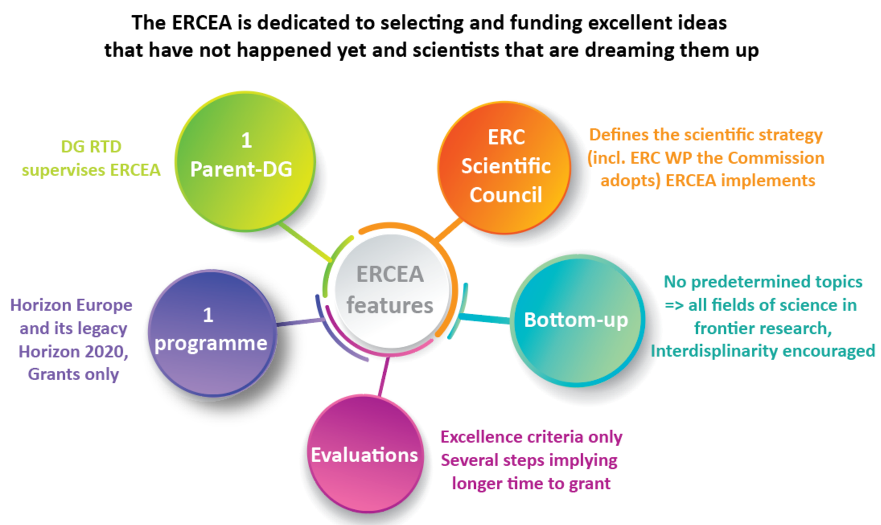
The European Union created the European Research Council (ERC) in 2007 to respond to the scientific community's need for a pan-European funding that focuses on bottom-up frontier research. The ERC's mission is to encourage the highest quality research in Europe through competitive funding and to support investigator-driven frontier research across all fields, based on scientific excellence. The ERC is composed of an independent Scientific Council and the ERC Executive Agency (ERCEA) as dedicated implementation structure.

The Scientific Council establishes the overall scientific strategy for the ERC and monitors the quality of the operations and implementation carried out by ERCEA. The Scientific Council consists of 22 eminent scientists and scholars, appointed by the European Commission based on the recommendations of an independent Identification Committee. In 2025, four new members joined the Scientific Council. In addition, Professor Maria Leptin was reappointed as ERC President, until September 2027.

The ERCEA was created in 2009 to implement the ERC work programme defined by the Scientific Council. The effective link to the Scientific Council is ensured by the ERC Board composed of the ERC President, the three Vice-Presidents and the ERCEA Executive Director. The operations of the agency are supervised by its parent-DG (DG RTD). ERCEA is managed by the ERCEA Director and by the ERCEA Steering Committee composed of three Commission officials from DG RTD and two members of the Scientific Council. An observer from the Commission's central services is also part of the Committee together with the ERC President.



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Under the Excellent Science pillar in Horizon

Europe, the ERCEA is responsible for managing the ERC work programmes with EUR 16 billion for the period 2021-2027 ([1]), among which, EUR 2.87 billion for 2025. ERCEA also manages the legacy of the ERC component of Horizon 2020.

In 2025, ERCEA opened four calls for proposals: the Starting Grants (StG), the Consolidator Grants (CoG), the Advanced Grants (AdG) and the Synergy Grants calls (SyG), which are investigator-driven, long term frontier research grants. The opening of Proof-of-Concept call (PoC) initially scheduled end of 2025 was postponed to January 2026([2]) as per amended 2026 ERC Work Programme ([3]). PoC is a grant to which ERC-funded researchers can apply if their ERC-funded research has generated new ideas having the potential for commercial and social innovation. As a follow-up of the Commission's Choose Europe for Science initiative, the agency has started to prepare a new funding scheme 'ERC Plus' subject to a call for proposals to be launched in 2026.

Finally, in line with Article 25 of Council Regulation (EC) No 58/2003 ([4]), the ERCEA operations from 1 April 2021 to 31 March 2024 were assessed by an external contractor, who delivered a study that will support the evaluation of the agency.

([1]) This amount does not include the European Free Trade Association, the associated-country contributions nor the third-country credits, while the reference to the ERC 2025 committed budget does.
([2]) cf. Commission Decision C(2026)62 of 15 January 2026 amending Implementation Decision C(2025)5000 on the financing of the 2026 work programme in the framework of the specific programme implementing Horizon Europe - the framework programme for research and innovation (2021-2027) in relation to the component 'European Research Council' under Pillar I 'Excellent Science' with a view to introduce a new grant scheme – the ERC Plus Grant
([3]) The call opened on 20 January 2026 instead of 13 November 2025. Potential applicants were informed in due time.
([4]) Council Regulation (EC) No 58/2003 of 19 December 2002 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes.

EXECUTIVE SUMMARY

The annual activity report is a management report of the ERCEA Director to the College of Commissioners. Annual activity reports are the main instrument of management accountability within the Commission and constitute the basis on which the College takes political responsibility for the decisions it takes as well as for the coordinating, executive and management functions it exercises, as laid down in the Treaties ([5]).

A. Highlights of the year

ERCEA managed the evaluations of ERC calls in accordance with the established plan. Noteworthy in this regard is the successful operation of the final step (Step 2) of the AdG 2024 evaluations, which represented the first ERC main call where ERC experts were requested to assess lump-sum budgets. The subsequent granting process for the selected projects was also conducted without issues. **At this stage, the overall experience with lump sums looked positive.**

The upward trend in submissions to ERC calls continued in 2025, with applications increasing by 25% in average compared to 2024. This corresponds to an almost 60% average increase over the past two years. While the sustained high level of interest in ERC grants is a positive development, this trend places additional demands on both the experts evaluating for the ERC and the agency's staff. The Scientific Council, in close collaboration with the agency, explored mitigating measures to manage workload, while ensuring the high quality of the evaluations, which is one of the ERC's defining strengths.

For the first time in over a decade, ERC has announced a **new grant scheme – the ERC Plus Grant**, which will be launched in 2026. A substantial amount of additional funding has been allocated to this scheme **as part of the Commission's Choose Europe for Science initiative**. This initiative is planned to support outstanding researchers from Europe and anywhere in the world with bold ideas and a vision for transformative research that goes beyond the scope of existing ERC programmes. At EUR seven million size, the ERC Plus Grant will be the largest among ERC grant schemes and offers longer-term funding for up to seven years. ERCEA undertook extensive preparations in 2025 to integrate this new grant into the demanding calls calendar and to support the Scientific Council in developing an appropriate evaluation procedure.

In addition, researchers moving to Europe from non-associated-EU countries to take up their ERC grant are eligible for an extra EUR one million in additional funding as of AdG 2025 and in the main 2026 calls (except ERC Plus).

The 2025 Nobel Prize in Economic Sciences was awarded jointly to ERC grantee Philippe Aghion and American researchers Joel Mokyr and Peter Howitt. The ERC has backed the pioneering frontier research of Professor Aghion, with two major individual ERC AdG

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

since 2018, worth in total EUR 4.41 million. This is the 15th Nobel Prize, which has been awarded to an ERC grantee.

Switzerland officially joined the Horizon Europe programme on 10 November 2025 allowing Swiss researchers to benefit from ERC-funded grants from 2025 calls onward. This translated in more than three times increase in CH applications in 2025 compared to 2024.

This year, ERCEA also provided support to ERC Scientific Council for the organisation of several outreach events. Notable examples included the event 'From Science to Policy: Shaping a Sustainable and Competitive Europe', which was organised jointly with the European Parliament's Panel for the Future of Science and Technology (STOA). ERC-funded researchers showcased pioneering projects addressing the transformations needed to tackle climate change and rising social inequality. ERC also hosted a session 'Breakthrough discovery and innovation: Securing Europe's competitive edge?' at the 2025 edition of the European Business Summit. ERC also organised a workshop on data access under Article 40 of the Digital Services Act, an event that brought together members of the research community, Commission representatives and national Digital Service Coordinators.

The agency's feedback-to-policy work supported a broad range of Commission objectives and was characterised by active collaboration with DG RTD and partners across the Commission. Highlights included reports on the role of ERC PoC grants in fostering innovation, transformative change for biodiversity, and the New European Bauhaus.

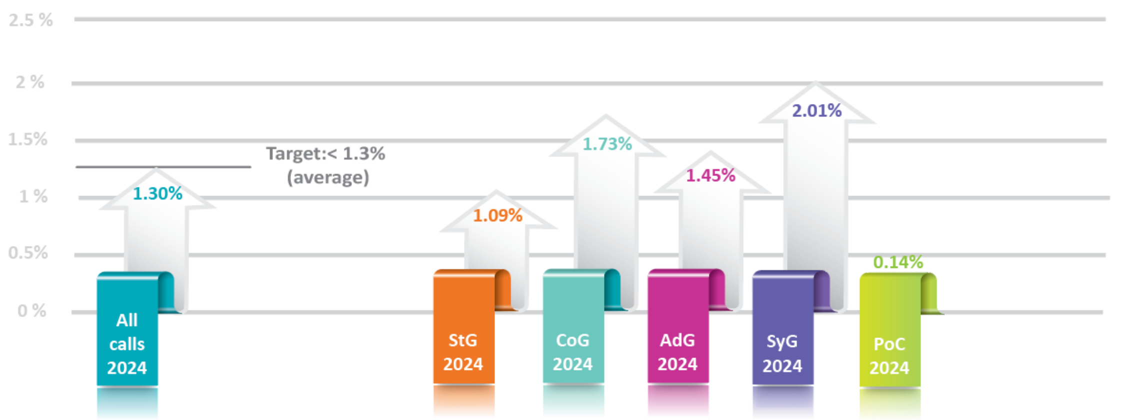
The agency's management team continued to advance its strategic priorities. An internal working group on artificial intelligence was set up to address legal aspects, drive staff training, and identify existing and future use cases. Managers from Director to Head of Sector level participated in a 360-degree feedback exercise, complemented by targeted coaching and peer learning activities to strengthen leadership across the agency. In preparation for the next multiannual framework programme, the HR unit reviewed the agency's current job profiles with a view to updating them. A new knowledge management post was established and filled, enhancing knowledge-sharing practices, strengthening infrastructure, and building the agency's overall capacity to leverage expertise effectively.

B. Key performance indicators

ERCEA Key Performance Indicators (KPIs) are within the targets except for the estimated risk at closure, which is slightly above target.

1. **Overall percentage of redress cases received** ([6])

([6]) This indicator is calculated as an average because of the differences in term of ERC grants schemes, target population, and number of applications.



