

2018

Annual Activity Report

**Innovation and
Networks Executive
Agency**

FOREWORD

Our past prepared us for an exciting future!

On 16 April 2018, INEA celebrated 10 years¹ since it started to deliver an excellent service to both its parent DGs and its stakeholders (see the [Video](#)). Reflecting on the past decade what comes to mind are the instances when INEA has played a significant role in supporting policy with tangible results through the sound implementation of its delegated programmes. The success of INEA is not only reflected by the continuous achievement of its key performance indicators but can also be observed through the many other valuable activities performed by the Agency.

Looking at the future perspectives of the next Multi-annual Financial Framework, I see this period as a huge opportunity for INEA to reconfirm itself as the trustworthy partner it is known for, especially given the Agency's cumulated experience in results-based programme management and achievement of outputs.

'Without you there is no way we could capitalise on our strategies and visions.' Commissioner Violeta Bulc at INEA's 10 years celebration event

As to 2018, I am excited to report that INEA achieved another successful year. Despite the fact that the challenges faced were significant, the Agency managed to overcome them through the dedication of its staff and the efficiency of its operations. The year was marked by two events – the closure of the TEN-T programme, which is the predecessor of the CEF Transport programme, and the launch of the WiFi4EU voucher grant scheme. As a result of the TEN-T implementation EUR 5.5 billion of EU contribution was invested in support of infrastructure projects for a better European transport network. Moreover, with the signature of the first WiFi4EU grant agreements, already 1,237 municipalities are able to provide free internet in public spaces all over the EU.

Finally, I am particularly proud of INEA's accomplishments so far and am confident that the Agency will continue to have an instrumental role in implementing projects in the field of transport, energy, telecommunications and research.

*Dirk Beckers,
Director*



¹ INEA started its activities on 01 January 2014 as the successor of TEN-T EA which became autonomous in April 2008.

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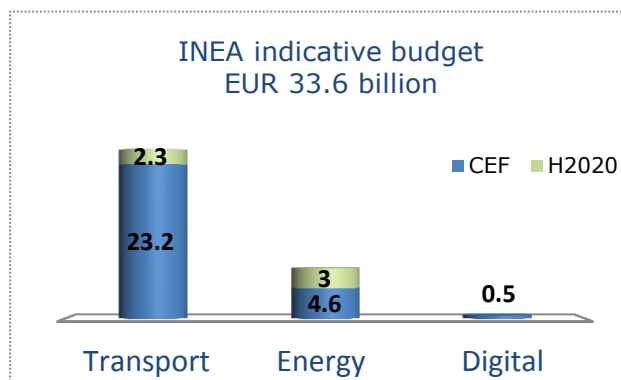
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THE EXECUTIVE AGENCY IN BRIEF

The **Innovation and Networks Executive Agency (INEA)** started its activities on 01 January 2014 on the basis of two Commission Decisions, respectively establishing and delegating powers to it². The Agency has been entrusted with the implementation of parts of the CEF and H2020 programmes. The projects in INEA's portfolio aim at creating modern and innovative transport, energy and telecommunication structures across Europe and thus improve the quality of life of the European citizens (see the [Video](#)).



Being an executive Agency, INEA is simultaneously independent – it has its own legal personality and operating budget, and dependant because it can only implement tasks delegated by its parent Directorates General (DGs)³. The Commission, and in particular



INEA's four parent DGs, define the policy, strategy, objectives and priorities of the programmes, and through the Steering Committee are also responsible for supervising and monitoring the Agency's activities. On its end, INEA is responsible⁴ for managing the projects under its delegated programmes throughout the entire grant management cycle – from publishing the calls for proposals to the ex-post audits⁵.

The Director of the Agency acts as Authorising Officer by delegation for the operational budget. He has overall responsibility for implementing INEA's revenue and expenditure in accordance with the principles of sound financial management as defined in the Financial Regulation applicable to the general budget of the Union.

² Commission Implementing Decision 2013/801/EU of 23 December 2013 establishing the Innovation and Networks Executive Agency and repealing Decision 2007/60/EC as amended by Decision 2008/593/EC, OJ L 352, 24.12.2013, p. 65, and Commission decision C (2013) 9235 of 23 December 2013 delegating powers to the Innovation and Networks Executive Agency with a view to the performance of tasks linked to the implementation of Union programmes in the field of transport, energy and telecommunications infrastructure and in the field of transport and energy research and innovation comprising, in particular, implementation of appropriations entered in the general budget of the Union.

³ DG Mobility and Transport (MOVE), DG Research and Innovation (DG RTD), DG Communications Network, Content and Technology (DG CONNECT) and DG Energy (DG ENER).

⁴ INEA's tasks are detailed in the Memorandum of Understanding between INEA and its four parent DGs.

⁵ For Horizon 2020 audits are performed by Common Support Centre according to the Horizon 2020 Ex-post Audit Strategy (2017-2025). INEA's ex-post audit team acts as the 'Audit Liaison Officer' (ALO) with the Horizon 2020 Common Audit Service (CAS).

The Commission has delegated to INEA the task of executing the operational budget and performing all relevant activities linked to the implementation of the following programmes:



The **Connecting Europe Facility (CEF)** is a key EU instrument to promote growth, jobs and competitiveness by investing in European infrastructure. It supports the development of high-performing, sustainable and interconnected Trans-European Networks in the fields of transport, energy and telecommunications. CEF contribution aims at further integration of the European Single Market and is primordial for the social and territorial cohesion of the European Union. It makes travel easier and more sustainable, it enhances Europe's energy security and increases the interconnectivity level while enabling integration of renewables, and it facilitates cross-border interaction between public administrations, businesses and citizens.

Horizon 2020 is the EU's biggest ever programme for research and innovation. Its goal is to produce world-class science, to remove barriers to innovation and to make it easier for the public and private sectors to work together in delivering innovation. Moreover, the programme aims at economic growth and the creation of jobs with its emphasis on excellent science, industrial leadership and tackling societal challenges. INEA manages parts of the programme related to transport and energy research: 'Smart, green and integrated transport', and 'Secure, clean and efficient energy.'



The **TEN-T and Marco Polo II Programmes** are the predecessors of CEF Transport. The TEN-T programme supports the development of European transport infrastructure with high added value for improving European mobility as a whole. The Marco Polo programme aims to ease road congestion and the pollution it causes by promoting a switch to greener transport modes for European freight traffic. The implementation of these legacies has contributed to the preparation of the CEF project pipeline for 2014-2020.

In addition to ensuring the sound implementation of its delegated programmes, the Agency engages in supplementary activities such as:

- ✓ **Enhancing the visibility** of the funding provided through communication campaigns;
- ✓ **Feedback** to policy making via regular cluster meetings, technical workshops, reports, direct input in various documents and aggregated statistical data;
- ✓ Cooperation and **exchange of knowledge** with different stakeholders;
- ✓ **Support** to potential applicants and project promoters.

INEA is based in Brussels and at the end of 2018 had a multi-national team of 282 staff, representing 26 nationalities.

EXECUTIVE SUMMARY

The Annual Activity Report is a management report of the Director of INEA 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 Treaties⁶.

a) Implementation of the 2018 Annual Work programme - highlights of the year (executive summary of section 1)

The management of the CEF, H2020, TEN-T and Marco Polo programmes added up to the achievement of the relevant specific parent DGs' objectives as well as the general objectives of the European Commission.

INEA contributes to the following 5 General Objectives of the European Commission

GENERAL OBJECTIVE 1	GENERAL OBJECTIVE 2	GENERAL OBJECTIVE 3	GENERAL OBJECTIVE 4	GENERAL OBJECTIVE 9
A New Boost for Jobs, Growth and Investment	A Connected Digital Single Market	A resilient Energy Union with a Forwards-Looking Climate Change Policy	A Deeper and Fairer Internal Market with a Strengthened Industrial Base	A Stronger Global Actor

As illustrated further down in this document, the link between INEA's activities and the above-mentioned objectives is achieved through the sound and cost-efficient management of the Agency's portfolio of projects throughout the entire grant lifecycle.

INEA provided high value expertise and effective management of its delegated programmes and thus fulfilled its mission of a trustworthy contributor to the implementation of the policies and specific objectives of its parent DGs.

For CEF Transport, INEA granted support to 47 new actions increasing its portfolio to a total of EUR 22.8 billion of EU contribution across Europe. The implementation of CEF Transport actions serves the specific objective of DG MOVE of creating a modern, fully interconnected, resource-efficient, environmentally friendly and safe trans-European transport system.

A big milestone was achieved with the closure of the predecessor of CEF Transport – the TEN-T programme. The funded actions focused on cross-border sections aiming at removing bottlenecks and bridging missing links, as well as in



⁶ Article 17(1) of the Treaty on European Union.

horizontal priorities targeting in particular traffic management systems.

In CEF Energy, the Agency concluded another 24 grant agreements, mounting its portfolio to a total of EUR 2.3 billion. In that respect, INEA has actively contributed to achieve DG ENER specific objectives, consisting in ensuring a fully integrated internal energy market. By developing energy infrastructure which ensures security of the EU energy supplies, sustainable development and protection of the environment, the funded actions support the EU Energy Union.

In the area of CEF Telecom, INEA finalised the evaluations of three sets of calls reaching a portfolio of EUR 186.6 million. By supporting these actions INEA contributes to the deployment of Digital Service Infrastructures and broadband and to the establishment of the EU Digital Single Market.

In 2018, INEA had to once more prove its potential to turn challenges into opportunities.

'Improving connectivity in the EU is a key part of our Digital Single Market strategy, and WiFi4EU is another concrete step to make it a reality for everyone.', Statement made by the Commissioner for Digital Economy and Society Mariya Gabriel at the announcement of the results of the WiFi4EU call.

In May, the Agency took over the implementation of the WiFi4EU initiative under CEF Telecom which aims to provide free public Wi-Fi connectivity across the EU for citizens and visitors. Shortly after that the first call for applications was launched. Due to technical problems outside the Agency's remit the internet portal for submission of applications became temporarily unavailable and in consequence, the call was cancelled. A new call was launched in the autumn and INEA had to stretch its potential managing the selection of 2,800 vouchers and the conclusion of the 1,237 grant agreements linked to the 2017 budget.

The initiative aims to provide free public Wi-Fi connectivity across the EU for citizens and visitors networks in 6,000 to 8,000 communities by 2020. Allowing more Europeans to benefit from effective world-class connectivity, INEA has served both the specific objectives of DG CNECT and the general objective 2 of the Commission, as this new initiative contributes to unleash the potential of the digital economy and to deepen the Digital Single Market.

INEA has made very good progress in contributing to the Horizon 2020 programme objectives. Throughout 2018, the Agency added 131 new grant agreements under its management. In consequence, at the end of 2018, INEA's portfolio of 512 ongoing actions made available EUR 1.96 billion of support for research and innovation in the energy sector and another EUR 1.55 billion in the transport field. One of the highlights of 2018 was the preparatory work done for the implementation of the first cross cutting call on battery applications which comprises activities from a wide variety of policy driven actions including transport, energy and materials development. By carrying over these actions, INEA has been actively engaged in achieving DG RTD specific objectives, namely developing an innovative transport sector and implementing the Research, Innovation and Competitiveness dimension of the Energy Union, together with a forward-looking climate-change policy. Overall, the aim of the societal challenges is to develop and bring closer to the market new technologies and products that could mitigate climate change, create jobs and boost the European economy.

Further to the efficient management of its delegated programmes, the Agency continued to supply its parent DGs with valuable feedback in support of their policy-making tasks, thus bridging the gap between policy and implementation.

For CEF, the Agency cooperated with various stakeholders with a focus on data collection and analysis and produced various country and projects implementation reports. Special accent was placed on the CEF Transport Mid-term Review (2018 MTR) which led to scrutinising 356 ongoing actions with the aim both to ensure the smooth implementation of the project portfolio and to foresee timely risk mitigating measures where need be. An analysis of the findings including several concrete recommendations was sent to DG MOVE and published on INEA's [website](#). On this basis, the Agency has started to follow up at individual action level and will continue this work in 2019.

As for H2020, feedback was provided via periodic thematic workshops and through systematic production of project fiches. Moreover, INEA enhanced the dissemination and exploitation of its H2020 project results through the active participation in many of the relevant Common Support Centre activities and through the promotion of the Agency's project portfolio at different events. At this year's edition of the EU Sustainable Energy Week for the second time in a row one of INEA's H2020 projects won a prize. This time the WiseGRID project was selected to be the best project in the business and citizen's choice categories, winning two EU Sustainable Energy Awards.

INEA placed a lot of emphasis on sustaining its efforts to enhance the synergies between its two programmes. Following up on the work done in 2017, the Agency conveyed a technical meeting with representatives of INEA, DG MOVE, RTD, ENER and CNECT to discuss its H2020-CEF document highlighting potential synergies between these programmes in the Transport sector. In addition, INEA has also worked on a paper on how to identify and exploit synergies in the Energy sector. The discussions will continue in 2019 with the presentation of the document to the concerned parent DGs and INEA Steering Committee. Some results of INEA's efforts have already found expression in the cross-reference of both programmes in calls for proposals, such as the H2020-MG-2018-SingleStage call. Concrete examples can be seen on [INEA's website](#). Moreover, the work of INEA has also been taken up into the discussions linked to the strategic planning of the new Horizon Europe programme. These positive outputs illustrate the capacity of INEA to contribute in achieving RTD specific objectives on the maximisation of synergies.

In addition, the Agency has also fostered synergies within the CEF programme by informing CEF Energy and Transport stakeholders about the possibility of applying to the CEF Telecom call for proposals in CyberSecurity.

Synergies were also addressed in INEA's communication and dissemination activities. The TEN-T Days held in April allowed the possibility of featuring both CEF as well as Horizon 2020 Transport projects in the indoors exhibition area in Ljubljana (Slovenia). Both programmes were also represented and highly visible at the Transport Research Arena in Vienna. Projects from both programmes were also promoted via thematic publications such as the Green Vehicles brochure.