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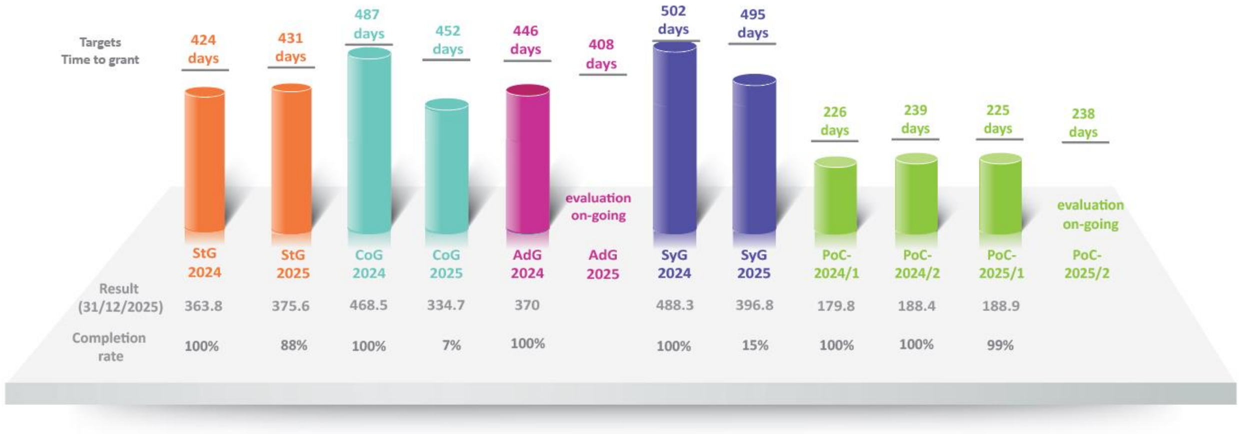
Since the evaluation process is not yet **completed for all 2025 calls, the overall percentage of redress cases can only be calculated for 2024, and reaches 1.30%, matching the target**.

2. Time to grant (measured in average, from call deadline to signature of grants)



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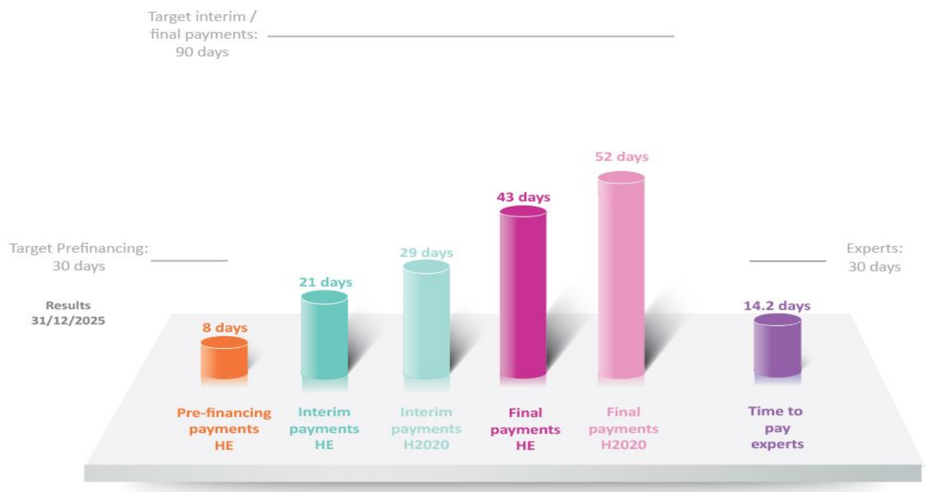
3. Time to pay (measured as average)



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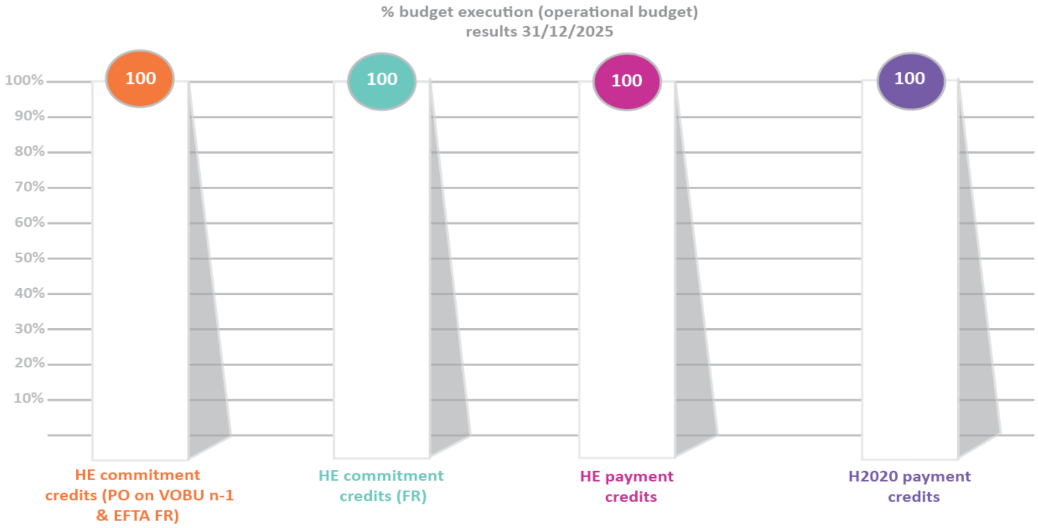
4. Budget execution (operational budget)



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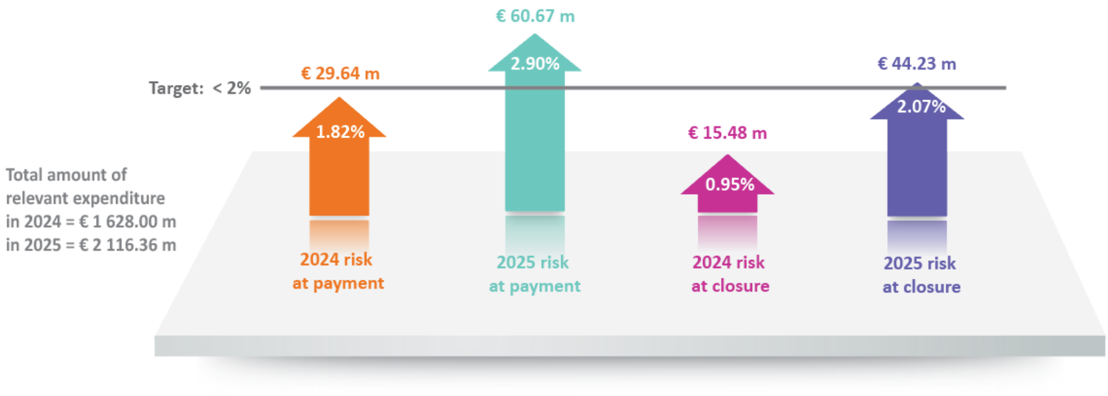
5. Estimated risk at closure



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The increase is explained by a change of methodology applied in the Horizon Europe audit strategy and in application for the first time for 2025. **The ERCEA had a dedicated local representative error rate for Horizon 2020** (error rate solely based on audits of ERC grants), while in Horizon Europe the error rate results from an aggregated representative sample, comprising audits of grants across all the bodies implementing Horizon Europe and, consequently the resulting error rate is representative for all of them.

C. Key conclusions on internal control and financial management

The ERCEA has systematically examined the available control results and indicators, as well as the observations and recommendations issued by the internal auditor and the European Court of Auditors.

The transition in 2025 to the Commission's new accounting system, SUMMA, has required the adjustment to a new system and has impacted budget implementation tasks, processes and financial management activities, particularly during the first part of the year. This has required careful management to ensure the same data quality as in previous years.

In line with the Commission's internal control framework, the ERCEA has assessed its internal control systems during the reporting year and concluded the components and principles are present and functioning as intended.

All the above elements have been assessed to determine their impact on management's assurance regarding the achievement of the control objectives. Please refer to Section 2 for further details.

In conclusion, the ERCEA's management has reasonable assurance that, overall, suitable controls are in place and working as intended; risks are being appropriately monitored and mitigated. The Executive Director, in her capacity as Authorising Officer by Delegation for the operational budget and as Authorising Officer for the operating budget, has signed the Declaration of Assurance, albeit qualified by a reservation concerning the rate of the residual error within grant payments in the Horizon Europe Framework Programme, implemented by the ERCEA.

D. Provision of information to the Steering Committee and to the parent-DG

In the context of the regular meetings during the year between the Director and the parent DG on management matters, the main elements of this report and assurance declaration, including the reservation envisaged concerning the rate of the residual error within grant payments in the Horizon Europe Framework Programme, implemented by the ERCEA, have been brought to the attention of the agency's Steering Committee and to the parent DG Director General.

1. IMPLEMENTATION OF THE AGENCY'S ANNUAL WORK PROGRAMME

The ERCEA Annual work programme defined the management of the general objectives delegated to ERC under Horizon 2020 and Horizon Europe. The ERC work programme 2025 ([7]) established by the Scientific Council and adopted by the Commission, also describes in detail the different funding instruments to support bottom-up frontier research.

Considering the bottom-up nature of the ERC calls and its wide scope addressing all research disciplines, ERCEA is *de facto* contributing to the six headline ambitions ([8]) of the first von der Leyen Commission. However, it is hence also neither possible to plan *ex ante* what ERCEA will effectively deliver to support each Commission's objective, nor possible to define related targets.

Contributions to all headline ambitions of the Commission are illustrated in the sections below. They capture key figures on the implementation of the ERC component 'Excellent Science' of both Horizon 2020 and Horizon Europe.

As regards the ERC contribution to the second von der Leyen Commission ([9]), ERC predominantly contributes to general objective 1 'A new plan for Europe's sustainable prosperity and competitiveness' ([10]).

ERCEA has been appointed as *chef de file* for the measurement of Horizon Europe's key impact pathway (KIP) scientific publication-related indicator, KIP1 ([11]). The work on reporting this KIP1 (especially, its medium-term sub-indicator) is still on-going; nevertheless, a sub-set of the information is already available on the Horizon Europe dashboard .

To ensure the reliability of the performance information, the Commission makes substantial efforts and has established new corporate criteria for the controls to be carried out on EU

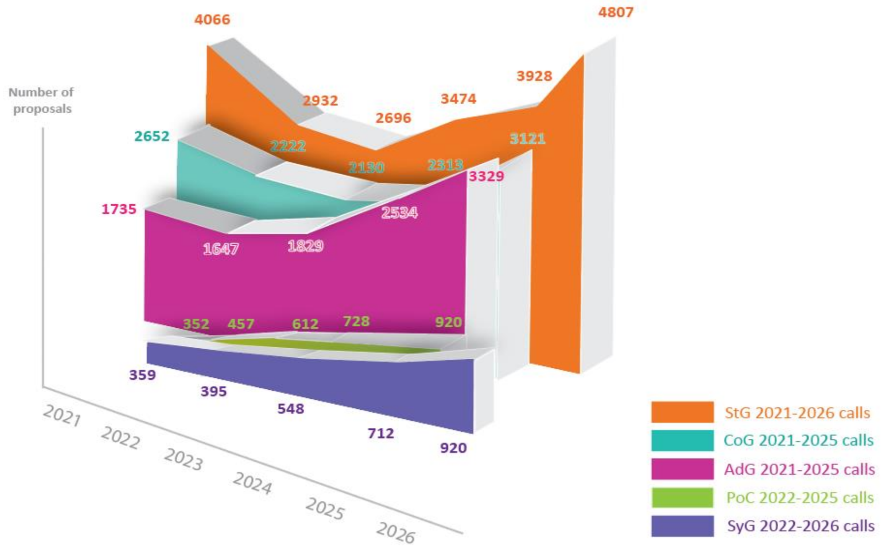
([7]) Cf Commission Decision C(2025) 2916 Commission Implementing decision amending Commission Implementing Decision C(2024)4450 of 9 July 2024 adopting the 2025 work programme in the framework programme for research and innovation (2021-2027) in relation to the component 'European Research Council' under Pillar I 'Excellent Science'.
([8]) These are: 1) A European Green Deal, 2) A Europe fit for the digital age, 3) An economy that works for people, 4) A stronger Europe in the world, 5) Promoting our European way of life and 6) A new push for European democracy.
([9]) These are: 1) A new plan for Europe's sustainable prosperity and competitiveness, 2) A new era for European Defence and Security, 3) Supporting people, strengthening our societies and our social model, 4) Sustaining our quality of life: Food security, water and nature, 5) Protecting our democracy, upholding our values, 6) A global Europe: Leveraging our power and partnerships and 7) Delivering together and preparing our Union for the future.
([10]) The ERC contributes in particular to the specific objective 1.1 – Fostering the EU's Scientific and Technological Progress, as defined in the DG RTD's Management Plan 2025. Considering the bottom-up nature of the ERC it also contributes to the other parent DG's general objectives and strategic objectives, and to a lesser extend also to the Commission priorities numbers 3 and 5 via its Social Sciences and Humanities project portfolio.
([11]) Composed by the three sub-indicators: i) Number of publications (short-term), ii) Mean Normalized Citation Score (medium-term), iii) Share of top 1% most cited publications (long-term).

research spending programmes. ERCEA contributes to those efforts and applies those controls to the programmes delegated to it. The controls carried out in this regard did not reveal any significant issue. Information on the sources and quality of performance data are provided throughout this report.

1.1. Management of calls

In 2025, ERCEA launched one 2025 call (AdG2025) and three 2026 calls (i.e. StG, CoG and SyG), as planned in the 2025 and 2026 ERC WPs. In addition, it completed the evaluation of one 2024 and four 2025 calls ([12]) for proposals. The evaluation of the AdG 2025 call is still on-going, and its selected applicants are expected to start the granting process in June 2026.

Overall, in response to the 2025 ERC calls, **applicants submitted 12 010 proposals**. This represents a **second-year record overall increase of 25% in submissions compared to 2024**, which results for the period 2024-2025 to a record of **almost 60% increase compared to 2023**. Although significant increase in applications is observed from the UK and Switzerland due to their recent association to Horizon Europe, and from the USA (although the total number of applications stays very low) this cannot explain alone the high percentage of increase. Details can be observed in the graph below ([13]). While this continuous high level of interest in ERC grants is a positive development, this trend triggers an increased workload for both the experts evaluating for the ERC and the agency's staff. The Scientific Council, in close collaboration with the agency, explored mitigating measures to ensure that the high quality of the evaluations is maintained.



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European economic security strategy

ERCEA continues to engage with the implementation of the economic security strategy. Besides the implementation of the provisions regarding the restriction for participation of high-risk

([12]) i.e. AdG 2024, StG2025, CoG2025, SyG2025, PoC2025/1.
([13]) PoC-1, PoC-2 and PoC-3 submissions results have been merged for this graph.

suppliers related to 5G cybersecurity introduced in the ERC work programme (WP) 2025 and the implementation of the right to object, ERCEA has included a new restriction in its WP 2026 for its SyG call based on Article 22(5) of the Horizon Europe regulation. This new provision aligns the eligibility conditions in this call with the restrictions to participation applicable in certain topics of the main Horizon Europe WP 2025 – particularly those covering critical technology areas such as artificial intelligence, cybersecurity, quantum or space. SyG is the only ERC grant scheme designed to fund multi-beneficiary actions and aims to foster research collaborations on major scientific challenges that cross disciplinary boundaries. While this scheme is assessed at low risk from an economic security point of view, alignment with other multi-beneficiary schemes remains important to ensure a consistent application of economic security tools across all R&I instruments. When it comes to the implementation of the restriction for participation of high-risk suppliers, related to 5G cybersecurity, no cases have been identified so far.

Regarding the requests of transfers of intellectual property rights (IPR) to non-associated countries, their number tracked since 2022 is low (one to six per year – see graph below) ([14]). ERCEA has not objected to any of these requests. In 2025, ERCEA resolved one pending case from 2024 and addressed one new request.

The low numbers continue to raise concerns regarding the correct application of this non-financial provision by the beneficiaries. To address this point ERCEA has developed a [new page on the right to object in the ERC website] and has engaged actively in disseminating information on this matter through the network of ERC National Contact Points (NCP) and in various outreach events for Principal Investigators and Host Institutions organised throughout the year.

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1.2. Grant Management

During 2025, the Horizon Europe granting process was implemented seamlessly. **This year was marked by the transitional arrangements applicable to Switzerland** until signature on 10 November 2025 of the associating agreement to Horizon Europe with retroactive effect from 1 January 2025. A layer of complexity was added thereof due to invitation of Swiss Host

([14]) All of them refer to projects funded under the Horizon 2020 framework programme.

Institutions (e.g. 75 from 2025 calls), which signature of respective agreements had to remain pending until 10 November 2025. For 2024 calls such as AdG 2024, it resulted either in portability (for one project) or termination of grants. Consequently, additional projects from the reserve list (21 projects) where invited to start the granting process.

The EU sanctions against Russia did not have any substantial impact on the budget execution since ERC grants rarely involve beneficiaries or linked third parties subject to restrictive measures. However, **ERCEA reinforced controls, as per instructions from the parent-DG, screening all proposals for potential involvement of Russian interests**, i.e. third parties established in Russia such as subcontractors or in-kind contributors. Belarus and non-government-controlled territories of Ukraine were added to the list. Moreover, the measures for the protection of the Union budget against breaches of the principles of the rule of law in Hungary added a layer of controls at grant preparation stage.

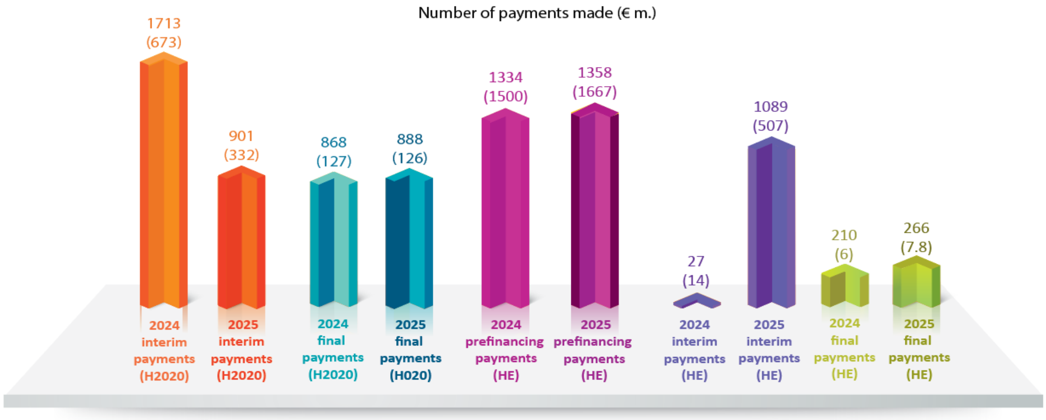
Finally in 2025, the Grant Management Department not only produced regular revisions of its internal guidance, made ad hoc communications on the management of special granting cases, handled the granting of beneficiaries with weak financial capacity assessment (through reinforced monitoring), but also delivered tailor-made online training and info sessions both internally in ERCEA and externally to Principal Investigators and Host Institutions to enhance consistency in practices, efficiency and support in the granting process.

By the end of the year, a total of 1 468 grants stemming from the 2024 and 2025 ERC calls were signed, amounting to EUR 2.879 billion (EUR 2.029 billion from 2024 ERC calls and EUR 850 million from 2025 ERC calls). The remaining part of 2025 commitment credits (EUR 3.1 billion – EUR 850 million= EUR 2.25 billion) will be consumed in 2026 through signature of grants. The increase in number of grants and budget compared to previous years is the heritage of bigger budget envelopes in 2024 and 2025. The table ([15]) below provides an overview of the call implementation managed by the ERCEA. A **total of 7 168 grants were active end of 2025 under Horizon 2020 and Horizon Europe**.

Framework Programme	**Running projects 01/01/2025**		**Grants signed in 2025**		**Payments made in 2025**		**Projects closed in 2025**		**Running projects 31/12/2025**	
	Number	M EUR	Number	M EUR	Number	M EUR	Number	M EUR	Number	M EUR
H2020	3 221	1 186	0	0	1 789	458	805	4	2 416	724
HE	3 947	3 001	1 468	2 879	2 713	2 204	244	5	5 171	3 693
Total	7 168	4 187	1 468	2 879	4 502	2 662	1 049	9	7 587	4 395

In 2025, **ERCEA processed a total of 4 502 payments** (excluding 21 late interest payments **and 6 068 expert payments**), compared to 4 154 payments related to grant implementation in 2024. These payments mainly addressed Horizon 2020 interim and final payments (reflecting the program's maturity), but also the growth of interim payments under Horizon Europe (where payments remain primarily pre-financing transactions). The graph below details the various payment processed in 2025.

([15]) A more detailed table is available in annex 2.



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In 2025, a total of 1 256 amendments were signed, including 788 under Horizon 2020 and 470 under Horizon Europe. Overall, the year confirmed the negative trend and stabilisation observed in previous years compared to the COVID-19 period level.

Finally, ERCEA registered 21 grant terminations under Horizon Europe, exclusively.