With the aim to increase the visibility of its delegated programmes and funding, in 2018, INEA took part in several important events such as the TEN-T days, the Energy Infrastructure Forum, the ITS World



Congress and the Innovation and Leadership in Aerospace Fair. Moreover, INEA has been actively engaged in external communication on various different platforms, with a particular emphasis on increasing its visibility on social media. The Agency produced various outreach materials and showcased many of its successful projects.

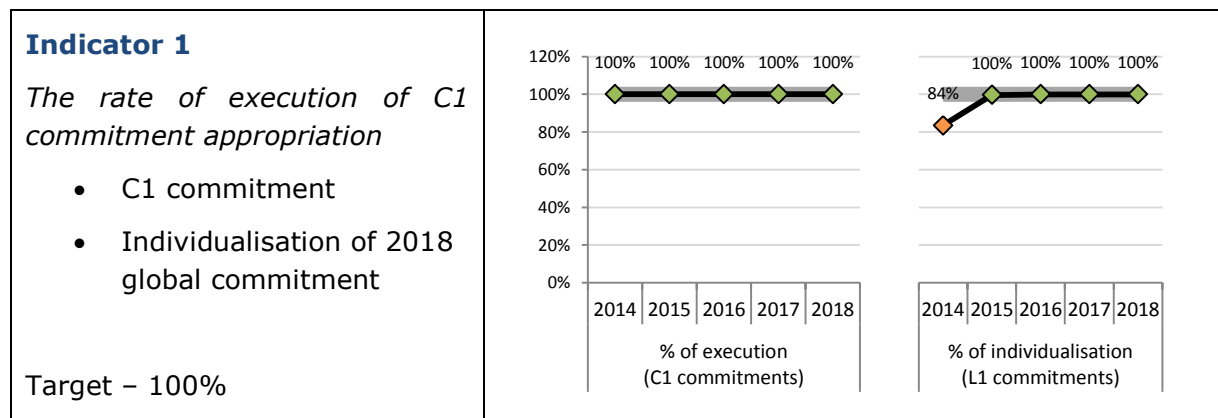
INEA has also been very busy to respond to queries in the context of the European Court's audits, in particular as regards to the ongoing INEA's performance audit. In view of the horizontal activities, the main highlights have been the continued improvement of the financial controls and the internal control monitoring criteria indicators.

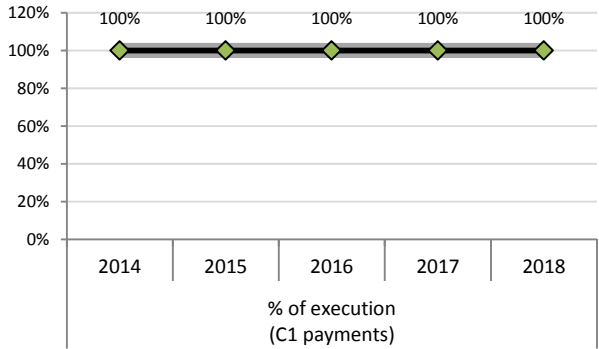
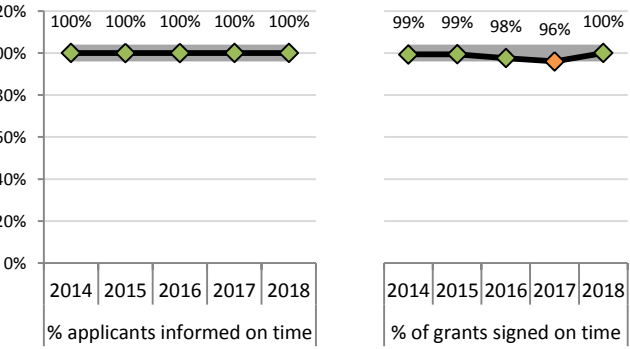
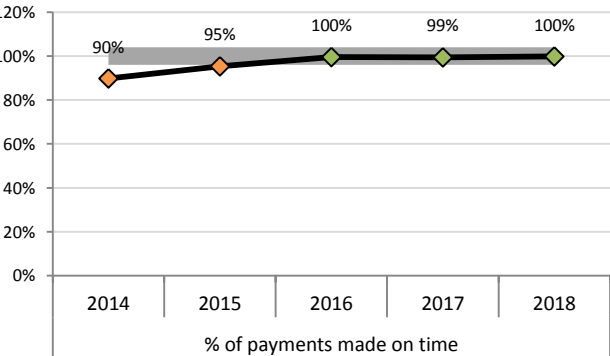
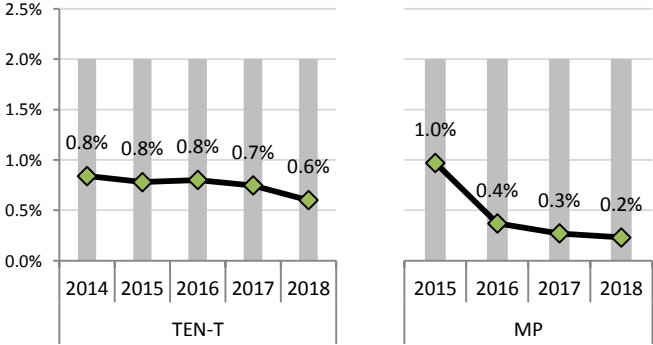
Finally, albeit 2018 was a very challenging year, thanks to the continuous dedication of its 281 staff members, INEA has once more proven to be the reliable partner it is known for. The Agency evaluated 4,592 proposals, including 3,438 eligibility checks for WiFi4EU applications, signed 1,625 grant agreements (GAs) and processed 1,322 financial transactions on the operational budget while reaching its key performance indicators targets. INEA managed to complete the objectives as defined in its 2018 Annual Work Programme delivering key outputs which contributed to the achievement of both the specific objectives of the parent DGs and the general objectives of the European Commission.

b) Key Performance Indicators (KPIs)

In its 2018 Annual work programme INEA has chosen 5 KPIs in order to measure the effectiveness of the performance of its mandated tasks with the aim to successfully achieve the goals set by its parent DGs. The aggregated annual results for each of the five indicators are presented below and are detailed by programme sector in Annex 12.

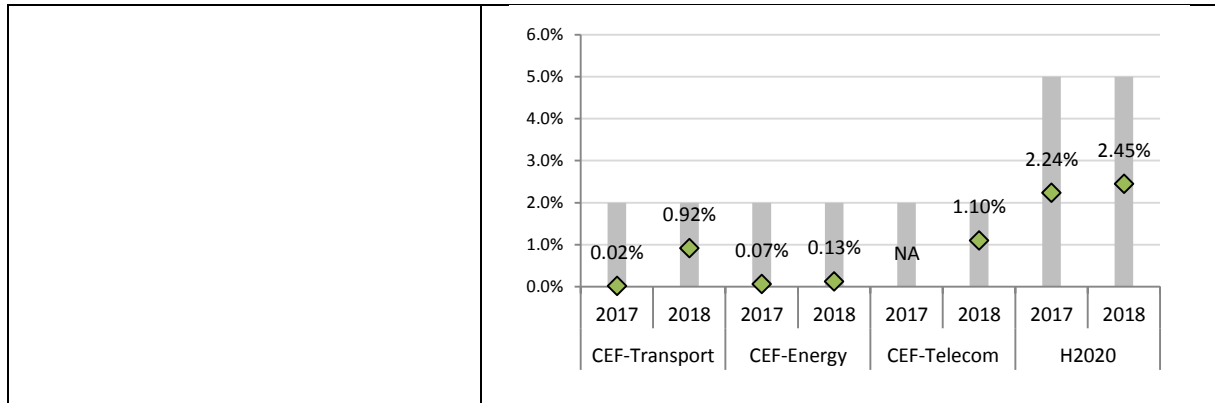
Figure 1: Historical overview on INEA's KPIs



<p>Indicator 2</p> <p><i>The rate of execution of C1 payment appropriations</i></p> <p>Target – 100%</p>	 <table border="1"> <caption>% of execution (C1 payments)</caption> <thead> <tr> <th>Year</th> <th>2014</th> <th>2015</th> <th>2016</th> <th>2017</th> <th>2018</th> </tr> </thead> <tbody> <tr> <td>Value</td> <td>100%</td> <td>100%</td> <td>100%</td> <td>100%</td> <td>100%</td> </tr> </tbody> </table>	Year	2014	2015	2016	2017	2018	Value	100%	100%	100%	100%	100%												
Year	2014	2015	2016	2017	2018																				
Value	100%	100%	100%	100%	100%																				
<p>Indicator 3</p> <p><i>% of beneficiaries informed on time and % of grants signed on time</i></p> <p>CEF: 9 months (276 days)</p> <p>Horizon 2020: 8 months (245 days)</p> <p>Target > 98%</p>	 <table border="1"> <caption>% applicants informed on time</caption> <thead> <tr> <th>Year</th> <th>2014</th> <th>2015</th> <th>2016</th> <th>2017</th> <th>2018</th> </tr> </thead> <tbody> <tr> <td>Value</td> <td>100%</td> <td>100%</td> <td>100%</td> <td>100%</td> <td>100%</td> </tr> </tbody> </table> <table border="1"> <caption>% of grants signed on time</caption> <thead> <tr> <th>Year</th> <th>2014</th> <th>2015</th> <th>2016</th> <th>2017</th> <th>2018</th> </tr> </thead> <tbody> <tr> <td>Value</td> <td>99%</td> <td>99%</td> <td>98%</td> <td>96%</td> <td>100%</td> </tr> </tbody> </table>	Year	2014	2015	2016	2017	2018	Value	100%	100%	100%	100%	100%	Year	2014	2015	2016	2017	2018	Value	99%	99%	98%	96%	100%
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<p>Indicator 4</p> <p><i>% of payments made on time⁷</i></p> <p>30 days for pre-financing</p> <p>60 days for further pre-financing</p> <p>90 days for interim/final payments</p> <p>Target > 98%</p>	 <table border="1"> <caption>% of payments made on time</caption> <thead> <tr> <th>Year</th> <th>2014</th> <th>2015</th> <th>2016</th> <th>2017</th> <th>2018</th> </tr> </thead> <tbody> <tr> <td>Value</td> <td>90%</td> <td>95%</td> <td>100%</td> <td>99%</td> <td>100%</td> </tr> </tbody> </table>	Year	2014	2015	2016	2017	2018	Value	90%	95%	100%	99%	100%												
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<p>Indicator 5</p> <p><i>Residual Error Rate</i></p> <p>Target H2020 – between 2-5%</p> <p>Target (all other programmes) – below 2%⁸</p>	 <table border="1"> <caption>TEN-T Residual Error Rate</caption> <thead> <tr> <th>Year</th> <th>2014</th> <th>2015</th> <th>2016</th> <th>2017</th> <th>2018</th> </tr> </thead> <tbody> <tr> <td>Value</td> <td>0.8%</td> <td>0.8%</td> <td>0.8%</td> <td>0.7%</td> <td>0.6%</td> </tr> </tbody> </table> <table border="1"> <caption>MP Residual Error Rate</caption> <thead> <tr> <th>Year</th> <th>2015</th> <th>2016</th> <th>2017</th> <th>2018</th> </tr> </thead> <tbody> <tr> <td>Value</td> <td>1.0%</td> <td>0.4%</td> <td>0.3%</td> <td>0.2%</td> </tr> </tbody> </table>	Year	2014	2015	2016	2017	2018	Value	0.8%	0.8%	0.8%	0.7%	0.6%	Year	2015	2016	2017	2018	Value	1.0%	0.4%	0.3%	0.2%		
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⁷ Other payments made on the operational budget excluded

⁸ Details on the error rate calculation can be found in Part 2 of this report.



Throughout the year INEA closely monitors the progress on its indicators and takes mitigating measures to prevent any major deviations from the targets. The data is gathered through the IT systems used by the Agency such as TEN-Tec, ABAC and CORDA, and it is subject to a regular data quality control.

In 2018, INEA reached the targets for all of its KPIs. Compared with a year ago, the Agency signed 1,207 grant agreements more (1,625 vs. 418) and processed 56 more payments on the operational budget (1,144 vs. 1,088)⁹. It should be noted however that the major increase of number of agreements signed is linked to WiFi4EU for which the transactions are generally much more numerous but simultaneously less labour - intense. Similarly, the grants signed on time indicator has also been influenced by the prevailing number of grants under WiFi4EU – 1,237 vs 388 for all other programmes together. Without WiFi4EU, the percentage of the grants signed on time would decrease from 100% to 98%, with the latter still been within the target set.

c) Key conclusions on Financial management and Internal control (executive summary of section 2.1)

In accordance with the governance arrangements of the European Commission, (the staff of) INEA conducts its operations in compliance with the applicable laws and regulations, working in an open and transparent manner and meeting the expected high level of professional and ethical standards.

The Commission has adopted a set of internal control principles, based on international good practice, aimed to ensure the achievement of policy and operational objectives. The financial regulation requires that the organisational structure and the internal control systems used for the implementation of the budget are set up in accordance with these principles. INEA has assessed the internal control systems during the reporting year and has concluded that the internal control principles are implemented and function as intended. Please refer to AAR section 2.1. for further details.

In addition, INEA has systematically examined the available control results and indicators, including those aimed to supervise entities to which it has entrusted budget implementation tasks, as well as the observations and recommendations issued by internal auditors and the European Court of Auditors. These elements have been assessed to determine their impact on the management's assurance as regards the achievement of control objectives. Please refer to Section 2.1. for further details.

⁹ Other payments made on the operational budget excluded

In conclusion, management has reasonable assurance that, overall, suitable 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 of INEA, in his capacity as Authorising Officer by Delegation has signed the Declaration of Assurance.

d) Provision of information to the Commissioners

In the context of the regular meetings during the year between the Director and the parent DGs management matters, including the main elements of this report and assurance declaration, have been brought to the attention of the Agency's Steering Committee and to the parent DGs Directors General who have taken these into consideration in their reporting to Commissioner Violeta Bulc, responsible for Transport, Vice-President Maroš Šefčovič, responsible for Energy Union, Commissioner Arias Cañete, responsible for Climate Action and Energy, Commissioner Mariya Gabriel, responsible for Digital Economy and Society, Vice-President Andrus Ansip, responsible for Digital Single Market, and Commissioner Carlos Moedas, responsible for Research, Science and Innovation.

1. IMPLEMENTATION OF THE 2018 ANNUAL WORK PROGRAMME - HIGHLIGHTS OF THE YEAR

1.1 CEF TRANSPORT¹⁰

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

The CEF Transport programme aims at building an EU-wide transport infrastructure network. The actions managed by INEA concentrate on the development of the core network, in particular the [nine Core Network Corridors](#) with the aim to remove bottlenecks, to build cross-border connections and to promote modal integration and interoperability. They also contribute to promoting clean fuel and innovative transport solutions.

Call management and contracting

In 2018 INEA was responsible for the organisation of different stages of several calls for proposals in the transport sector. They aimed at selecting applications which would further facilitate the cross-border connections and the social and territorial cohesion of the EU. The selection processes were organised following the principles of transparency and objectivity with the participation of external experts and independent observers.

In the first half of 2018 INEA published the **2018 CEF Transport multi-annual call** under the General envelope, with a budget of EUR 450 million, covering funding objectives and priorities under the umbrella of transport digitalisation, road safety and multimodality. The call registered high interest with 148 submitted proposals from 30 countries and a requested funding of 2.06 times more the indicative budget available. The evaluation of proposals will take place at the beginning of 2019 with the results expected to be announced before April. In 2018 INEA finalised the evaluation of the **2017 CEF Transport Blending multi-annual call** (1st cut-off date) and conducted the evaluation of the proposals submitted by the 2nd cut-off date. The call aims to increase the participation of the private sector investment in the financing of TEN-T projects, notably by using financial instruments such as equity, loans and/or guarantees to complement the traditional grant funding.

¹⁰ The CEF Synergy actions are reported under this chapter while they are funded on equal contributions from both the CEF Transport and CEF Energy sectors.

During the first cut-off date the Agency evaluated a total of 65 eligible proposals which resulted in awarding grants to 39 actions for a maximum amount of EUR 1,020 million. All applicants were informed on time and 38 grant agreements were signed within the time-to-grant period, many of which were handed-over during the TEN-T days. The

remaining GA could not be signed on time due to reasons outside the Agency's remit.

For the 2017 CEF Transport Blending multi-annual call (2nd cut-off date), 69 proposals from 24 counties were submitted with a requested total amount of EUR 1.03 billion, confirming the expected high interest in the 'innovation and new technologies' objective. INEA finalised the evaluation in September and managed to sign all 33 grant agreements before the end of the year. Over €250 million of CEF co-funding will be dedicated to promoting alternative fuels in transport. In order to increase the visibility of the EU funding provided, several agreements were signed or handed over through official ceremonies.

The **2017 CEF Transport SESAR multi-annual call** closed on 12 April 2018 with a



Signature of a grant agreement with CEF Transport co-funding in support of the construction of a Hydrogen Purification Unit (HPU) to produce 160 kg/h of hydrogen with associated hydrogen compression, storage and a refueling station (CSD) in Gdansk, Poland. The Action also includes the construction of a public hydrogen refueling point at an existing fuel station located along the TEN-T core network in Warsaw, for the purpose of filling passenger vehicles and buses.

total of 33 submitted proposals with applicants requesting EUR 407 million. INEA concluded the evaluation process in September 2018 and managed to sign all grant agreements before the end of the year. Fourteen proposals were selected for CEF co-funding in order to modernize the EU air traffic management system by developing innovative projects and new technologies for transport.

Moreover, the Agency signed 11 grant agreements for Programme Support Actions (PSAs) on Rail freight corridors.

In December 2018 INEA published the **2019 CEF Transport annual call** under the General envelope, with a budget of EUR 100 million, covering two priorities - projects on the Comprehensive Network and rail freight noise. The call opens for submission as of 8 January 2019 and the evaluation is expected to be finalised by September 2019.

Overall, following the evaluation procedures conducted in 2018, INEA awarded a total of EUR 695.1 million to 49 proposals under the three funding objectives¹¹ of the CEF

¹¹ Funding Objective 1 - Removing bottlenecks and bridging missing links, enhancing rail interoperability, and,

Transport programme. The funding plays an important role in stimulating the European economic growth and creation of jobs through the co-financing of capital investments in core European infrastructure actions. The EU support was awarded as follows:

Figure 2: CEF Transport - number of selected proposals in 2018



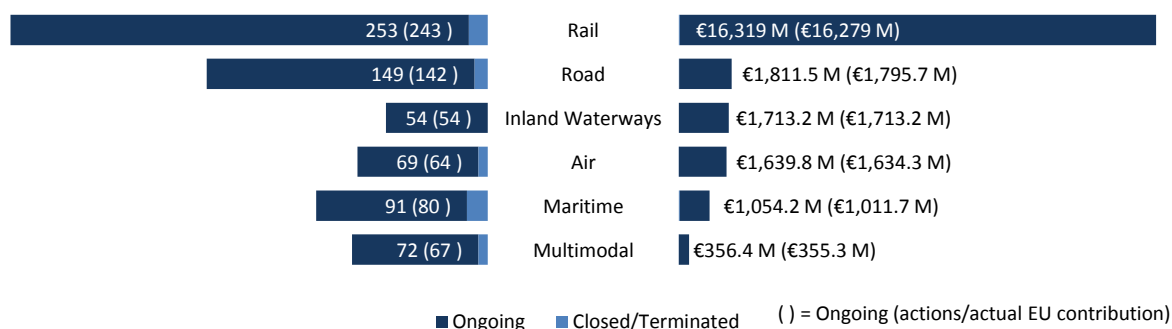
In cooperation with DG MOVE, INEA organised call related info days. The **CEF Transport virtual info day** presented the 2018 CEF Transport call and its topics. 2,030 people connected to the live web-streaming and the video on demand after the event. For the **2017 CEF Transport Blending second cut off virtual info day** 1,476 people connected using the web-streaming and the video on demand, and 133 tweets were posted - potentially reaching a total of 490,000 people.

Finally, INEA also contributed to the amendment of the CEF Transport Multi-annual Work Programme which resulted in the launch of the CEF 2018 MAP call.

Project portfolio management

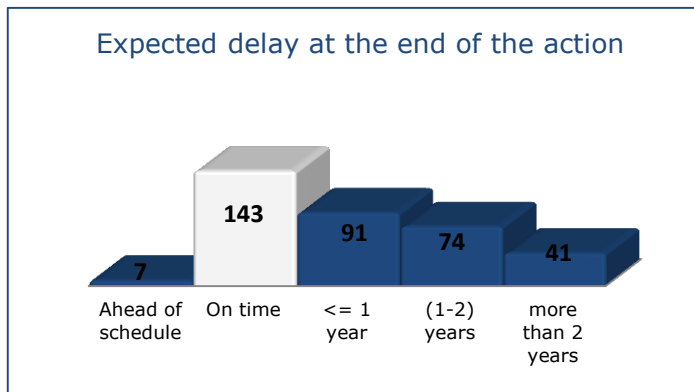
At the end of 2018, INEA had a portfolio of 650 ongoing actions for a total EU contribution of EUR 22.8 billion distributed per transport mode as shown on the figure below. Additionally 34 PSAs and 6 Synergy actions are ongoing. Thirty actions were closed during the reporting period.

Figure 3: CEF Transport number of ongoing actions and actual EU contribution per transport mode (without PSAs and Synergy actions)



in particular, improving cross-border sections, Funding Objective 2 Ensuring sustainable and efficient transport systems in the long run, with a view to preparing for expected future transport flows, as well as enabling all modes of transport to be decarbonised through transition to innovative low-carbon and energy-efficient transport technologies, while optimizing safety; Funding Objective 3 - Optimising the integration and interconnection of transport modes and enhancing the interoperability of transport services, while ensuring the accessibility of transport infrastructures

In 2018 the Agency continued the thorough monitoring of its project portfolio. In the first half of the year INEA received and assessed 458 Action Status Reports (ASR)¹². On that basis 356 ongoing actions from the 2014 and 2015 Multi-annual calls¹³ underwent a Mid-term Review (2018 MTR) and were thus scrutinised in greater details so that early warning indicators



With the aim to ensure the efficient management of the CEF Transport project portfolio, 356 actions underwent a comprehensive review within the framework of the 2018 MTR

would be identified on time. The exercise aimed at ensuring the smooth implementation of the project portfolio and at taking - in agreement with DG MOVE - appropriate mitigating measures linked to the future implementation plans of the projects. In the second half of the year, INEA drafted and submitted to DG MOVE's attention an analysis of the findings while also including several concrete recommendations for future execution. An information note on the outcome of the MTR, at portfolio level, was also made available to the members of the CEF Committee, to INEA's CEF Transport Advisory Group and to all beneficiaries via INEA's [website](#). The analysis showed that overall the technical and financial implementation was on good track. However, in certain cases delays and underspending were registered. Consequently, and when necessary, specific meetings were

organised with Member States' representatives to discuss the next steps, in particular when amendments were needed to address significant action timing and/or scope issues. In total, INEA received 428 new amendment requests in addition to the 37 outstanding on 01/01/2018. The majority of them have already been processed. The main reasons for the requests were changes of administrative data, implementation period duration or reduction of the CEF contribution.

Inter-networks Traffic Management On Lyon Metropolitan Area (TIMELY)

Implementation period: 01/06/2015-31/05/2018

The action aims at improved urban mobility in the Lyon Métropole with the introduction of traffic management and traveller information services. In order to reduce traffic congestion and improve travel time estimations, several measures were deployed, inter alia: 936 traffic sensors and 31 new traffic control cameras were installed. As a result, a total of 700 km is now monitored by the traffic control centre, and a mobile application (ONLYMOOV) has been developed to provide real-time transport



¹² In addition, INEA received and analysed 6 Synergy ASRs.

¹³ Under the Multi-Annual Work Programme

information to citizens and promote park and ride strategies. These measures have led to a reduction of traffic congestion between 4% and 9% (depending on the time of the day) and have granted green-light priority to 97% of public transports (tram).

EU contribution: EUR 2.4 million

Dialogue with stakeholders and feedback to policy making

The reporting period was marked by one of the key events for the CEF Transport programme - the TEN-T days. On 25-27 April, key stakeholders gathered in Ljubljana to discuss investment in safe and sustainable transport infrastructure as well as further synergies between transport, energy and digital connectivity. INEA was involved in the preparation of the event and hosted a dedicated workshop titled '25 Years of TEN-T and INEA's contribution'. The theme of the workshop was linked to the anniversary of the Agency and its contribution for the TEN-T achievements so far. In addition, different beneficiaries were invited to share their experience in implementing projects and their vision for the future development of the sector. Among the speakers were Commissioner Bulc, the Director General of DG MOVE, Henrik Hololei as well as INEA's Director Dirk Beckers. Participants were also invited to vote for different areas where INEA could provide more support to its stakeholders. In parallel, INEA worked for increasing the visibility of its relevant H2020 projects.

'We love working with you,' said Catherine Trautmann, Coordinator of the North Sea-Baltic Corridor at the European TEN-T coordinators seminar at INEA. 'Thanks to the information provided by INEA we have a clear view on the advancement of the corridors.'

In the first quarter, the Agency, in collaboration with DG MOVE, hosted a seminar for the European Coordinators. The purpose of the meeting was to inform the coordinators on the latest state-of-play of the CEF Transport projects and to provide them with the overview of the upcoming calls. The event was also a good opportunity to receive direct feedback on INEA's work from the Coordinators and to plan together future activities. In addition, in March, the Agency supported the Coordinators in their efforts to advocate for the continuation of the CEF Programme before the European Parliament. In the last trimester of 2018, two newly appointed coordinators visited INEA in order to receive



more information on the Agency and the key projects it manages related to the corridor/horizontal priority of the Coordinator.

As part of the dialogue between INEA and its beneficiaries, two meetings of the CEF Transport Advisory Group took place in 2018. They served as a platform for exchange of views on different issues related to the implementation of the CEF Transport programme. During the meeting in June, INEA provided feedback on several points raised by the members such as eligibility of costs and the reporting obligation timeline. Moreover, the members were briefed by representatives of DG MOVE on the Commission's recent legislative proposals. Participants had also the opportunity to make recommendations on the implementation of the next CEF, highlighting best practices to be maintained and areas of improvement. At the meeting in November, the Agency provided feedback on various topics raised by the Members as well as on the lessons learnt from the implementation of the TEN-T Legacy programme. Furthermore, the results of the Mid-term portfolio review were presented and discussed.



INEA participated in various events with the aim to promote the CEF Transport programme, the Agency and its portfolio of projects.

INEA's representatives attended the Padova Green Fair and the World Air Traffic Management Congress in Madrid. In Padova, the Agency presented the safe and sustainable transport. In Madrid, INEA had a common EU stand together with DG MOVE, SESAR Joint Undertaking and SESAR Deployment Manager where the SESAR call was presented as well as some of the Agency's projects implemented in that area.

The Agency took part in the 15th edition of the European Sea Ports Organisation annual conference and highlighted the funding possibilities for ports under CEF priority actions. Moreover, the Agency had the opportunity to present the funding opportunities for maritime ports and Motorways on the Sea (MoS) at the European Shipping Industry Stakeholders Forum in Varna.

INEA's colleagues participated in the Zero Emission Bus conference (ZEB) which brought together policy makers, bus operators and industry experts to drive forward the realisation of zero emission public transport for Europe. At the conference the Agency presented how hydrogen projects could benefit from CEF Transport funding.



In support of its project portfolio promotion activities the Agency also produced detailed reports for the nine Core Network Corridors, as well as for the horizontal priorities Motorways of the Seas and European Rail Traffic Management Systems (ERTMS). The reports highlight how CEF-funded actions (2014-2017 calls) are contributing to the implementation of the corridors and of the horizontal priorities.