1.3. Scientific follow-up

Scientific monitoring of mid-term and final reports

During the reporting period, **1 261 mid-term scientific reports and 1 166 final reports were assessed**, compared to 1 072 mid-term and 1 186 final reports assessed in 2024. The agency's Scientific Officers also gave their scientific opinions regarding amendments 140 times over the year and prepared 17 clearance reports following a 9-month follow-up procedure.

Initiatives to improve success rate of the less-performing countries to ERC calls

Two initiatives have been established to further encourage the participation of potential candidates for the ERC calls: the Visiting Fellowship Programme (since 2016) and the the ERC Mentoring Initiative (since 2021). Both are funded by national and/or regional authorities in EU and Associates Countries. The Visiting Fellowship programme allows potential candidates to visit teams of ERC grantees while the ERC Mentoring Initiative help them prepare their proposals by liaising them with ERC grantees and former panel members (mentors). In both cases teams and mentors are identified by the ERC.

In 2025 the Slovak Academy of Sciences and the Pavol Jozef Šafárik University in Košice rejoined the **Visiting Fellowship Programme**, and the Politecnico di Milano integrated it for the first time. It **counted at the end of 2025 11 participating institutions in 9 participating countries** ([16]). On what concerns the **ERC Mentoring Initiative**, with the

([16]) Estonia, Croatia, Italy, Cyprus, Latvia, Hungary, Romania, Slovenia and Slovakia.

addition of the Croatian Science Foundation and the Research Council of Lithuania, the scheme reached 15 participating countries ([17]), **totalling 19 participating institutions**.

Since their creation, participation in the Visiting Fellowship Programme and the ERC Mentoring Initiative led to the funding of 8 and 13 applications respectively, which corresponds to 13% success rate for both schemes.

International mobility agreements

The Implementing Arrangements are **international agreements with non-EU funding agencies and science ministries** that enable researchers to join ERC projects on a temporary basis. In 2025, **19 funding agencies located in 14 countries were involved**, with the African Academy of Sciences headquartered in Kenya joining the network. Since its beginning, over 750 non-EU researchers from across the globe have already taken part in an ERC project through this scheme. Non-EU funding agencies cover salary and travel costs of visiting researchers.

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Implementation of open science requirements

The compliance of ERC grants to open access requirements is being monitored regularly and reminders are being sent to the Principal Investigators that have flagged some of their publications listed as potentially non-compliant with the open access obligation. In 2025, 182 emails were sent to the relevant Principal Investigators for 419 non-open access Horizon 2020 publications (282 in 2024). This represents 3% of the total number of Horizon 2020 peer reviewed publications.

For Horizon Europe, 295 emails were sent to the relevant Principal Investigators for 459 non-open access publications. This represents 8% of the total number of Horizon Europe peer reviewed publications.

Additionally, the submission of the Data Management Plan, a deliverable that outlines how research data is managed and which is obligatory for Horizon Europe projects, is being closely

([17]) Czechia, Estonia, Croatia, Italy, Cyprus, Latvia, Lithuania, Luxembourg, Hungary, Malta, Poland, Slovakia, Georgia, Türkiye and Ukraine.

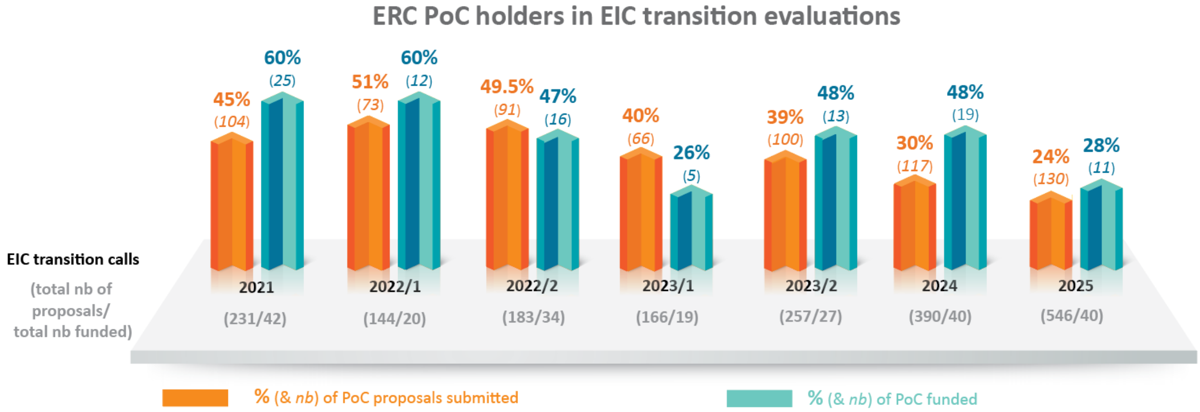
monitored, and targeted reminders are being sent every six months. In 2025, 735 reminder emails have been sent to the Principal Investigators that had missed the deadline for submission, and 550 of those were submitted within the specified deadline.

Synergy between ERC and EIC (European Innovation Council)

PoC grants are not innovation actions, but actions to explore the innovation potential for results from ERC grants.

Since 2021, ERC PoC grant holders have been eligible to compete for EIC transition grants ([18]). In this period almost 2000 EIC transition proposals were evaluated and 222 project were funded. Among these proposals 36% (i.e. 681) were based on ERC PoC results, reaching 45% of the winning projects; this means 101 EIC transition projects based on ERC PoC results out of 222 for the period 2021-2025. Also remarkably, the success rate of ERC PoC grant holders was higher in most EIC transition evaluations since 2021 when compared to other eligible grant schemes.

The number of PoC grantees applying for EIC transition has been consistently high in the past five years (from 231 in 2021 to 546 in 2025) **The overall participation rate of ERC PoC grant holders continues to be remarkable in the EIC transition** specially if taken into account the fact that ERC PoC projects have a value of only EUR 150 000, have a short duration of 18 months, and that the EIC transition open calls in 2024 and 2025 have broadened they eligibility to include some Horizon 2020 pillar 2 and pillar 3 projects.



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1.4. Feedback to Policy

ERCEA implemented its 2025 Feedback to Policy (F2P) Plan by **publishing two reports that highlight frontier research funded by the ERC and its contributions to key EU policies**. Furthermore, ERCEA collaborated with its parent-DG, other executive agencies, as well as CORDIS services, to produce joint reports and brochures.

([18]) The EIC Transition is a funding programme under Horizon Europe targeting innovation activities that goes beyond the experimental proof of principle in laboratory. It supports both the maturation and validation of novel technologies from the lab to the relevant application environments.

These reports address several topics, including ERC PoC in their role in fostering innovation, research for just and inclusive transitions, transformative change for biodiversity, and frontier research for the European Commission's New European Bauhaus objectives.

F2P portfolio analyses led to two events involving key stakeholders in their respective fields. On 22-23 October 2025, **ERC organised a workshop on data access under Article 40 of the Digital Services Act (DSA)**. Building on a pilot conducted in collaboration with DG CONNECT, this event brought together ERC grantees, representatives of DG CONNECT and JRC-ECAT (European Centre for Algorithmic Transparency), and members of the ERC Scientific Council. The **joint ERC- European Parliament's Panel for the Future of Science and Technology (STOA) event titled 'From Science to Policy: Shaping a Sustainable and Competitive Europe' was organised** in the European Parliament info hub, drawing participation from Members of the European Parliament, the ERC Scientific Council, ERC grantees and representatives of DGs RTD, ENV, GROW and the European Environment Agency.

F2P activities were in focus in two ERC magazine issues: on frontier research and innovation and on article 40 of the DSA and its relevance for researchers. Additionally, the Scientific Impact and F2P sector responded to approximately 50 ad hoc requests on various topics and provided contributions for publications, events, and briefings.

Throughout the year, the sector collaborated closely with the parent-DG team supporting the European Commission's Group of Chief Scientific Advisors and the European Group on Ethics in Science and New Technologies (EGE). They prepared contributions on advanced materials for the Science Advance Mechanism and planetary ethics (just inclusive transitions, values of nature) for the EGE.

Thanks to the Horizon Europe F2P coordination group, **working relationships have been strengthened with colleagues in DG RTD as well as in DGs CONNECT, ENV, CLIMA, SANTE, and the Joint Research Centre (JRC)**. ERCEA is an active member of the inter-executive agency network of F2P teams and contributes significantly to joint activities, such as a joint session at the Research & Innovation Days and a workshop on JRC portfolio teams' priorities organised by REA and ERCEA in December 2025.

Finally, building on the mapping frontier research initiative, **ERCEA has explored artificial intelligence-based methods to classify and cluster ERC projects**. This large language model-based classification, among other types of data analysis, enables the agency to analyse and report on the research it funds across the Horizon 2020 and Horizon Europe programmes. This experience and lessons-learned were shared with the F2P teams of other executive agencies.

1.5. Support to the ERC Scientific Council

As in previous years, **ERCEA has continued to provide support to the Scientific Council** and its various Standing Committees, Working Groups, and the ERC Board through briefings, speeches, presentations, analyses, and reports in relation to the ERC's scientific strategy. In addition, it has **provided continuous support to the ERC President in promoting frontier research in Europe and beyond, and to the Scientific Council Members in their**

activities related to institutional relations and networking. Furthermore, it has coordinated the implementation of ERC's external communication on the ERC programme.

One of the **key areas of support has been the establishment of the annual ERC work programme** (WP). In 2025, the Scientific Council with the administrative support of ERCEA amended the ERC 2025 WP and established the ERC 2026 WP and related amendment which was done to facilitate the new policy incentives in the framework of the Choose Europe for Science initiative.

ERCEA has also continued to develop its monitoring and evaluation tools to assist the Scientific Council in assessing the impact of ERC funding on frontier scientific knowledge, technology transfer, national research policies, Host Institutions, and research careers. Under the guidance of the Scientific Council Standing Committee on Programme Impact Monitoring and Evaluation, ERCEA updated the ERC's evaluation and monitoring strategy and set up an Implementation Plan for 2026. A workshop with experts in metascience contributed to this work. The year 2025 also saw the conclusion of several studies i.e. a study on ERC-funded research cited in policy documents and an assessment of the ERC's contribution to emerging research fields.

ERC also promoted funding opportunities and participated in key events including the 'EU Research & Innovation Days' organised by DG RTD. Specific webinars were organised to present the new ERC WP and the forthcoming ERC Plus Grants to potential applicants. Communication efforts also highlighted policy-relevant insights from ERC-funded projects (F2P), including through a workshop held jointly with the European Parliament's Panel for the Future of Science and Technology (STOA). Finally, a new series of the popular ERC Classes – video tutorials to guide potential applicants through the application and evaluation processes – were produced.