In addition, INEA published a brochure on [Intelligent Transport Systems \(ITS\)](#) combining information about funding opportunities from both programmes – CEF and H2020. More details on the work done on fostering synergies between CEF Transport and H2020 Transport can be found in section 1.9 of this report.

Further to the efficient management of its project portfolio, in 2018 the Agency continued to support its parent DGs in their policy-making efforts. Upon request by DG MOVE, INEA produced a report on the CEF support to inland waterway transport (IWT) which was published along with the [NAIADES II](#) mid-term report at the end of the summer. The report contains a description of the portfolio of projects (inland waterways, inland ports, river information systems, innovation) in particular on Core Network Corridors as well as quantitative information on the share of CEF funding allocated to IWT.

INEA provided specific support to DG MOVE in other areas too. Under innovation, the Agency contributed to the work undertaken by the parent DG regarding the European Alternative Fuels Observatory (EAFO) and the provision of data to create interactive

[Guidelines on eligibility of costs](#) containing instructions to beneficiaries for all three CEF sectors have been finalized and published

maps on Alternative Fuels. In the area of Intelligent Transport Systems (ITS), INEA acted as facilitator of the C-Roads Platform and provided DG MOVE with detailed information on the progress achieved within this Platform which is the EU deployment tool of C-ITS. Concerning ATM/SESAR, INEA

contributed to the work undertaken on developing guidance to facilitate the handling of Union financial support through other revenues under the charging scheme.

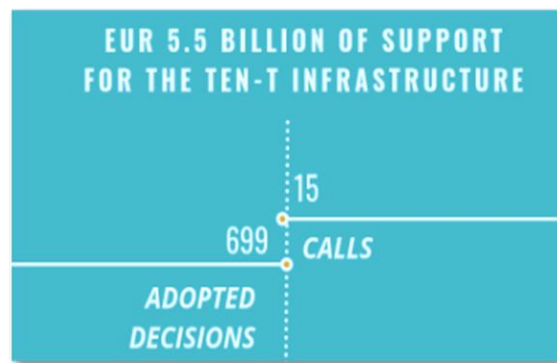
Last but not least, the Agency contributed to the [Commission's study of the unit costs](#) of rail projects in the European Union and of the Rail Unit Cost Tool (RUCT). The main aim of the tool is to support the various decision makers involved in the infrastructure planning process and in the assessment of the investment cost of rail projects.

Finally, following several meetings of a common working group with DG MOVE, INEA finalized its proposal for an improved output indicator framework for the next MFF and delivered it to DG MOVE in February 2018. The proposal has drawn on lessons learnt from the indicator framework of the current CEF Transport programme.

1.2 TEN-T

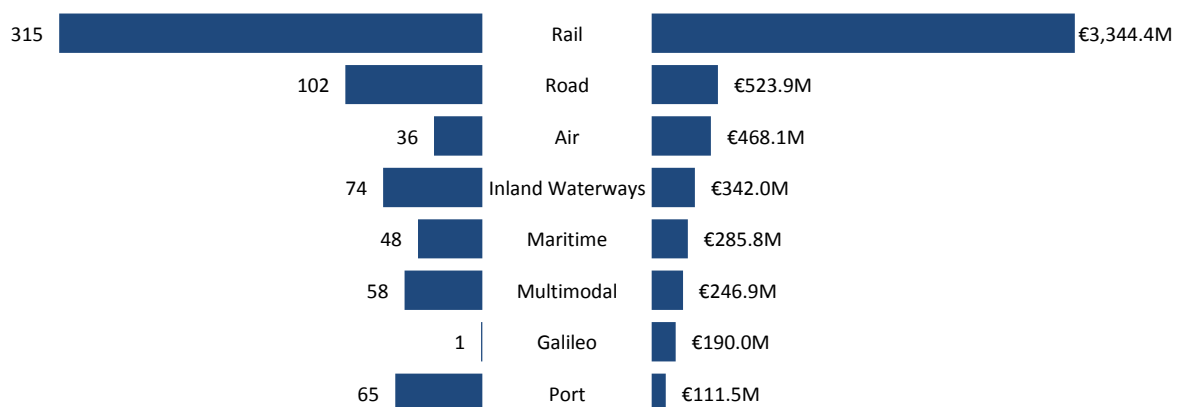
Specific Objective DG MOVE: A modern European transport infrastructure: ensure the effective implementation of funding for the Trans-European Transport Network under the Connecting Europe Facility and under the innovative financial instruments (EFSI).

TEN-T is the predecessor of the CEF Transport programme and it was brought to its end in 2018. At the end of May, INEA had closed all TEN-T legacy projects entrusted to the Agency. The result is an investment of EUR 5.5 billion in support of infrastructure projects for the creation of an efficient European transport network. The funded actions focused on cross-border sections aiming at removing bottlenecks and bridging missing links, as well as in horizontal priorities targeted in particular traffic management systems, e.g. the TEN-T Programme helped equipping over 3,000 km of double-track and over 1,000 vehicles with ERTMS.



Ultimately, the actions contributed to the development of a sustainable transport system and improved competitiveness.

Figure 4: TEN-T number of actions and actual EU contribution per transport mode – state of play at the programme closure stage



INEA provided support to DG MOVE in planning and structuring the TEN-T ex-post evaluation. In particular, the Agency participated in several meetings including the first meeting of the Inter-Service Steering group (ISG) and commented on related draft background and strategy documents. In July, INEA sent to DG MOVE's attention a TEN-T implementation report for the final state of play of the programme as well as 28 final Member State reports. In addition, the Agency has worked on a comprehensive report

on the implementation of the TEN-T Programme 2007-2013 (to be finalised by February 2019) which will provide extensive data and qualitative analysis to be used by DG MOVE, alongside other sources of information, for producing a Staff Working Document on the overall performance of the programme.

Works for the construction of a high speed line between Wendlingen and Ulm

Implementation period:
21/02/2007- 31/12/2015

The Action was part of a global project implementing a 60 km high speed rail section in an area located between Stuttgart and Ulm, now part of the Rhine-Danube Core Network Corridor (formerly part of the Priority Project 17). The action connects to the equally TEN-T funded section Stuttgart-Wendlingen. The objective of the works is to create a new built double track high speed line between Wendlingen and Ulm designed for a maximum



speed of 250 km/h and to serve both long distance passenger and freight trains. Due to the geographical location just over 50% of the section will be constructed as tunnels. As part of the TEN-T funded action the excavation of the tunnels began and preliminary works such as laying cables were carried out. The works to complete the section have been continued in the CEF follow-up action 2014-DE-TM-0166-W.

EU contribution: EUR 117.2 million

1.3 MARCO POLO II

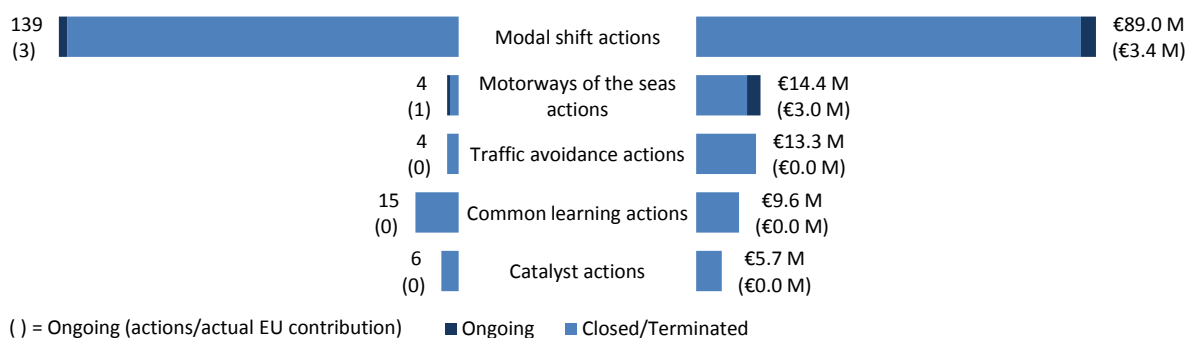
Specific Objective DG MOVE: A modern European transport infrastructure: ensure the effective implementation of funding for the Trans-European Transport Network under the Connecting Europe Facility and under the innovative financial instruments (EFSI).

The Marco Polo II actions make a contribution towards the achievement of a resource-efficient and environmentally friendly European transport system by promoting the use of alternative modes to road in the area of freight transport. Their implementation aims to ensure smarter and greener mobility and leads to the optimisation of the integration and interconnection of transport modes. Furthermore, the programme aims to reduce the road congestion and to improve the environmental performance of the freight transport system.

At the end of 2018, INEA had a portfolio of 4 ongoing actions for a maximum total amount of EUR 6.36 million.



Figure 5: Marco Polo II: number of actions and actual EU contribution per transport mode



During the reporting period, INEA received 5 new technical and financial reports in view of final payments. Furthermore, 3 technical and financial final reports were rejected and resubmitted. The reasons for their rejections were mainly because they provided data calculations non-compliant with the Marco Polo II methodology or not in line with the provisions of the respective grant agreement. Processing the technical and financial reports received before and during the reporting period, led to the closure of 11 actions. Furthermore, as part of the regular monitoring of the actions, INEA processed 2 amendment requests.

By the end of 2018, the Marco Polo II Programme has contributed to shifting a total of only 43.23 billion tkm. However, it should be noted that this result is lower than the initially foreseen 112.9 billion tkm. It is estimated¹⁴ that the release of 2.89 million

¹⁴ Source: INEA's methodology

tonnes of CO² emissions in the atmosphere was avoided.

During the reporting period the dialogue with the Marco Polo II stakeholders took place largely through the verification missions. In 2018, five of these verification visits took place. The main topics for discussion were the submission of the actions' final reports and the verification methodology of their results. Moreover, a considerable number of teleconferences and meetings took place in order to clarify different aspects of the calculation of the achieved results and the relevant evidence requested.

MP/2013/60/MARS GOES INTERMODAL

Implementation period: 01/04/2014 -30/11/2017

The action aimed to improve the intermodal distribution network of MARS' products through rail, inland waterway and short sea shipping services. It introduced and enhanced sustainable means of transport of MARS cargo to Western European distribution centres and in the end to the final customers.

The action achieved 148 % of the planned modal shift involving partners in 5 Member States.

EU contribution: EUR 3.3 million



1.4 CEF ENERGY

Specific Objective DG ENER: Further work towards a well-functioning and fully integrated internal energy market, including with interconnections.

Specific Objective DG ENER: Contributing to security of supply, based on solidarity and trust.

The CEF Energy actions support the policies of the Energy Union. They contribute to the development of cross-border energy infrastructure promoting competitiveness, security of energy supply, sustainable development and protection of the environment. The actions are implemented on the [nine priority corridors and one horizontal thematic area](#). They aim at the completion of the EU Internal Energy Market, at meeting the EU short and longer-term energy and climate objectives and ultimately at contributing to the Energy Union's goals.



Call management and contracting

In 2018, INEA finalised the evaluation for the 2017-1 CEF Energy call¹⁵. Out of the 26



With 578 million EUR co-financing, the Bay of Biscay project is the largest CEF investment ever awarded to an energy infrastructure project.

submitted proposals, 17 were selected for funding for a total amount of EUR 873 million to be invested in key European infrastructure projects. INEA signed all but one grant agreements on time. The late signature was due to reasons outside the Agency's remit. Some of the grant agreements were signed through formal ceremonies as the pictured grant agreement for the power line crossing the Bay of Biscay between France and Spain. This action is the largest CEF Energy infrastructure investment ever awarded. With 280 kilometres of electricity interconnection, the link will double by 2025 the exchange capacity between France and Spain and will bring Spain closer to the 15% interconnection target foreseen in the new regulation on the governance of the Energy Union. The signature took place in the margins of the Energy Interconnections Summit that was attended by the Climate Action and Energy Commissioner Miguel Arias Cañete,

¹⁵ Selection Decision adopted in February 2018

the President of France, the Prime Ministers of Spain and Portugal as well as other ministers.

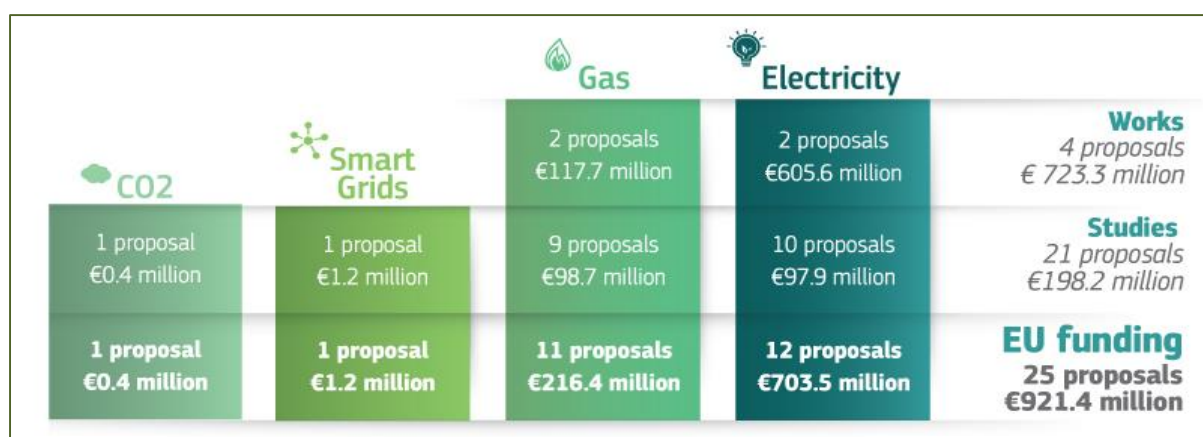
In the first semester INEA published the 2018-1 Energy call, the first call launched under the third list of [Projects of Common Interest](#) (PCIs). The call budget of EUR 200 million targeted PCIs in the areas of electricity, smart grids, gas and, for the first time, cross-border carbon dioxide networks. Eight out of the 15 submitted proposals were selected for funding for a total of EUR 48.4 million of EU contribution. The selected proposals will contribute to ending the energy isolation and to strengthening the energy resilience of the EU Member States. INEA signed all grant agreements by the end of 2018, way before the time-to-grant deadline of 27 January 2019. As part of this exercise, INEA signed the first GA in the area of cross-border Carbon dioxide (CO₂) networks¹⁶. The action foresees as an output a feasibility study for a transnational CO₂ transportation infrastructure capable of delivering over 12 million tons per year (Mt/y) of CO₂ from emission sources around the North Sea for permanent geological storage of CO₂ in sites beneath the sea.