1.6. Examples of EU-added value of ERC funded projects

Examples that illustrate the contribution of the ERC to the six thematic headline's priorities of this Commission (click on to discover each project):

Green Deal

Call details
ERC-2016-StG
ERC funding
€ 1 498 750,00

HybridSolarFuels

A Europe fit for the digital age

Call details
ERC-2024-PoC
ERC funding
€ 1 499 844,00

FARE

An economy that works for people

Call details
ERC-2024-StG
ERC funding
€ 1 498 511,00

RethinkingWork

A stronger Europe in the world

Call details
ERC-2020-CoG
ERC funding
€ 1 999 587,00

MA.D.AM

Promoting our European way of life

Call details
ERC-2023-PoC
ERC funding
150 000 €

NaturalCOLOURS

A new push for European democracy

Call details
ERC-2018-CoG
ERC funding
€ 1 999 935,00

Fortitude

2. INTERNAL CONTROL AND FINANCIAL MANAGEMENT

Management monitors the functioning of the internal control systems on a continuous basis and carries out an objective assessment of their efficiency and effectiveness. In annex 7, there is a list and details of the reports that have been considered. The results of the above assessment are explicitly documented and reported to the Director-General.

The sections below cover the control results and other relevant elements that support the statements of the management's Declaration of Assurance.

It is structured into 2.1 Control results, 2.2 Audit observations and recommendations, 2.3 Assessment of the effectiveness of internal control systems, 2.4 Conclusions on the assurance and resulting in 2.5 Declaration of Assurance.

2.1. Control results

Management uses control results to support its assurance and reach a conclusion about the cost-effectiveness of those controls, meaning whether the right balance between the following elements is achieved:

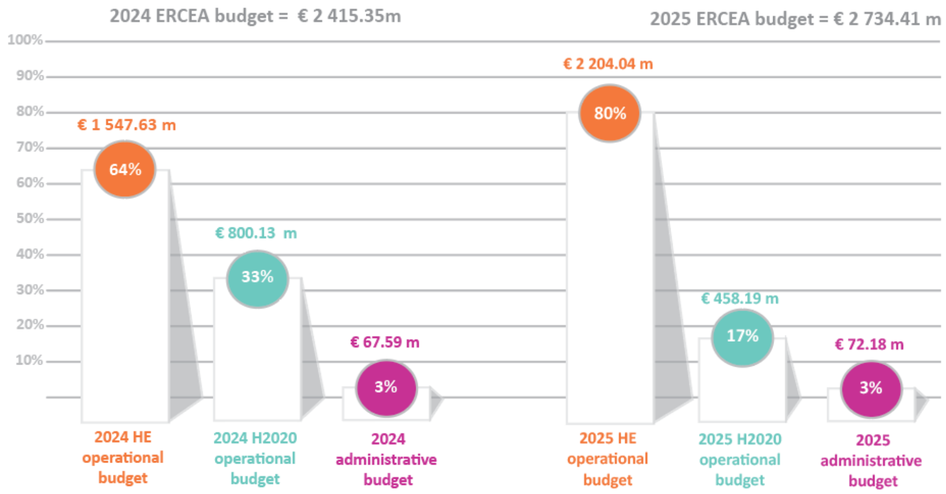
- Effectiveness: the level of error found, based on the controls carried out.
- Efficiency: the average time taken to inform or pay.
- Economy: the proportionality between the costs of controls and the funds managed.

From the preparation of calls for proposals to the ex-post controls performed, all the details on control systems and indicators used are provided in annex 6.

2.1.1. Overview of the budget and relevant control systems (RCS)

In 2025, in terms of payment made, ERCEA implemented an overall budget of EUR 2 734.22 million, split between operational (EUR 2 662.22 million) and operating/administrative (EUR 72.18 million) budget.

The ERCEA payments made in respect of grant management (operational budget) represented 97.37% of the Agency's expenditure, representing, thus, its main relevant control system.



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Operational budget – RCS 1

The research and innovation family operates on a common audit strategy intended to contribute to the legality and regularity of expenditure on a multi-annual basis, including detection and correction of both non-systemic and systemic errors.

For Horizon 2020 and Horizon Europe, the Common Audit Service of the Common Implementation Centre carries out all the financial audits ([19]), including those concerning grants managed by the executive agencies and the joint undertakings. This is a major step towards ensuring efficiency gains, a harmonised approach, legal certainty, equality of treatment of beneficiaries and the least audit burden on beneficiaries. The main indicators on legality and regularity of EU framework programmes for research and innovation are the cumulative representative detected error rate, and the cumulative residual error rate[20].

The targets as set out in annex 5 materiality criteria are respectively**:**

- For Horizon 2020, to ensure that the cumulative detected error rate remains within a range of 2-5 %, aiming to be as close as possible to 2%.
- For Horizon Europe, to ensure that cumulative detected and residual error rates do not exceed 2%.

Annex 7 presents the audit coverage for Horizon 2020 and the implementation of the audit target for 2025.

Administrative budget – RCS 2

The administrative budget for 2025 was initially adopted on 13 December 2024 for a total amount of EUR 72.5 million and was subsequently amended twice by the ERCEA Steering Committee and modified three times by the Executive Director's decisions on budget line reallocations including intra-chapter reallocation. Hence, the administrative budget finally amounted to EUR 72.6 million. The budget structure remained consistent with the ones from previous years, with the staff expenditure representing 86.7% (against 85.6% in 2024)

([19]) Except audits for article 185 bodies.
([20]) DG RTD's assurance building, indicators and materiality criteria are outlined in Annual Activity Report annex 5.

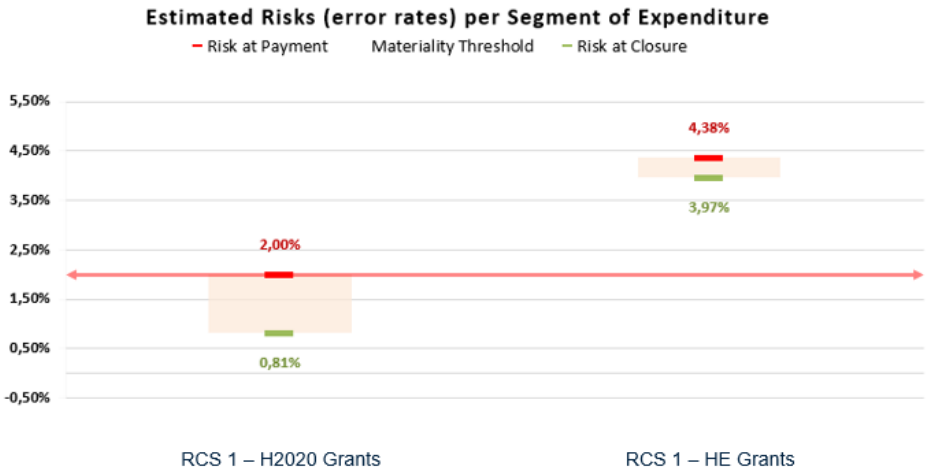
whereas the budget costs for the building, ICT and other operating expenditure represented 11.38% (against 12% in 2024) and the programme management expenditure representing 1.92% (against 2.22% in 2024). Additional information can be found in annex 2.

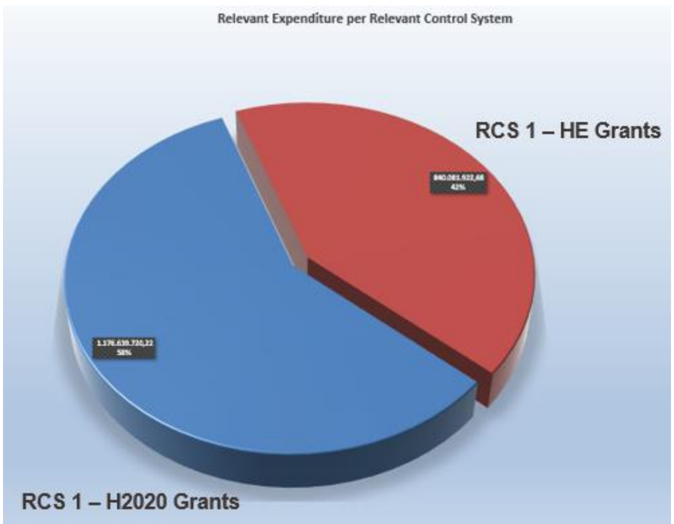
The final budget consumption for the year is at 99.9%.

Relevant Control Systems are further detailed in annex 6.

2.1.2. Effectiveness of controls

a) Assessment of control results per segment of expenditure





RCS -1 Horizon 2020 Framework Programme

The error rates based on the audit work for Horizon 2020 framework programme for research and innovation on 31 December 2025 are:

- Cumulative representative detected error rate for the framework programme:

3.83% ([21]) (2.00% based on ERCEA local representative sample).
- Cumulative residual error rate for the framework programme: 1.78% (0.81% for ERCEA, based on the common representative audit sample).

In 2025, the cumulative residual error rate for Horizon 2020 for the grants managed directly by ERCEA is calculated at 0.81%, which is below the materiality threshold.

The relatively high level of error in Horizon 2020 grants for the research family is linked to the applicable funding model, which is based on the reimbursement of eligible actual costs. Most of the errors relate to incorrect claims for personnel costs that are mainly due to beneficiaries' lack of thorough understanding of the inherently complex rules. Newcomers and small and medium enterprises are more prone to errors in comparison to more experienced/larger size beneficiaries.

Since research and innovation framework programmes are multi-annual, the error rates, and the residual error rate in particular, should be considered within a time perspective. Specifically, the implementation of the audit results over time will tend to lower the cumulative residual error rate thus increasing its difference with the representative detected error rate.

These error rates are calculated based on the audit results available when drafting the Annual Activity Report. They should be treated with caution as they may change subject to the availability of additional data from audit results. The yearly fluctuation of the detected error rate in Horizon 2020 shows no identifiable correlation with the maturity of the programme.

There is evidence that the simplifications introduced under Horizon 2020, along with the ever-increasing experience, help reduce the number of errors made by the beneficiaries, especially when compared to seventh framework programme where the error rate was higher and varied from close to 5% to around 5.5% over time. Notwithstanding these efforts, beneficiaries still make errors. Actions carried out to address these weaknesses are reported in annex 7.

RCS 1 - Horizon Europe Framework Programme

2025 was the fifth year of implementation of the Horizon Europe Framework Programme. Horizon Europe extends the use of simplified cost options and lump sum funding, the latter having an adapted approach to *ex post* control.

The error rates based on the results of *ex post* controls for the Horizon Europe framework programme for research and innovation on 31 December 2025 are:

- Cumulative representative detected error rate for the Framework Programme: 4.38% ([22])
- Cumulative residual error rate for the Framework Programme: 4.05% (3.97% for ERCEA).