In June, INEA opened the Energy 2018-2 call with a total budget of EUR 500 million. In line with the objectives of the Energy 2018-1 call, the funding aims to support energy infrastructure projects that plan to strengthen the EU Internal Energy Market and to provide clean and sustainable energy to the EU citizens. By the deadline of 11 October, INEA received 22 proposals requesting a total of EUR 2.3 billion which is more than 4 times the indicative call budget. The selection Decision for the Energy 2018-2 call is foreseen for early 2019.

In order to increase the visibility of the EU funding available a virtual info day on the CEF Energy calls was organised on 9 April 2018. At the event, INEA presented the topics for the two calls to 687 people connected. The satisfaction rate for the event was 100%.

All in all, following the evaluation procedures conducted in 2018, INEA awarded a total of EUR 921.4 million to 25 selected proposals as shown on the graph below:

Figure 6: CEF Energy - number of selected proposals for funding under the CEF-Energy-2017-1 and CEF Energy 2018-1 calls

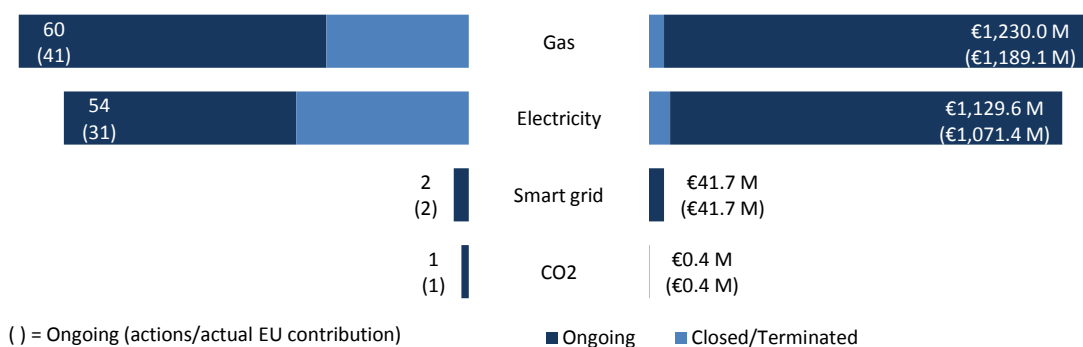


¹⁶ [Action number 12.2-0001-UKNL-S-M-18 'Feasibility Study for Acorn CO₂ Sapling Transport Infrastructure Project'](#). The Action is part of PCI 12.2 'CO₂ Sapling Transport and Infrastructure Project (United Kingdom, in further phases Netherlands and Norway'.

Project portfolio management

At the end of 2018, INEA had a portfolio of 75 ongoing actions for a total amount of EUR 2.3 billion as shown on the figure below. During the reporting period, twenty – six actions were closed.

Figure 7: CEF Energy number of actions and actual EU contribution per sector



In the first half of the year, INEA received 39 due Action Status Reports (ASR). Based on them the Agency carried out a review of the energy portfolio which was sent to DG ENER. The result of the review showed that the majority of actions were progressing well, with about one quarter of them being at risk of delays affecting the end date of the action. Permit granting, procurement, technical and financial aspects are the main reasons when delays are reported. In the cases where regulatory aspects were the main reasons for delays, the change in the concept or schedule of PCIs inevitably had an impact on the actions' implementation timeline. In the case of tendering/procurement issues delays related to either a longer than expected timespan of the procedure or to the existence of appeals and the lengthy time for their processing.

In 2018, INEA reinforced the monitoring of its CEF Energy actions due to the increased number of interim and final requests received (almost 3 times more than in 2017). In particular, for actions coming to completion the accent was placed on enhanced communication with the beneficiaries and increased on-site visits. This trend is expected to continue in 2019.

INEA received 22 new amendment requests in addition to the 3 outstanding on 01/01/2018. The majority of the 25 amendments were already processed with 7 pending for 2019 (4 of them were received in December 2018). The amendment requests relate mainly to the extension of the end date of the action and in few cases to change in the administrative details of the grant agreements (e.g. bank account, contact person).

Construction of a new 400 kV line between Dobrudja and Burgas (3.8.1-0002-BG-W-M-16)

Implementation period: 10/01/2017-31/12/2020

The objective of the Action is the construction of an approximately 100 km long overhead transmission line on the territory of Bulgaria between Dobrudja and Burgas. The power capacity of this line will be 1,500 MW at a voltage of 400 kV. The total construction cost of the project is EUR 59.7 million with 50% funding provided



by CEF Energy. The start of the construction phase was celebrated on 22/11/2018 in Burgas (Bulgaria) with a ground-breaking ceremony. The ceremony was attended by Krasimir Parvanov, Deputy Energy Minister of Bulgaria, Angelin Tsachev, CEO of the Bulgarian electricity Transmission System Operator, local authorities and representatives of INEA. The works are expected to be completed in December 2020.

EU contribution: EUR 29.9 million

Dialogue with stakeholders and feedback to policy-making

INEA maintained its contacts with DG ENER through dedicated meetings and regular communication at all relevant levels. One high-level example is the visit in September of the Director-General of DG ENER, Mr. Dominique Ristori to discuss the present and the future of the CEF Energy and the Horizon 2020 programmes. During the meeting, the Agency presented its energy project portfolio and key achievements and outlined the issues and challenges that the next MFF may pose for the Agency and the programmes. On its end, Mr Ristori praised the good work of INEA's colleagues and the high quality of their deliverables.

Furthermore, the Agency provided support to DG ENER as regards the monitoring of the PCIs, including through the reporting on the implementation of the CEF project portfolio. In addition, INEA replied in a timely manner to several ad-hoc requests in the context of the Energy Union Tour of Vice President Šefčovič. INEA also kept updated the PCI Progress Watch and was involved in trilateral discussions with DG ENER and the Agency for the Cooperation of Energy Regulators (ACER) on the development of the database for the latter..

Following several meetings of a common working group with DG ENER, INEA finalized its proposal for an improved output indicator framework for the next MFF and delivered it to DG ENER in February 2018. The proposal is based on lessons learnt from the indicator framework of the current CEF Energy programme period.

In 2018 INEA took over from DG ENER the implementation of the [PCIs Transparency Platform](#) which contains detailed information about the projects of common interest, including their geographic information, technical description, implementation plan and the Union's financial support. In the first half of 2018, DG ENER and INEA completed the transfer of the data necessary for the implementation of the platform. Subsequently, the Agency successfully performed the annual update of the tool. As a result, the most up-to-date information on the third list of PCIs is now accessible and available to every EU citizen.



INEA supported DG ENER in the context of the Regional Group meetings, and where appropriate as regards their high-level constituencies (High Level in BEMIP¹⁷, North Seas Energy Cooperation, the Iberian Peninsula High Level Group and the on Central and South-Eastern Europe Connectivity (CESEC). At the fifth meeting of the

High-Level Group on (CESEC) that took place in Sofia at the end of June, Dirk Beckers highlighted the importance of the CEF Energy contribution towards the realisation of strategic energy infrastructure projects in the CESEC region.

In addition, INEA produced the [CEF Energy brochure](#) outlining in a comprehensive manner INEA's project portfolio, including the funding per priority corridors and thematic spheres.



Furthermore, INEA took part in the annual Copenhagen Energy Infrastructure forum where policy-makers and stakeholders exchange views on major issues relating to energy infrastructure and EU energy policy. At the event the Agency's Director opened the session on PCIs implementation monitoring by outlining INEA's work in that area. In addition, he presented INEA's CEF Energy project portfolio and its contribution to the achievement of the Energy Union's goals.

INEA has also been working on a paper on how to identify and exploit synergies between the CEF and H2020 programmes in the Energy sector. One of the objectives of the analysis is to find advanced energy technologies being developed within H2020 Energy actions and, when they become available, to encourage their deployment at the infrastructure stage via CEF-Energy actions. The discussions will continue in 2019 with the presentation of the paper's results to the concerned parent DGs and INEA Steering Committee.

¹⁷ Baltic Energy Market Interconnection Plan

1.5 CEF TELECOM

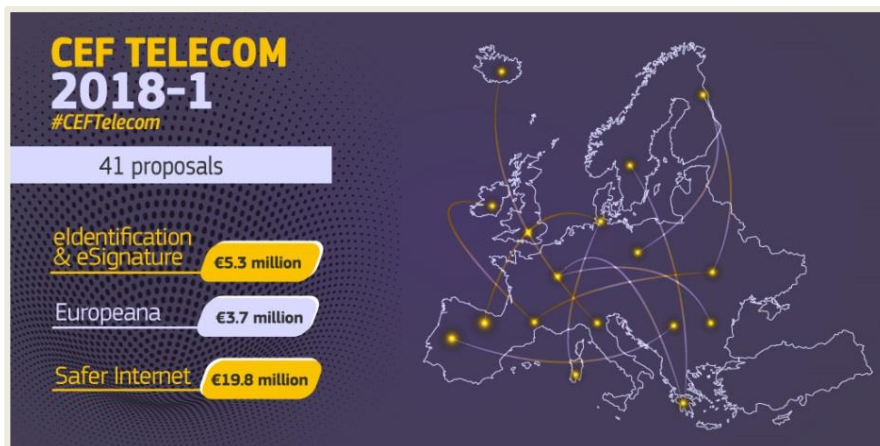
Specific objective DG CNECT: The digital economy can develop to its full potential underpinned by initiatives enabling full growth of digital and data technologies.

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

The effective and efficient technical and financial management of the CEF Telecommunications Programme and projects fosters the development of Digital Service Infrastructures (DSIs) across Europe, facilitating the cross-border interoperability of digital services in the benefit of citizens, businesses and public administrations. CEF Telecom actions enable the deployment of such services in the EU and contribute directly to the development of the 'Digital Single Market'.

Call management and contracting

Digital Service Infrastructures (DSIs)



In the first half of 2018 INEA launched the 2018 Telecom calls with a budget of EUR 84.4 million distributed over 5 sets. The Agency concluded the evaluation for the first set (2018-1) of DSIs granting funding to 41 projects in the

areas of eIdentification and eSignature, Europeana and Safer Internet. The successful projects include participation of entities from the 28 EU Member States plus Norway, Iceland (EEA countries), and Serbia.

For the other 4 sets of calls (2018-2,3,4,5) which had their deadline in the second half of the year, INEA has started the evaluation process foreseen to be finalised in the early months of 2019. Overall, for these four sets of calls, the Agency received a total of 146 proposals requesting support of around EUR 85 million for various activities aimed at facilitating the creation of cross-border digital public services, and ultimately at yielding benefits for citizens, businesses and public administrations.

Furthermore, in the first half of 2018 INEA finalised the evaluations of the 2017-2 and 2017-3 calls. Together with the 2017-1 Call (which was finalised in 2017), 129 proposals were selected¹⁸. During 2018, a total of 128 grant agreements for an initial amount of

¹⁸ 127 proposals from the main list and 2 proposals from the reserve list.

EUR 74.7 million were signed while for one selected proposals the grant agreement preparation was cancelled. All except three Grant Agreements were signed within the 9 month time-to-grant. The late signatures were essentially due to unforeseen circumstances outside INEA's control.

The selected proposals will, among other things, contribute to the following:



eID

Allow citizens from one European country to use their national eID to securely access online services of another EU country, so that people can access public services cross - border



eHealth

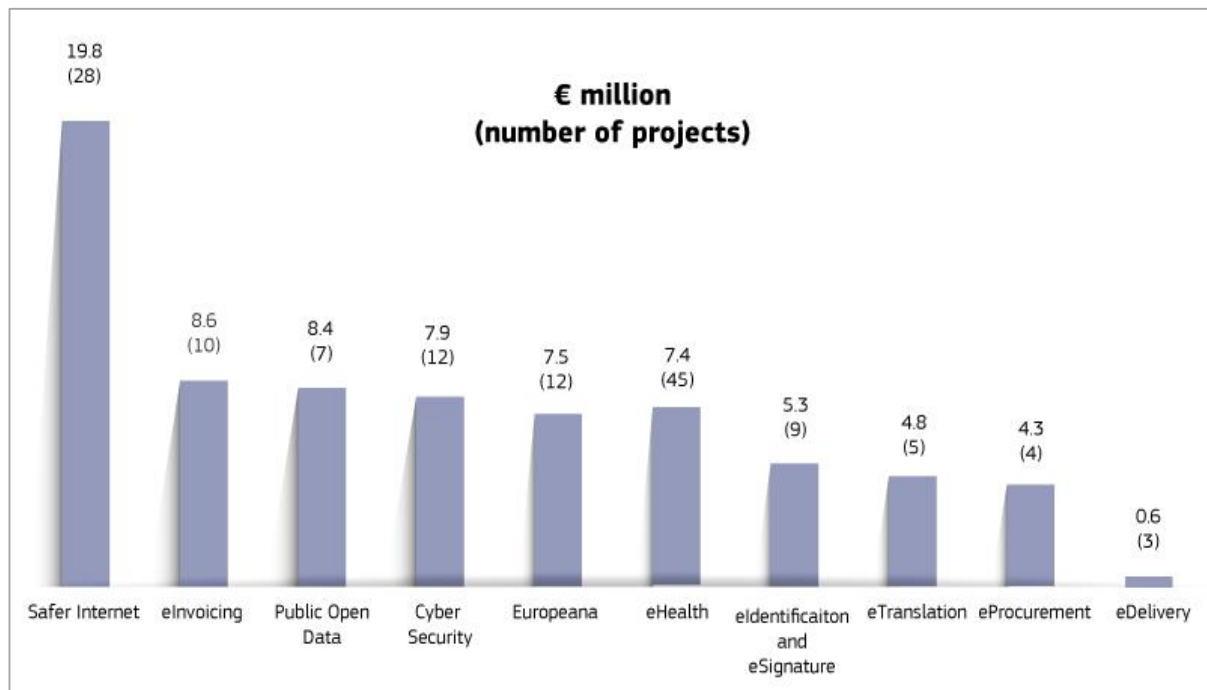
Facilitate the movement of health data across national borders, thus ensuring the continuity of care and the safety of citizens seeking healthcare outside of their home country



eDelivery

Help the public administrations to exchange electronic data and documents such as e-invoices and tender documents with other administrations, business and citizens

Figure 8: CEF Telecom – awarded CEF funding (number of selected proposals) in 2018 per sector specific DSI (Calls 2017-2, 2017-3 and 2018-1)



Virtual info days were organised in March, May and September for the five 2018 CEF Telecom calls whereby the specific objectives, priorities and eligibility criteria for funding were presented. In total, 3,128 people connected either during the events or afterwards to the video on demand with an average of 91% satisfaction rate.

WiFi4EU

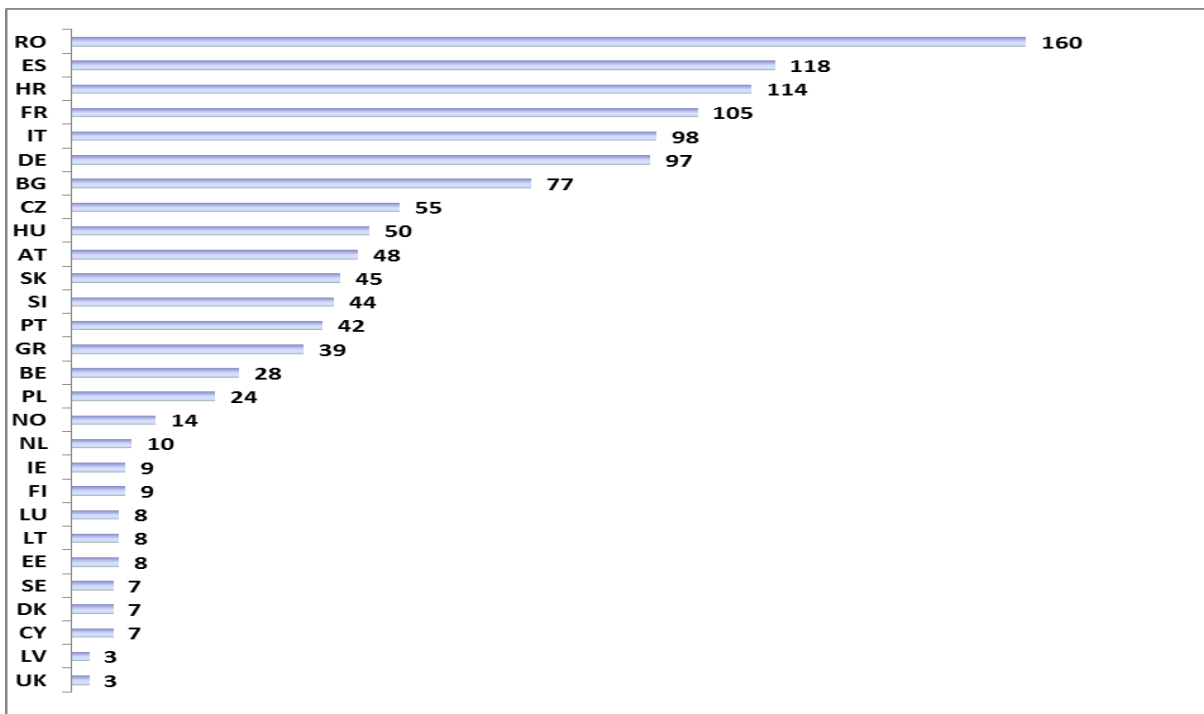
In May 2018 INEA was charged with the implementation of the WiFi4EU initiative from DG CNECT. This initiative aims to provide free public Wi-Fi connectivity across the EU for citizens and visitors. Selected municipalities will benefit from a EUR 15,000 voucher to be used to install free Wi-Fi hotspots in public places. By 2020, between 6,000 to 8,000 vouchers are expected to be granted.



On 15 May 2018, the Agency launched the first call for applications, making available EUR 17.7 million under the 2017 Telecom Work Programme. However, due to security and technical problems outside INEA's remit, the internet portal for submission of applications had to be put offline and in consequence the call was cancelled on 13 June 2018.

A new call for proposals with an indicative budget of EUR 42 million¹⁹ was launched in the autumn of 2018. Close to 13,200 municipalities applied, of which 4,000 in the first 10 seconds. Based on a "first-come, first-served" principle combined with allocation rules ensuring a geographical balance, the selection process was finalised in less than a month with the adoption of the Selection Decision on 06 December 2018. As a result, a total of 2,800 municipalities from all over the EU were selected to receive a WiFi4EU voucher. By the end of 2018, 1,237 grant agreements (fully covering the Work Programme 2017 credits) had been signed, and the remainder are expected to be signed in early 2019.

Figure 9: Wifi4EU – number of signed GAs per country (state of play on 31/12/2018)

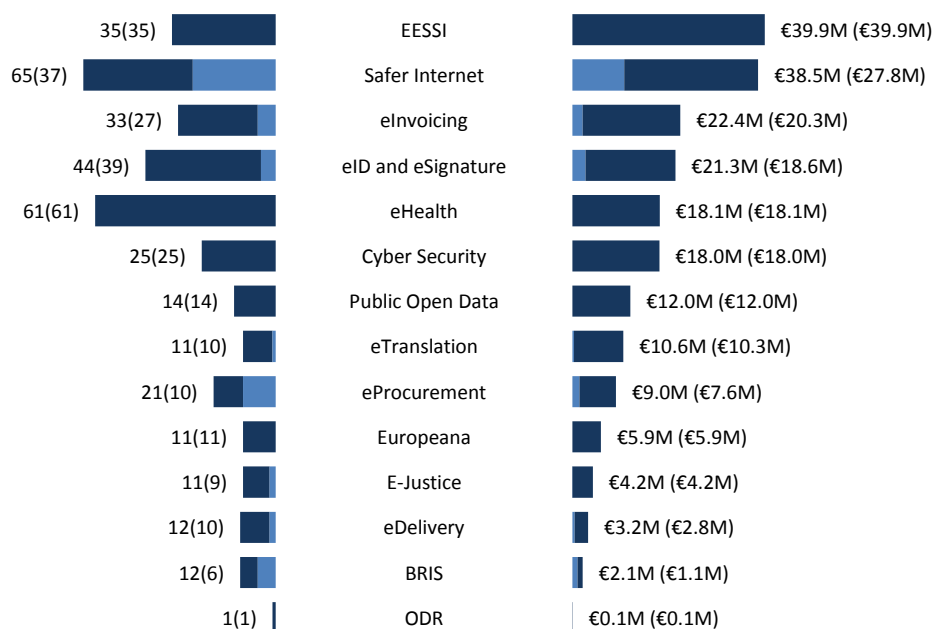


¹⁹ The new call combined together both planned budgets in both the 2017 and 2018 Telecom Work Programmes.

Project portfolio management

In addition to the 1,237 WiFi4EU actions, by the end of 2018, INEA had a portfolio of 295 ongoing actions across 15 DSIs for a total of EUR 186.6 million. In addition, the Agency closed 25 actions.

Figure 10: CEF Telecom: number of actions funded per DSI and actual EU contribution per DSI



() = Ongoing (actions/actual EU contribution) ■ Ongoing ■ Closed/Terminated

In 2018, INEA continued to provide support to its beneficiaries and to monitor the actions in its portfolio. In that context, the Agency received 103 new amendment requests in addition to the 18 outstanding on 01/01/2018 and processed most of them (86) by the end of the year. The requests related mainly to the extension of the end date of the action or to administrative details of the GA (e.g. bank account, contact person). Overall, the implementation of the portfolio is on good track.

eIDAS 2018 for Municipalities – (2014-NL-IM-0020 and 2015-NL-IA-0077)

Implementation period: April 2016 – September 2018

Through these two actions, 90 municipalities have been connected to the Dutch eIDAS node. This opens up more than 200 public services provided by those municipalities to cross-border authentication in line with the eIDAS Regulation. These connections were established by Connectis, which is one of the Identity Brokers of the Dutch Electronic Access Services Framework (EAS) with the support of the municipalities' portal suppliers. The actions also prepared the software, infrastructure and documentation required to connect public service providers. Extensive support was provided to the municipalities to connect, maintain and if necessary upgrade the connections. Finally, both actions had a strong focus on communication, in order to raise awareness regarding the cross-border electronic identification, as well to accelerate the usage of eID among private and public service providers.

EU contribution (both projects): EUR 2.3 million

Dialogue with stakeholders and feedback to policy-making

INEA has an ongoing dialogue with all the relevant Digital Service Infrastructures owners (DSIo) in the Commission (DG CNECT, DIGIT, GROW, JUST, EMPL, SANTE) at all stages of the project life cycle: from Work Programme preparation and elaboration of the call texts through to project implementation and payment, including the validation step for each action before final payment. In this regard, formal approval on the validation approach for the Electronic Exchange of Social Security Information (EESSI) was reached with DG EMPL, as well as eDelivery and Cybersecurity with DG CNECT. The approach for the eHealth, e-Translation and Europeana DSIs are under discussion at operational level with the relevant services.

In coordination with the responsible DSIo, the Agency participated in a number of relevant stakeholder events and meetings in order both to promote future calls, as well as to provide an overview of the status of running actions in a particular DSI. These included a variety of fora across most of the 15 DSIs handled by the Agency such as, among others, the Digital branch of the Belgian Public Service – Policy and Support (BOSE), the 2018 Cybersecurity call at the Federation of European Private Port Operators (FEPORT) and the Cybersecurity DSI governance board meeting. The CEF Building Blocks event in December 2018 organised by DG DIGIT was also the opportunity for INEA to promote CEF Telecom funding opportunities and be in contact with current and potential beneficiaries.

Finally, INEA produced the [CEF Telecom brochure](#) outlining in a comprehensive manner INEA's portfolio of actions and their success stories and results as per the end on 2018.



1.6 Support as regards financial instruments under the CEF programme

In 2018, INEA focused on providing support for the 2017 CEF Transport Blending call (second cut-off date) characterised by the blending of grants with financial instruments and other financing from private sector investors. The Agency actively promoted this part of the call by contributing to a series of national info days and by providing guidance to Member States and project promoters through the dedicated Questions and Answers (Q&A) exercise. In addition, INEA developed a non-compulsory tailored financial spreadsheet template in support of both applicants and evaluators to better structure and understand some of the financial aspects in the project applications. Consequently, based upon the good take-up of the spreadsheet by the applicants and the positive feedback from the evaluators, the tool has been included as a mandatory form in the CEF 2018 Transport call. Furthermore, the Agency has continued to provide advisory support to beneficiaries of the Blending call as they progress towards the deadline for reaching a financial close on their public-private partnership agreements. Lastly, building on the experience drawn from the evaluation of the Blending call, INEA supported its parent DG with the design of the Blending Facilities.

INEA also contributed to a study on 'EU financing policies - assessing the optimal use, including blending & combination, of grants & market-based financing instruments in possible post-2020 EU investment support instruments'. This study, carried out at the request of DG ECFIN, noted the success of the blending call in the mix of EU financing instruments.

Finally, in the context of H2020, INEA produced a compendium of the main financial support instruments available at EU level to Research and Innovation projects. With this repository the Agency intends to expand its guidance to H2020 beneficiaries that seek to commercially exploit the results of their actions.

1.7 HORIZON 2020 ENERGY

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

Specific Objective DG ENER: Tapping the job and growth potential of the energy sector and further developing energy technologies.

Specific Objective DG CNECT: The digital economy can develop to its full potential underpinned by initiatives enabling full growth of digital and data technologies.

Horizon 2020 Energy actions support the research, innovation and competitiveness priority of the Energy Union and Climate Action and the Roadmap of the Integrated Strategic Energy Technology Plan. They contribute to the decarbonisation of the economy and to the transition towards a reliable, sustainable and competitive energy system. Moreover, INEA's actions strive to enhance the Union's security of energy supply, to create growth and jobs and to increase competitiveness through research and innovation in technologies in the field of energy. Their technological challenges, among others, focus on renewable and decarbonised energy sources, energy storage solutions, smart electricity grids, cities and communities integrated with novel digital and data management systems. INEA's activities contribute to enabling the European Union in achieving its 2030 and 2050 climate and energy targets. Finally, Horizon 2020 Energy actions help the European Commission to uphold its international commitments and cooperation activities in the framework of Mission Innovation.

Call management and contracting

In 2018 INEA managed the evaluation of five H2020 Energy calls including a two-stage H2020-Energy-2018 call and the first stage of the two-stage H2020-Energy-2019 call.

INEA finalised the evaluations under 4 Energy calls with a total budget for all of them of EUR 406.8 million. Fifty seven proposals will receive EUR 374.27 million²⁰ to:

- ✓ Validate and pilot advanced CO₂ capture technologies, to convert the captured CO₂ in the valuable products, to contribute to strategic planning of Carbon Capture, utilisation and storage infrastructure, as well as to model the transition to a low-carbon energy system in Europe (H2020 LC-SC3-2018-NZE-CC).
- ✓ Develop solutions for smart cities, integrated local energy systems and smart grid services (H2020-LC-SC3-2018-ES-SCC).

²⁰ 53 proposals for EUR 342.9 million from the main list and 4 proposals for EUR 31.4 million from INEA's reserve lists.