These error rates are calculated based on the *ex post* financial audits and *ex post* technical

([21]) Based on the 930 representative results out of the 948 expected in the six common representative samples.
([22]) Based on the 89 representative audits and 29 representative technical reviews out of the 177 expected audits and 30 technical reviews in the first Common Representative Sample.

reviews results available when drafting the Annual Activity Report. Due to the still relatively small number of completed audits and technical reviews, the error rate calculation is highly sensitive to extreme results.

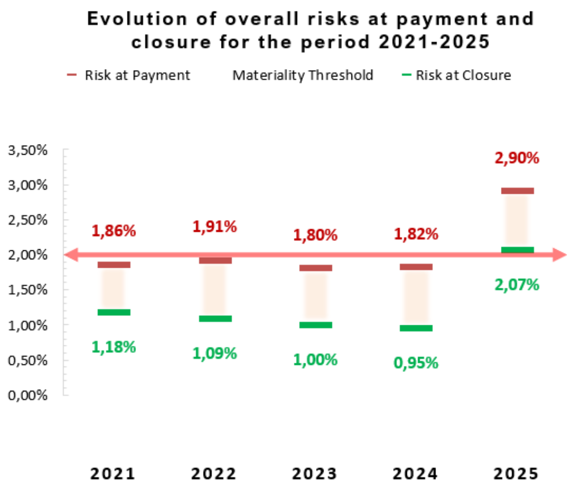
The preliminary results suggest, as expected, that lump sums result in fewer errors. Since only relatively few lump sum projects have been subject to an *ex post* technical review so far, these results are not statistically significant yet and will need to be corroborated by further reviews as part of the multi-annual *ex post* control strategy.

At this stage, the overall error rate for Horizon Europe remains nearly entirely determined by the estimated error rate on cost-reimbursement grants. With the share of lump sum grants and payments gradually increasing, the lower error rate on lump sum grants is expected to lead to a lower overall error rate in the future

RCS 2 - ERCEA administrative expenditure

In 2025, the error rate for the ERCEA's administrative expenditure was 0.48%, remaining below the target threshold of 1% and closely aligned with the 2024 result of 0.54%.

b) Estimation of the overall risk at payment and risk at closure



The estimated overall risk at payment for 2025 expenditure is the AOD's best conservative estimate of the amount of relevant expenditure during the year that is not in conformity with the contractual and regulatory provisions applicable at the time the payment was made. A proportion of the underlying errors will be corrected in subsequent years and until the end of the programming cycle, corresponding to the conservatively estimated future corrections for 2025 expenditure. The difference between the risk at payment and the estimated future corrections results in the estimated overall risk at closure ([23]).

([23]) This is the AOD's best, conservative estimation of the expenditure authorised during the year that would remain not in conformity of applicable regulatory and contractual provisions by the end of implementation of the programme.

There is an increasing trend since 2025 mainly due to the first results available on Horizon Europe error rates, impacting the risk at payment and at closure.

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

c) Quantitative benefits of controls: Preventive and corrective measures

With its *ex ante* and *ex post* controls, ERCEA has an effective mechanism in place for detecting and correcting errors, reaching in total EUR 5 million of preventive and corrective measures for 2025. *Ex ante* controls resulted in preventive measures of EUR 3.5 million and *ex post* controls resulted in corrective measures of EUR 1.5 million. In 2025, due to the transition to SUMMA, only preventive measures exceeding EUR 500 000 are reported.

Comparted to 2024, with EUR 3.2 million and EUR 1.6 million respectively, there is a stability.

d) Fraud: prevention, detection, and correction

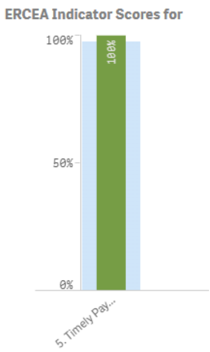
ERCEA has developed and implemented its own anti-fraud strategy since 2011, based on the methodology provided by OLAF. It is updated every three years and was last updated on 13 December 2024 following a fraud risk assessment. Its implementation is being monitored and reported to the management through an annual report. All necessary actions have been implemented. Awareness raising, e.g. at newcomers' induction days and dedicated anti-fraud trainings together with OLAF, remain one of the main activities in this context. Furthermore, ERCEA follows and implements the Commission Anti-Fraud Strategy (CAFS) and the Common Anti-Fraud Strategy in the Research Family (RAFS) including their respective action plans.

Corrective measures based on OLAF recommendations are reported on in the context of annual monitoring exercises conducted by OLAF, in accordance with Art. 11 of Regulation 883/2013([24]).

Based on the available information, ERCEA has reasonable assurance that the anti-fraud measures in place are effective.

([24]) REGULATION (EU, EURATOM) No 883/2013 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 11 September 2013 concerning investigations conducted by the European Anti-Fraud Office (OLAF) and repealing Regulation (EC) No 1073/1999 of the European Parliament and of the Council and Council Regulation (Euratom) No 1074/1999

2.1.3. Efficiency of controls



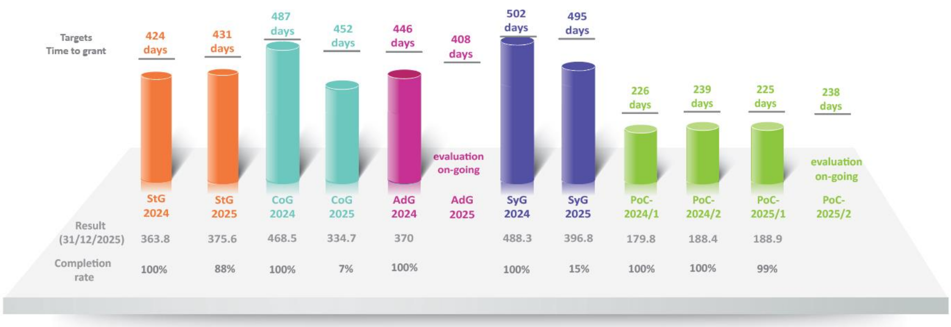
The transition in 2025 to the Commission's new accounting system, SUMMA, has required the adjustment to a new system and has impacted budget implementation tasks, processes and financial management activities, particularly during the first part of the year. This has required careful management to ensure the same data quality as in previous years.

Even though a minority of pre-financing payments were affected by the onboarding of SUMMA, in 2025 100% of payments were made on time. This performance was similar to 2024, when 99.6% of payments were made on time keeping the performance level consistent with the one of 2024.

Time to inform, time to sign & time to grant

As shown in the graphs below, the time-to-inform target has been met for all calls except for PoC2024/1 where a deviation of one day is observed caused by the increase of 157% in the number of submitted proposals (from 128 – PoC2023/1 - to 329 – PoC2024/1). The time-to-sign target (measured as average) was also met for all calls except for CoG2024 and SyG2024 ([25]). The delay in the time to sign in these calls had no impact on the overall (average) result of the key performance indicator time to grant whose targets were met for all 2024 calls. The results of the time-to-grant for 2025 will be available by the end of 2026 when all 2025 grants are signed.

([25]) The slight deviation in the time to sign does not stem from any structural deficiency. Pursuant to the applicable derogation in Article 31(3) the Regulation (EU) 2021/695 establishing Horizon Europe, ERCEA has exercised a degree of flexibility in accommodating the personal and professional circumstances of Principal Investigators, including cases of portability, adjustments to team composition, and periods of leave. In addition, recent delays in the receipt of required documentation from certain beneficiaries contributed too to a delay in the signature of the Grant Agreements. ERCEA has since introduced closer monitoring of the grant signature process, to ensure a reduction in the time to sign going forward.



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Time to pay – grants and experts

During 2025, ERCEA achieved significant progress in managing the operational budget for Horizon 2020 and Horizon Europe programmes. Emphasizing effective financial management and compliance with EU rules, it enhanced grant management processes by implementing robust internal controls tailored to the specific needs of ERC grants. These controls accommodated various funding schemes (i.e. actual and lump sum grants), aligning operations with programme mandates. The Grant Management Department has continued to implement effective internal control procedures relevant to grant implementation business processes. Communication and collaboration with other units on various subjects were enhanced, existing internal guides, procedures, and circuits have been continuously improved, to enhance efficiency while reducing errors.

In the past year in particular, the transition to the new financial and accounting system SUMMA (in force since 1 January 2025) posed challenges requiring increased monitoring and staff support for complex transactions and emerging technical complexities, as well as coordination with the Common Implementation Centre of DG RTD. Documentation has been elaborated and published to cater for the situations fostered by SUMMA. SUMMA Champions (i.e. limited number of appointed colleagues with higher insight of SUMMA) have been paramount in facilitating the work and allowing transactions to take place. Therefore, despite the numerous hindrances faced with the move to the new financial system, the Grant Management Department managed to process efficiently a high volume of payment-related transactions often completed in less than half of the time allowed, alongside the preparation of Horizon Europe grant agreements and the handling of numerous amendment requests. On average, payments were executed within a short timeframe. Most delayed payments related to the past period are linked to technical issues.

Additional information can be found in the performance tables available in annex 2.

Other control objectives: reliability of reporting

Within the context of the validation of the local systems, the transition from ABAC to the new SUMMA accounting system, as from 1 January 2025, has necessitated a thorough adaptation of accounting quality framework (AQF), including associated risks and controls. To facilitate this transition, the EC Accounting Officer set on 15 July 2025 an initial version of the updated framework, along with a preliminary set of controls. The updated version of the AQF provided by DG BUDG on 7 October 2025 constitutes the EC approved and harmonised approach for the accounting quality activities. ERCEA sent to DG BUDG on 5 November 2025 the control objectives & risk assessment and revision program tables for 2025 exercise ([26]) duly completed and adjusted to the ERCEA financial environment, procedures and controls already in place. The synthesis note that summarises the actions, issues and resolutions found during the exercise will be established by end of March 2026. No major problems were identified.

2.1.4. Economy of controls

		Operational and administrative payments 2025					
		Payments made				**Total administrative**	**% of total (adm/ operat-ional)**
		Pre-financing (M EUR)	**Payments against cost statements (M EUR)**	**Experts' payments (M EUR)**	**Total operational expenditure (M EUR)**	**Expenditure (M EUR)**	
	H2020	-	458.2	-	458.2		
	HE	1 667.5	515.2	21.3	2 204	72.18	2.7%
	Total	1 667.5	973.4	21.3	2 662.2		

Payment transactions for operational expenditures consist in pre-financings, interim and final payments, regularisation and expert payments.