The MAKING-CITY project is amongst the selected proposals under the Smart Cities and Communities call. It aims at developing innovation such as positive energy buildings, renewable energy systems, energy sharing, electric mobility and smart IT tools. The developments will be demonstrated in the lighthouse cities of Groningen (Netherlands) and Oulu (Finland). Ready solutions will be then adapted to specific conditions of the follower cities of Bassano del Grappa (Italy), Kadiköy (Turkey), León (Spain), Lublin (Poland), Poprad (Slovakia) and Vidin (Bulgaria)

EU contribution: EUR 18.1 million

✓ Integrate renewable energy systems in buildings and to contribute to the development of innovative technology solutions for renewable energy (H2020-LC-SC3-2018-RES-SingleStage and H2020-LC-SC3-2018-RES-TwoStages).

The funded proposals support the transition to a reliable, sustainable and competitive energy system. They reduce the energy consumption and carbon footprint, and aim at ensuring low-cost and low-carbon electricity supply. The Horizon 2020 Energy actions support alternative fuels and mobile energy sources and support market uptake of energy and ICT innovation.

All the calls registered a wide interest resulting in an average oversubscription rate of 4.35.

In addition, INEA finalised the evaluation of the first stage of the 2019 Renewable Energy Solutions call (topics LC-SC3 RES-1-2019 2020 and LC-SC3-RES-14-2019) inviting a total of 37 consortia to submit full proposals for the second stage which will take place in 2019.

In total, 13 requests for evaluation review (redress) were received in relation to the closed calls. This represents a redress rate of 3%. However, the redress committee upheld all of the initial EC evaluation outcomes demonstrating that the evaluation process is sufficiently robust to withstand challenges from rejected applicants. The evaluation process made use of external rapporteurs and also specific experts nominated as 'quality checkers' which was recognised by the independent observers as beneficial in producing a quality evaluation process.

During the year two info days were organised. A virtual event in September on H2020 Energy in general, where 1,130 people participated online; and a physical event in

October focused on Smart Cities and Communities (SCC), and Energy Systems - where over 3,000 people attended or followed via web-streaming. The overall satisfaction rate of participants for the two events was 89%.

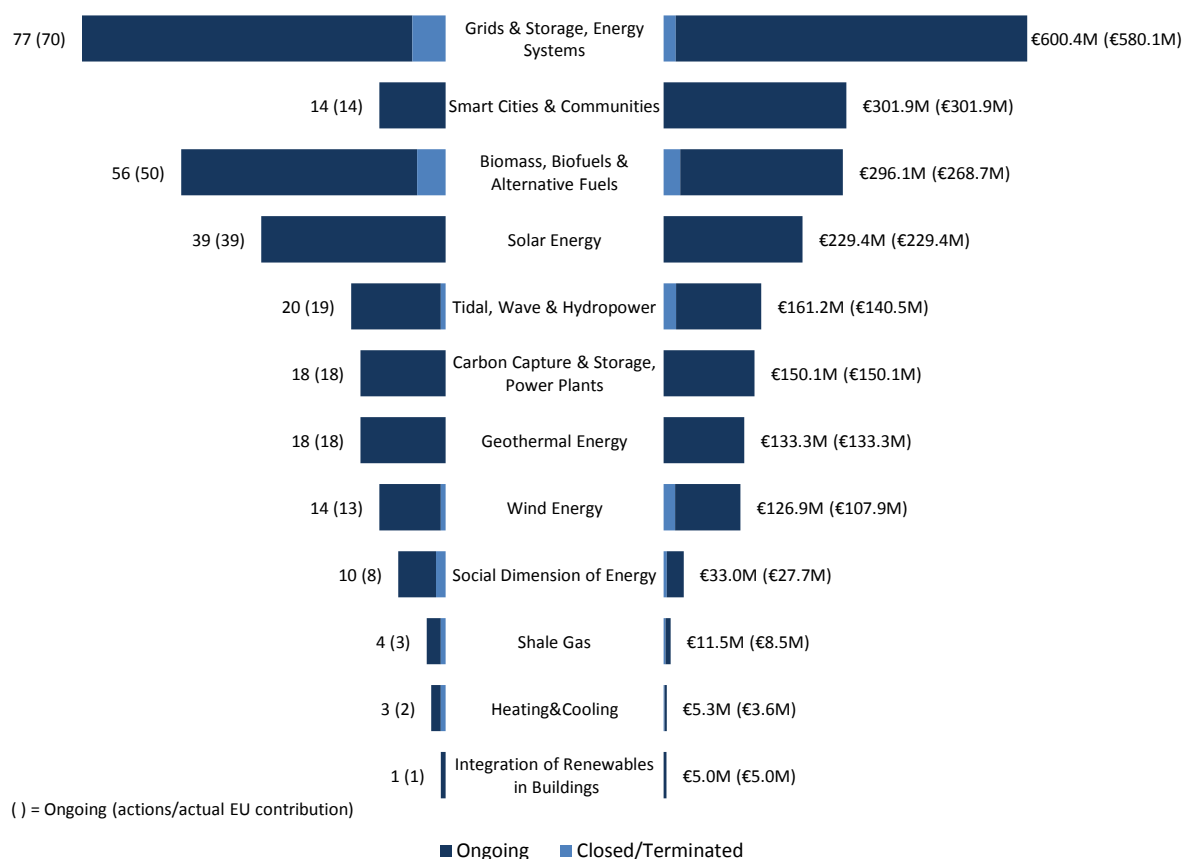
With the exception of the H2020-LC-SC3-2018-RES-TwoStages and H2020 LC-SC3-2018-NZE-CC calls for which the GAs are still under preparation, all the other outstanding grant agreements were signed²¹. The signature procedure for these two calls will continue until their time to grant deadlines - 30 April and 9 May 2019. INEA managed to achieve very good performance results with 100% for both the GAs signed and beneficiaries informed on time.

²¹ Three projects from the reserve list of the H2020-LC-SC3-2018-ES-SCC are also in GAP stage with time-to-grant 24 April 2019.

Project portfolio management

At the end of 2018, INEA had a portfolio of 255 ongoing actions for a total amount of EUR 1.96 billion.

Figure 11: H2020 Energy - number of ongoing actions and last grant agreement EU contribution per topic



In 2018, the Agency assessed 122 periodic reports for intermediate and final payments. They showed that the actions implementation was on good track. However, in certain cases the consortia were occasionally experiencing challenges such as delays due to technical or regulatory issues (delays in component supply, change of demonstration locations), closing the co-financing gap for Innovation Actions (IAs) or key partners leaving the consortia. The Agency's staff attended the corresponding review meetings with the aim to better understand the actions' execution status. In very few cases the INEA's staff was supported by the expertise of an external monitor. The outcome of the reviews was used for a full assessment report with a set of recommendations for the future execution to be addressed by the consortia. In addition, INEA processed 90 amendment requests which were mainly due to changes in the consortium composition, administrative or technical changes and delays in the project execution.

1.8 HORIZON 2020 TRANSPORT

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

Specific objective DG MOVE: An innovative transport sector: Ensure the effective implementation of funding for research and innovation activities in the transport area under Horizon 2020.

Horizon 2020 Transport actions support the 'European Strategy for Low-Emission Mobility' and a low-carbon competitive economy. In addition, they strive to contribute to a resilient, resource-efficient, climate and environmentally-friendly, safe and seamless economy and society. They ensure an effective implementation of research and innovation activities in the transport area, tackling the Commission's priorities of 'Jobs, Growth and Investment', 'Energy Union and Climate', 'Digital Single Market' and 'Stronger Global Actor'. H2020 Transport also contributes to the key areas of work of GEAR 2030²², via in particular its activities in Automated Road Transport (ART), and to the Strategic Transport Research and Innovation (R&I) Agenda, as a key component of the Energy Union's R&I Strategy.

Call management and contracting

In 2018 INEA finalised the evaluations under five transport calls. The total budget for all of them amounted to EUR 347.5 million. As a result, the Agency awarded a total EUR 361.1 million to 66 selected proposals.

All the calls registered a wide interest resulting in an oversubscription rate of 2.9.

Furthermore, INEA received 204 proposals for the 9 topics under the 2018 two stages Mobility for Growth call. Following the first stage of the evaluation, 74 proposals submitted a full project proposal by 19 September 2018 competing for a total indicative budget of EUR 155 million. The evaluation of these proposals was finished in 2018 and the information to applicants will be sent in early 2019. The selected proposals

will contribute to, among others, the long-term transition goal towards zero- emissions,

- ✓ **2020-MG-2017-TwoStages**
(Mobility for growth)
- ✓ **2020-ART-2017-TwoStages**
(Automated road transport)
- ✓ **H2020-MG-2018-SingleStage**
(Mobility for growth)
- ✓ **H2020-DT-ART-2018-**
TwoStages (Automated road
transport)
- ✓ **H2020-GV-2018 (Green**
vehicles)
- ✓ **H2020-MG-2018-TwoStage**
(Mobility for growth)

²² GEAR 2030 is an EU High level group that focuses on the adaptation of the value chain to new global challenges, the automated and connected vehicles and trade, international harmonisation and global competitiveness.

quieter mobility, the promotion of a wide market introduction of highly automated driving systems and ultimately to the maintenance and extension of European industrial leadership.

Grant agreements launched in 2018 were signed within the time-to-grant. The Grant



agreement processes for the selected proposals from H2020-MG-2018-TwoStage call will be launched in 2019 INEA managed to achieve very good performance results. All beneficiaries were informed on time and all GAs were signed within the legal deadlines. As a result, 66 actions will be implemented for research and innovation activities in support of a smarter, cleaner, safer, and more automated transport. In particular, the contracted actions will contribute to reducing carbon emissions and enhancing transport sustainability by

exploring innovative solutions in the transport sector.

Two requests for evaluation review (redress) were received in relation to the closed calls. This represents a redress rate of below 1%. The redress committee upheld for the 2 cases the original EC evaluation outcomes demonstrating that the evaluation process is sufficiently robust to withstand challenges from rejected applicants.

INEA organised the Horizon 2020 Transport info day that took place on 23 October 2018. It was the first time it was organised under a virtual format, i.e. entirely online. Overall, 816 participants had registered, with a newcomer rate of 66%. More than 1,000 are estimated to have actually followed online and 75 questions were received – and answered in real time. The satisfaction rate of participants based on the evaluation survey stands at 95%.

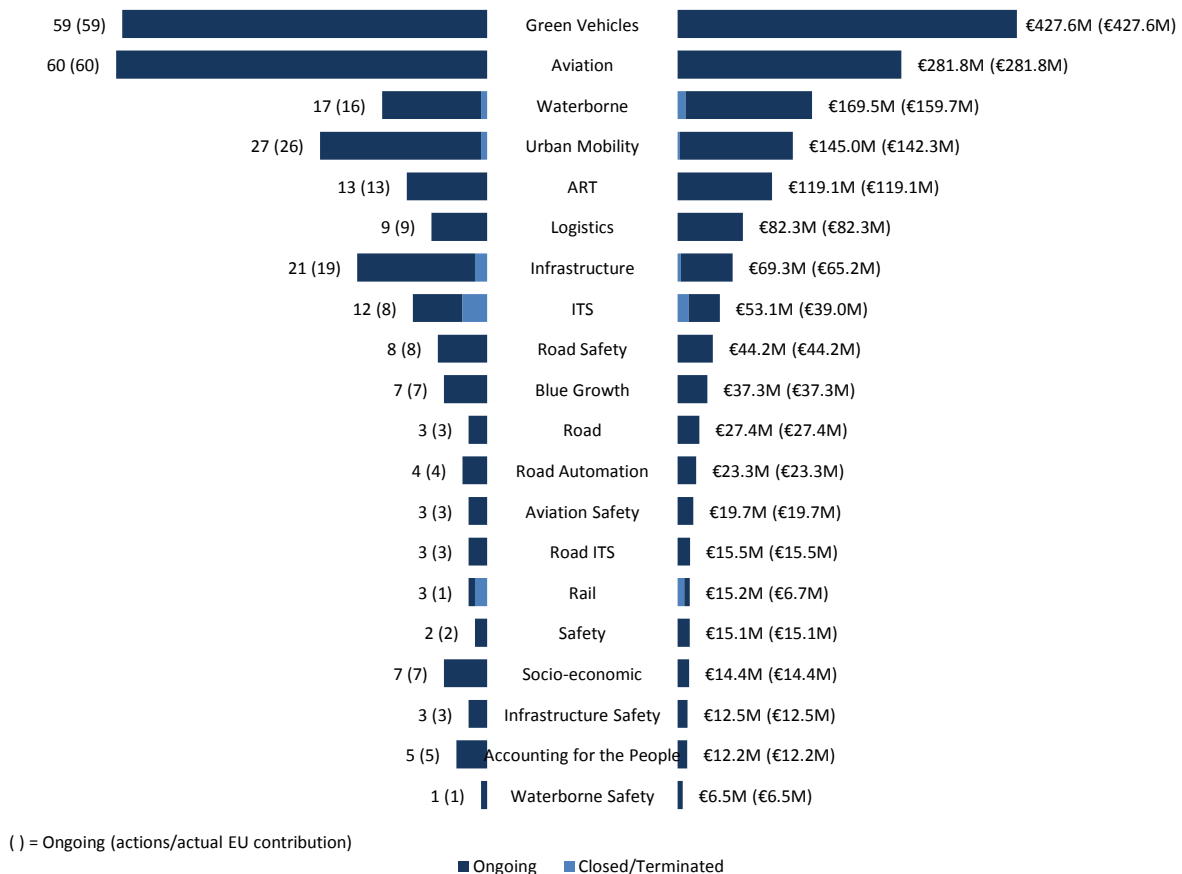
The DIAMOND project is amongst the selected proposals under the H2020-MG-2018-SingleStage call. It addresses the issue of current transport systems not being able to sufficiently take into account physical and social characteristics of women in the design of products and services and in fostering women’s employability in the industry. Its goal is to take advantage of Data Mining Technologies together with elicitation techniques to gather and analyse information from different stakeholders. Ultimately, it aims to gather new knowledge for addressing gender-specific needs for transport decision-making, planning tools and methods.