In 2025, 37% of the total executed amount (EUR 995 million) was attributed to payments against cost statements while the remaining 63% (EUR 1 667.5 million) consisted in pre-financing and expert payments. The latter are classified as low-risk transactions considering the control objectives related to the legality and regularity of underlying operations.

Furthermore, of the 2025 payments against cost statements, 47% were associated with Horizon 2020 while 53% pertained to Horizon Europe. This represents a shift from 2024 year-end figures, where 97% of such payments were related to Horizon 2020 and only 3% to Horizon Europe. The latter is growing in maturity and is now incorporating a steady amount for interim payments on top of the usual prefinancing.

Research Family harmonised KPIs	31/12/2025	31/12/2024
Average project mngt cost per running* project (staff FTE * standard staff cost) ([27]) (ALL projects - *Range of EUR 5.000 – 10.000)*	EUR 5 779 0.3% ([28])	EUR 5 724 0.3%
Average number *(Range of 15 – 35)* **& value of running projects managed 'per' staff FTE** *(Range of EUR 1 Mio – 50 Mio)*	28.2 EUR 48.75 Mio	21.6 EUR 42.91 Mio

([26]) Cf. Ares(2025)9515375
([27]) FTE's accounted for are the staff intervening in the grant execution and monitoring process taking into account their contribution to the process and their work pattern. Running projects are those related to commitments with completion flag set to 'no' in ABAC.
([28]) Project management cost divided by the value of running projects.

Operational budget [29]	31/12/2025	31/12/2024
Total cost of fin. management & control [30] / total value of operational payments made (Target: <3%)	**2.7%**	2.8%

2.1.5. Conclusion on the cost-effectiveness of controls

Cost-effectiveness indicators are provided for each control stage based on the number of posts allocated to activities, which results from a workload assessment performed during the last quarter of the year. In addition, an overall, agency-wide cost effectiveness indicator, comparing the 2025 administrative versus operational payments, was considered together with an indicator per framework programme.

Presented by process stages, the ERCEA costs related to call coordination, evaluation and selection of proposals are estimated at 0.78% of the total Horizon Europe committed credits, and the costs related to grant preparation and signature at 0.24% of the total individual commitments. The ERCEA costs related to grant implementation stood at 1.65% of the total payments, while those of ERCEA *ex post* controls were estimated at 0.03% of the total payments.

The result of the overall cost effectiveness indicator in 2025 (2.7%), is similar to that of 2024 (2.8%), meeting the target of 3%.

While most costs of controls are quantifiable in monetary terms, most of their undeniable benefits are not. The controls related to the scientific evaluation of applications ensure that the most meriting projects are funded, based on the sole criterion of 'excellence'. They allow ERCEA to fulfil its mission statement and operational objectives. Benefits of grant implementation controls can be measured by the low error rate resulting from *ex ante* controls (0.26% for Horizon 2020 and 0.1% for Horizon Europe) - even if these are weakened by the deliberate limitation of the depth of the *ex ante* controls as part of the overall control framework This is also supported by the level of the *ex ante* error rate on the operating budget (0.48% versus 0.54% in 2024), which remained below its target. Non-quantifiable benefits of *ex post* controls also bear an inherent deterrent effect, as beneficiaries will take extra care over the preparation of their cost claims knowing that on-the-spot audits may follow. Finally, the results of *ex post* control provide valuable feedback regarding the effectiveness of *ex ante* controls. *Ex post* control audits also result in reducing the exposure to future errors, thanks to guidance provided to audited beneficiaries.

As concerns the level of error for Horizon Europe which exceeded the materiality threshold, the declaration of assurance will be qualified by a reservation accordingly. Actions are taken to try to reduce the level of error of the programme. Details can be found in annexes 7 and 9.

Based on the most relevant key indicators and control results reported above, ERCEA has assessed the effectiveness, efficiency and economy of its control system of its financial

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([29]) Details of the estimated cost related to shared/pooled control activities carried out by REA and hosted by DG RTD. (CIC and CAS) for the Research Family are reported in the annual activity reports of REA and DG RTD.
([30]) For a nearly 'pure' grant management DG/EA, this is approximated by comparing the administrative/operating budget to the total operational budget.

management and reached a positive conclusion regarding the cost-effectiveness of the controls for which it is responsible.

2.2. Audit observations and recommendations

This section sets out briefly the state of play for all audit observations and recommendations reported by auditors related either to performance aspects or to internal control and financial management. Further details for IAS and ECA audits can be found in annex 8.

Where an audit has detected weaknesses affecting an internal control principle or the department's assurance, a detailed analysis is provided further below in Section 2.3 and, where applicable, the incidence on the Authorising Officer by Delegation's assurance is presented in Section 2.4, accordingly.

Internal Audit Service

On 27 January 2025, IAS issued the audit report on the final phase of Horizon 2020 Grant Management, which included five important recommendations related to the ERC scientific and financial assessments, as well as the monitoring of final payments. ERCEA accepted all recommendations, and the related action plan was approved by the auditors on 1 April 2025.

Reported	Audit Title	Accepted Recommendation	State of play in 2025	Impact on the assurance for 2025
2025	Closure of the follow-up IAS audit on Commission's risk at payment	Very Important: 5	☑	☑

State of play		Assurance	
☑	Action plan implemented	☑	No impact on the assurance
⌛	Action plan implementation is ongoing	🚩	Impact on the assurance
📝	Preparation of the action plan		

European Court of Auditors

Reported	Audit Title	Accepted Recommendation	State of play in 2025	Impact on the assurance for 2025
2024	Statement of Assurance (DAS)	None	☑	☑

State of play		Assurance	
☑	Action plan implemented	☑	No impact on the assurance
⌛	Action plan implementation is ongoing	🚩	Impact on the assurance
📝	Preparation of the action plan		

2.3. Assessment of the effectiveness of internal control systems

The Commission has adopted an Internal Control Framework based on the highest international standards. ([31])

ERCEA has adapted the Internal Control Framework to its specific characteristics and organisational structure. The internal control systems are suited to achieving its policy and internal control objectives in accordance with the internal control principles, having due regard to the risks associated with the environment in which it operates.

As a first source of the annual effectiveness assessment, ERCEA considered the results of its internal control monitoring criteria (ICMC), which allowed to conclude to the overall effectiveness of all principles. To complement this information, ERCEA launched an internal control assessment (ICAT 2025) survey that involved the entire management team (including Head of Sectors). The participation was of 50%, resulting in an overall effectiveness of 89% (92% in 2024).

From the ICMC exercise ([32]), the results of 2 indicators out of 39 did not reach the target this year but 2 are considered for action: the *percentage of registered documents not filed in Ares* (2.3% vs 1% target) and the *percentage of staff attending awareness raising activities on data protection compliance* (81% vs 100% target). For both indicators, actions will continue to be taken in 2026 to address areas for improvement. Additional data protection training sessions and filing exercises will be organised.

To counterbalance those two results, which are linked to Principle 13 of the Internal Control Framework, the *percentage of HAN files readable/accessible by all units in ERCEA* reaches 98% vs 90% (target) and, from the ICAT, the result on Principle 13 reaches 93% of weighted effectiveness.

The five very important recommendations issued in the 'IAS audit on Commission's risk at payment' have been closed and have no impact in the assurance. During the year, ERCEA registered 14 non-compliances and requests for exceptions cases (compared to 13 in 2024). None of the non-compliances and requests for exceptions were the result of an internal control weakness.

In line with the Commission's internal control framework ERCEA has assessed its internal control system during the reporting year and has concluded that it is effective and the components and principles are present and functioning as intended. It should be noted that the reservation outlined below in section 2.4 and further detailed in annex 9 does not stem from any weaknesses or deficiencies within the ERCEA's internal control system.

([31]) The Committee of Sponsoring Organizations of the Treadway Commission Internal Control Integrated Framework, the golden standard for internal control systems.
([32]) Results are available in annex 8.

2.4. Conclusions on the assurance

The information reported in the Annual Activity Report covers both the operational and the operating budgets managed by ERCEA in 2025 and supports the statements of the Declaration of Assurance. It derives from the management's and the auditors' monitoring, based on the systematic analysis of the evidence available as reflected in the reports listed above in Part 2.

As demonstrated throughout the report, the results of the performance and control indicators positively support the five statements of the Declaration of Assurance. The agency effectively achieved its operational objectives as well as its granting and payment efficiency. It provided evidence of the legality and regularity of its underlying transactions and of its overall cost-effectiveness.

However, on what concerns the effectiveness of controls, given that the first audit results for Horizon Europe indicate a level of error that exceeds the 2% materiality threshold for the programme, the declaration of assurance is qualified by a reservation. Most of the errors relate to incorrect claims for actual personnel cost, mainly due to more error prone beneficiaries such as newcomers and small and medium-sized enterprises, and the relatively small number of ex post audits and technical reviews completed in 2025 which led that the calculation was affected by few extreme results. Corrective actions, such as outreach and training, the *Tour des capitales* initiative, focused sessions on Info Days and awareness raising during the R&I Days, extended meetings between the Research and Innovation Auditor's Network and Research and Innovation Ex-ante practitioners group, fine-tuned and extended error rate campaign, guidance to beneficiaries and stakeholders as regards the practical implementation of the programme, and increased use of lump sums were put in place to decrease the level of errors. Further details are available in annexes 7 and 9.

Reservation Title	Financial Impact (in m EUR)		Residual error rate 2025	Evolution
	2024	2025		
Reservation regarding the rate of residual error in grant payments in the Horizon Europe Framework Programme implemented by the ERCEA	N/A	36.8	3.97%	New

The assessment of the internal control system resulted in an overall positive conclusion, supporting the Declaration of Assurance.

The report has been prepared to provide the reader with reliable, complete, and correct information on ERCEA's situation for the reporting period ('true and fair view').

Finally, it does not knowingly contain any material inaccuracy or omit any significant information ('non-omission of significant information'). The management confirms the non-occurrence in 2025 of any significant weakness or reputational events that would have adversely affected the assurance provided below.

The Head of Department in charge of Risk Management and Internal Control reported her advice and recommendations on the overall state of internal control in the Executive Agency to the Executive Director and certified that the information provided in the present report and in its annexes is, to the best of her knowledge, accurate and complete ([33])

In conclusion, based on the elements reported above, management has reasonable assurance that, overall, effective controls are in place and working as intended; risks are being appropriately monitored and mitigated; and necessary improvements and reinforcements are being implemented. The Director, in her capacity as Authorising Officer by Delegation has signed the Declaration of Assurance albeit qualified by a reservation concerning rate of the residual error rate grant payments in the Horizon Europe Framework Programme managed by the ERCEA.

Further to the adoption of the 2025 ERCEA Annual Activity Report by the Steering Committee on 26 March 2026 ([34]), the Executive Director, in her capacity as Authorising Officer for the operating (administrative) budget and Authorising Officer by Delegation for the operational budget has signed the Declaration of Assurance ([35]).

Finally, the final Annual Activity Report 2025 will be published by Commission services ([36]).

([33]) See annex 1 of the AAR.
([34]) Steering Committee decision StC200226/3 Ares(2026)3249831.
([35]) See Section 2.5.
([36]) European Commission, official website - European Commission.

2.5. Declaration of Assurance and reservations

Declaration of Assurance

I, the undersigned,

Executive Director of ERCEA,

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

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

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

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

Confirm that I am not aware of anything not reported here which could harm the interests of European Research Council Executive Agency or those of the Commission.

However, the following reservation should be noted: reservation concerning the rate of the residual error within grant payments in the Horizon Europe Framework Programme, implemented by ERCEA. More details are provided in annex 9.

Brussels, 27 March 2026.

(Electronically signed)

Laurence MOREAU
Director

3. A MODERN AND SUSTAINABLE PUBLIC ADMINISTRATION

This section covers the human resources, digital transformation and information management as well as sound environmental management. For an extensive reporting on all components, please refer to annex 10.

3.1. Human resource management

The mission of the ERCEA's HR Unit is to manage and develop ERCEA's human resources, while providing logistics and infrastructure support. Its priorities are aligned with the Commission's HR strategy and are further complemented by actions addressing the specific needs of executive agencies. The unit acts as a strategic partner aligned with ERCEA's mission, objectives and priorities, and actively supports management and staff to ensure smooth operations.

At the end of December 2025, ERCEA had 564 staff members, achieving an occupancy rate of 97.25%, marginally below the recruitment target of 98%. This year's turnover rate was 7.22%, which is double last year's rate of 3.56%. The increase was mainly driven by a 150% rise in retirements and more resignations due to employee mobility to other EU Institutions (138%). In addition, several major selection processes are currently underway to establish new reserve lists, addressing both ERCEA's present and future staffing needs.

By the end of the reporting period, the gender distribution in senior and middle management positions reached 54% female and 46% male.

In the context of the common inter-agency HR strategy, several important initiatives were concluded. These include the adoption of the Commission decision on harassment prevention that opened access for ERCEA staff to the Commission's Chief Confidential Counsellor; the creation of a network of mediators among the executive agencies through the adoption of a Memorandum of Understanding that included a selection of mediators; and the continuous dialogues with DG HR on the enhancement of career prospects for agencies' staff.

In the framework of the Interinstitutional Health and Safety Week, ERCEA contributed with the 'Science behind Your Health' event bringing on stage ERC grantees who presented their research in health and wellbeing to a large interinstitutional public.

In the learning and development side, numerous initiatives were undertaken to strengthen staff job-related skills (e.g., artificial intelligence for general and tailored use), foster corporate culture, well-being and integration, and promote career opportunities. Managers from Director to Head of Sector level participated in a 360-degree feedback exercise, complemented by targeted coaching and peer learning activities to strengthen leadership across the agency. In 2025, staff completed 5.07 training days per staff member, a decrease of 14% compared to 2024 (5.93 days/staff member).

Finally, in 2025, under the aegis of the ERCEA wellbeing strategy, several actions were undertaken on physical, mental and social wellbeing (workshops, activities, training and conferences).

3.2. Digital transformation & data management

The main IT activities of ERCEA focused on adapting to the evolution of the ERC work programme to ensure business continuity, to optimise operational efficiency, and strengthen the agency's digital capabilities.

Key activities included providing professional IT support to the ERCEA's business units, to the ERC Scientific Council, and to external stakeholders such as Principal Investigators and experts, contributing to the smooth delivery of core business processes and to the agency's overall service quality despite the continuous growth of the number of submitted proposals.

The IT Unit continued to manage the ERCEA's portfolio of digital solutions, covering corporate, local, and third-party systems, while actively contributing to the development and evolution of Horizon Europe features within the common eGrants system, in close cooperation with Commission services such as DGs DIGIT and RTD.

Local applications supporting administrative, financial, human resources, and communication processes were maintained and enhanced, with particular attention to their progressive alignment with corporate solutions and architectural principles defined in the EC digital strategy. In this context, follow-up work continued in relation to the introduction of the SUMMA system, including the assessment of impacts on existing local tools and the preparation of necessary adaptations and integrations.

The ERC archive initiative continued in 2025, with further consolidation of data collected across the ERC, Commission shared IT systems and preparatory work to support secure storage, data harmonisation, and future analytical or research-oriented use. Once data subjects are informed, this repository will be used in a controlled way for historical, research and statistics purposes as well as for plagiarism detection.

In parallel, the IT unit contributed to strengthening digital capabilities within ERCEA by supporting the effective use of collaborative tools and by engaging with learning and development activities to address the growing need for digital and IT-related expertise.

In coordination with the ERCEA's AI working group, the IT unit supported an exploratory phase aimed to identify potential applications of artificial intelligence across business units. This included gathering and structuring business requirements, establishing a prioritisation approach, and preparing a roadmap for possible implementation in subsequent years, notably 2026.

Finally, ERCEA has continued to strengthen its cyber-security posture by implementing multi-factor authentication on public systems handling sensitive non-classified data. It also updated its IT Security Plans and reinforced the central collection of compliance declarations. Additionally, the ERCEA ensures staff awareness of information & technology risks and security (i.e. 100% of the 2025 newcomers followed the ERCEA training on cyber-security).

As regards data protection, the agency continued to implement its activities in compliance with the Data Protection Regulation and according to its inventory of data processing operations. During 2025, the revision work of the records published on the ERCEA register focused on the update, when necessary, of the processing operations related to HR management.

In addition, ERCEA has drafted the records related to the processing operations linked to the Funding and Tender Opportunities Portal, in line with the joint controllership agreement signed with the Commission, the other executive agencies and the joint undertakings.

The agency has also developed its first record on the use of artificial intelligence for the classification of projects. The public part of the records is regularly published on the ERC website, and it is accessible to the relevant data subjects. Dedicated info sessions took place during the year, including specific ones for newcomers. Finally, the Data Protection Officer provided regular advice on access to document cases containing personal data and requests made by data subjects.

3.3. Sound environmental management

In 2025, ERCEA continued its efforts under the Eco-Management and Audit Scheme (EMAS), ERCEA greening schemes, and the guidelines for sustainable meetings, respectively. The result contributed to keep its environmental impact low: joining energy-saving actions whenever possible and encouraging sustainable commuting options (*Velomai*). By the end of the year, ERCEA achieved a reduction of CO_2 travel emissions by 71.24% (compared to 2019 baseline), exceeding the corporate target set at 50% of CO_2 reduction from staff business travel.

This was achieved through several actions such as limitation and optimisation of business trips and application of green travel (e.g. giving preference to the greener alternatives, usage of trains for distances under 550 km, priority to direct flights and premium economy for long-distance flights). These actions together with the quarterly reports on carbon footprint performance provided to senior management helped the Agency to minimise the carbon footprint of staff travel while ensuring efficient operations.

The ERCEA greening group supported EMAS in implementing green actions. Since the beginning of the year, the greening group launched various initiatives focusing on raising staff awareness about reducing energy consumption, optimizing energy use, and improving waste management practices.

Practically, in cooperation with the ERCEA EMAS Correspondents, the group has created a permanent 'GREEN corner' area. The inauguration was launched to celebrate Earth Day 2025, on 22 April 2025. This is a waste management action dedicated to reducing waste, sharing resources, and inspiring each other to live more sustainably in support of circular economy.

To commemorate the International Day of Zero Waste, the ERCEA greening group aims to highlight the significant issue of waste production. They have initiated a challenge encouraging all staff to participate in a Zero-Waste Day during the week of 24–28 March.

Additionally, a short movie on office energy savings, focusing on electricity and water, has been released on the ERCEA intranet to further raise awareness about energy savings in the office. Furthermore, corporate actions initiatives such as spring greening campaign or European natura 2000 day are published and made visible to the ERCEA staff.

On 13 May 2025, the new 'Corporate guide to missions and authorized travel' was adopted, introducing simplified and updated procedures, along with additional greening measures and ethical principles.

To improve comfort and energy efficiency, ERCEA equipped the offices located in the most exposed part of the building with sunscreens to improve the temperature in the room during heat waves and the thermal comfort for staff while reducing energy consumption of office cooling.

ERCEA joined forces with the other five executive agencies to plan, organize and implement the Green Week 2025 incorporating online and on-site events in order to stimulate sustainable practices in the agency (Toys Toys Toys, digital frugality, collection of electric appliances, recycled clothes fair).

ERCEA was the co-winner with the five other executive agencies of the EMAS Sustainable Events Award 2025 competition organised by the Commission, for the winning project: 'Best Internal event', part of the executive agencies' green week 2024.

To further promote environmental awareness, a presentation on EMAS and the greening group's activities is now part of the newcomer's induction day program.

The agency has achieved its plan for environmental actions, in line with the Commission's commitment to the Green Deal objectives.

3.4. Examples of economy and efficiency

Throughout the year, ERCEA's continuous improvement programme initiated seven new projects based on proposals submitted by staff members (addressing for example expert management and knowledge sharing). These projects are either in measure or analysis phase, following the lean six sigma methodology, and will be finalised by June 2026. One project launched in 2024, focusing on the agency's pre-paid ticket service for external experts, was successfully completed through a pilot phase, with an estimated saving of over 40 working days for the process concerned.

The Grant Management Department worked on the SharePoint collaborative space that is being used as a single central location for internal resources to facilitate daily activities by storing, organising and sharing important information, internal documents and links to external pages, always paying attention not to duplicate any content and with the aim of improving efficiency and reducing email exchanges. This first local website has been presented and discussed at Department management level and might serve as a pilot for other local sites, as well as a point of reflection on the existing common SharePoint platform of the Department.

In addition, the same department, with the help of the Communication Unit, pursued the idea of recording a series of short videos on grant management for Principal Investigators and Host Institutions. The recordings cover specific aspects of the ERCEA grant management key processes, e.g.: how to calculate personnel costs, rights and obligations of Principal Investigators, amendments, etc. The videos will be published on the ERC website at the beginning of 2026 and will be accessible to the public.

Finally, to improve understanding of procedures and financial rules, specific information sessions for Principal Investigator continued to be held right after dispatching granting invitation letters. These sessions are most of the time followed by individual meetings between the Principal Investigator and the responsible ERCEA Project Officer for tailored guidance and open communication with beneficiaries, which prove a gain in time and efficiency.