EU contribution: EUR 2.6 million

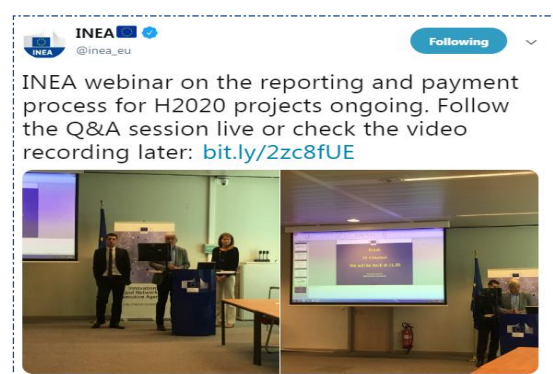
Project portfolio management

At the end of 2018, INEA had a portfolio of 257 ongoing actions for a total amount of EUR 1.55 billion.

Figure 12: H2020 Transport - number of ongoing actions and last grant agreement EU contribution per topic



As part of its project portfolio management activities, INEA received 124 periodic reports (interim and final) and 108 were processed during 2018. They showed that the actions implementation was on good track. However, as in the energy sector the consortia were occasionally facing challenges such as delays, or changes in the composition of the consortium. The INEA's staff attended the corresponding review meetings in order to be able to monitor and mitigate the risks linked with the implementation. When needed, they provided recommendations for the future execution to the consortia. Moreover, INEA processed 83 amendment requests mainly related to reallocation of tasks and budget and changes of consortia including new linked third parties and subcontracting. These changes represent the normal evolution of R&I projects.



With the aim to provide high quality support to its beneficiaries, INEA organised a

webinar in order to present the H2020 reporting and payment requirements in the summer, just before a large number of periodic reporting sessions were to be submitted. An additional added value was provided by the lively Q&A session which gave the opportunity to INEA to address instantly the project coordinators' queries.

1.9 Dialogue with stakeholders and feedback to policy making for Horizon 2020²³

In 2018 INEA continued to promote and support its projects in the communication, dissemination and exploitation of their results in order to allow a wider community of researchers and project promoters to benefit from each other's experience through sharing their achievements and lessons learnt. In addition, the Agency placed great emphasis on maintaining the active dialogue with its stakeholders and on streamlining the information flow between the different actors with a twofold purpose: to support the Agency's Parent DGs in their policy – making initiatives and to promote INEA's efforts towards the achievement of the H2020 programme objectives.

Enhancing the exploitation and dissemination of project results

Clustering workshops

In January, the Agency together with DG ENER and SCC Projects Network organised the biggest H2020 thematic workshop in which around 120 participants from close to 40 cities and 18 EU countries took part. The event gathered twelve Smart Cities and Communities projects implementing a wide range of urban solutions with the goal to exchange good practices and discuss how to best replicate smart urban solutions. The themes of the workshop were linked to urban mobility, low-energy districts and on integrated infrastructure. During the rest of the year INEA hosted 12 more workshops which took the form of clustering meetings for Horizon 2020 projects in the field of transmission grids, photovoltaics, concentrated solar



power, deep geothermal energy, biofuels and alternative fuels, bioenergy market uptake measures, wind energy projects, carbon capture, utilisation and storage, flexible power plants, social sciences and humanity, energy systems modelling and low TRL smart grid and energy storage projects. The events assembled representatives from the EC, INEA and different project consortia with the purpose to exchange on various respective project concepts, challenges, achievements and recent policy developments. Furthermore, in all case a special session was dedicated to discuss ideas for possible further joint activities identified from the projects. A good example for the impact of these workshops is the follow up on an idea which emerged during one of them – namely, to hold a side event at the 2018 European Photovoltaics Solar Energy

²³ This section refers to both Horizon 2020 Energy and Transport sectors.

Conference (EUPVSEC) in September. At the conference, a parallel event was co-organised by DG RTD and the Agency showcased INEA-funded projects on photovoltaics (PV) with focus on their developments. In addition, the workshop highlighted what Horizon Europe, the successor to H2020, will do in support of renewable energy sources (RES) and PV in the future.

Importantly, the Smart Cities and Communities workshop in January gave an impetus for two other similar events across Europe in which representatives from the SCC Project Network, INEA, DG ENER and public authorities took part.

Moreover, INEA co-organised together with DG RTD and the Clean Sky 2 Joint Undertaking a workshop on aviation noise research and innovation. It was the first time that the views from all the relevant stakeholders were brought together leading to the rise of several policy recommendations.

Promotion of INEA's project portfolio at different events

[WiseGRID](#) develops a set of solutions and technologies that increase the smartness, stability and security of an open, consumer-centric European energy grid, with an enhanced use of storage technologies and a highly increased share of RES. The project will have an impact on the business and innovation activities of the consortium and EV sector - with a planned return on investment for the partners of less than 30 months after commercialisation of WiseGRID products and services.

In 2018, the Agency took part in various events with the aim to facilitate the exchange of knowledge and to promote the Horizon 2020 programme funding and projects. INEA participated in events such as:

The EU Sustainable Energy Week (EUSEW) - the event took place primarily in Brussels and aimed to connect policy-makers, industry and research and innovation organisations working to achieve the climate and energy goals for the Energy Union. H2020 energy projects managed by INEA

promoted their project results and contributed to the debate at the policy conference. For the second year in a row, an INEA managed project won a prize. This year this was the WiseGRID project which was selected to be the best project in the business and citizen's choice categories, winning two EU Sustainable Energy Awards. The prizes recognise outstanding innovation in energy efficiency and renewables.



The Transport Research Arena (TRA) - the European Commission, together with the Austrian Ministry for Transport and Innovation, co-organised the 7th edition of Transport Research Arena in Vienna from 16 to 19 April 2018. Together with colleagues from other EU services, EU funded projects and initiatives, INEA project managers were present at the European Commission's stand which hosted both live presentations and an exhibition area where 27 selected EU-funded projects showcased their

hardware. In addition, the Director of INEA moderated a dedicated session on the theme of "Beyond R&I Grants - From Research to Implementation". Efforts were made to incentive projects with high technology readiness level (TRL) to exploit their results.

The Innovation and Leadership in Aerospace fair (ILA) – a high-tech event dedicated to the aerospace industry and to sharing expertise in areas from civil aviation to defence, security and space, and from major corporations to highly specialised suppliers. The event took place in Berlin from 13-17 May with INEA co-organising a workshop on "Designing disruptive aircraft configurations to meet FlightPath 2050 environmental goals". In addition, over 1,000 exhibitors, including H2020 Transport projects in aviation, showcased their expertise on innovation and leadership in aerospace.



The European Utility Week – an innovation, networking and information platform which gathers key players in the area of smart energy aiming at achieving a fully integrated and interconnected electricity system and market in Europe. At the event INEA presented its activities and project portfolio. Furthermore the Agency had its own stand showcasing the most successful projects of its portfolio. To support the event INEA updated its [publication on](#)

[Smart Grids and Storage](#) .

The ITS World Congress which provides the opportunity for different stakeholders to come together, discuss and make the necessary contacts to move initiatives forward and to develop their business by exhibiting and demonstrating Intelligence Transport Systems solutions (ITS). In that context, INEA promoted the available funding opportunities for such projects both through its participation in the EC stand and by using also a dedicated [brochure on EU support to ITS](#).



The European Biomass Conference and Exhibition (EUBCE)

- the biggest European forum for the academia, industry, public authorities and NGOs to discuss issues linked to the latest developments in sustainable biomass applications. INEA presented an overview of H2020 funded actions in biofuel heating, combined heating and power areas.



In addition, INEA took part in several other events in which projects from its portfolio were also present. These were:

- The two-day European conference 'Results from road transport research in H2020 projects' at which more than 75 of the Agency's H2020 Transport projects participated; various sessions at the event were moderated by the Agency's representatives.
- The CIVITAS Forum Conference in Umeå (Sweden) which was also used as an opportunity to organise dedicated cluster workshops with representatives from 24 H2020 Transport projects in the field of urban mobility. In addition, INEA's staff moderated several conference sessions.
- The Amsterdam Drone Week where the Agency, in a joint panel with DG RTD, presented the funding opportunities under H2020, as well as INEA's aviation portfolio.

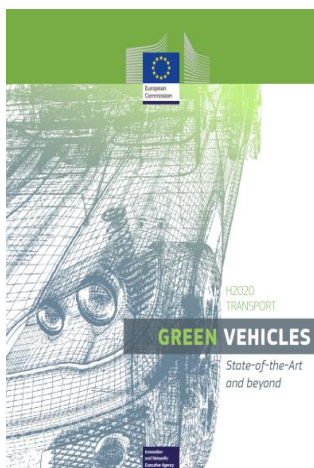
Furthermore, INEA participated in and acted as moderator at the 'EU STRIA Future of Mobility Forum', an event organised by DG MOVE, the city of Graz and the Styria region with the aim to produce a plan for the implementation of the STRIA roadmap on 'Smart mobility and services in urban areas'. INEA colleagues also acted as the rapporteurs for two of the STRIA priority areas "Establish better operating models" and "Sharing Data and Infrastructure".

Lastly, INEA also attended more general events to promote the H2020 and CEF programmes, and related funding opportunities. The participation at the Future of Transportation World Conference in Cologne is a good example.

Feedback to policy - making and information on the project outcomes

Regular contacts between INEA's project officers and their counterparts in the parent DGs were maintained continuously throughout 2018. These interactions took the form of meetings on specific actions/topics and aimed at consulting and providing feedback to the policy officers on the overall projects implementation, including the related tasks, risks, challenges faced and results achieved either per singular project or per thematic area. In addition, INEA staff presented their work to unit meetings in DG ENER, CNECT, MARE and RTD in order to spread awareness of its role and projects. Moreover, parent DGs took part in thematic workshops organised by INEA which served as a platform for direct exchange of information between the beneficiaries and the parent DGs' representatives.

Furthermore, INEA kept updating the information about each individual project via different platforms. The [project fiches](#) available on INEA's website, as well as the relevant project information in the corporate IT tools have been periodically updated.



INEA published several dedicated thematic brochures promoting the Agency projects' portfolio. In addition to the publications mentioned in the text above, the Agency also produced and published the [Green Vehicles brochure](#) which provides a comprehensive overview of the Green Vehicle projects that INEA is managing, with a total EU contribution of around EUR 370 million.

INEA also provided 19 projects (8 in energy and 11 in transport areas) within the framework of the EU contribution to 1000 Sustainable Efficient Solutions promoted by the World Alliance for Efficient Solutions.

Concerning communication on actions, several technologies that are being developed under INEA projects were featured in the [Horizon Magazine](#) and in [Futuris](#) (Euronews research segment). More details on INEA's promotion on projects success stories can be found in Section 2.2.3 External communication activities.

The Agency encouraged the actions from its portfolio to apply for the Common Dissemination Booster (CDB) and actively contributed to the revision of the Dissemination and Exploitation Strategy 2018-2020 from DG RTD's Common Support Centre. The first Innovation Radar (IR) reviews of INEA's projects took place during the first half of 2018 and currently 4 Transport projects and 5 Energy projects are included in the IR platform. Furthermore, INEA maintained close cooperation with the Dissemination and Exploitation platform (former DiEPP) and joined two of the new working groups with the intention to have an active participation in sharing the Agency's best practices and views.

Last but not least, 2018 was also marked by the strong commitment of INEA to increase the awareness between its delegated programmes thus facilitating the promotion of potential synergies and exploitation of Research and Innovation (R&I) results. In that relation, a technical meeting was held in May with representatives of INEA, DG MOVE, RTD and ENER to discuss a document produced by INEA in 2017 on the H2020-CEF Synergies in the Transport sector. One conclusion from the meeting was that synergies could be further promoted by having a systematic presence of representatives of one of the programmes to key stakeholder events of the other (already put in practice by INEA) or by cross-referencing the two programmes into the relevant call texts. Some visible progress and concrete results of this work can be observed through the reference to CEF included into the H2020-MG-2018-SingleStage call and the infra4Dfuture project (please see further down). Moreover, the work of INEA was also taken up into the strategic planning of the preparation of the new Horizon Europe programme.

A concrete example of the added value of INEA's input to policy is the fact that the conclusions of the Synergy paper and subsequent follow up meeting with the Agency's Parent DGs were taken up and mainstreamed into the strategic planning of the preparation of Horizon Europe.

Furthermore, as mentioned under 1.4 CEF Energy, INEA has expanded its analysis producing a paper on how to identify and exploit synergies in the Energy sector. Preliminary conclusions indicate that in the medium term synergies between H2020 Energy and CEF Energy actions are rather limited because the technologies which are being developed/tested in H2020 are not yet ready for integration into CEF projects.

However, INEA is identifying a number of actions which can contribute to pave the way for enhancing the synergies between the two programmes.

Finally, the Agency provided input for the updated H2020 Work Programme with particular focus on the Battery calls which INEA will manage in 2019. The crosscutting calls bring together research and innovation efforts on the next generations of batteries covering both H2020 Energy and Transport and ultimately aim to drive the transition towards a de-carbonised society.

Below are listed some of INEA's actions with high potential for dissemination and exploitation in different dimensions:

Exploitation of project results for deployment



[CPVMatch \(#640873\)](#) is an Energy Research and Innovation action (RIA) that intends to bring practical performance of high concentrated photovoltaics modules closer to theoretical limits. The project has developed a concentrator photovoltaics technology based on special multi-junction solar cells. It has also optimised the interplay between the cells and the module optics. This will contribute to lower the current electricity costs for this type of technology. The project ended in October 2018 and the assessment is currently ongoing, but it is evident that CPVMatch is a success

story with a well-developed technology for deployment. The project reported in November 2018 that their results have set a new record in PV modules efficiency for the conversion of sunlight into electricity. Concentration photovoltaic modules developed and tested in CPVMatch have converted 41.4% of sunlight into electricity, the highest value ever measured for any photovoltaic module. These results encompass a significant potential for this particular efficient module technology.

Exploitation of project results for policy and regulation

[infra4Dfuture \(#824269\)](#) project is a coordination and support action that will develop a demand-driven overarching strategy and coordination mechanism for the modernization of transport infrastructure. The project also intends to define a shared strategic



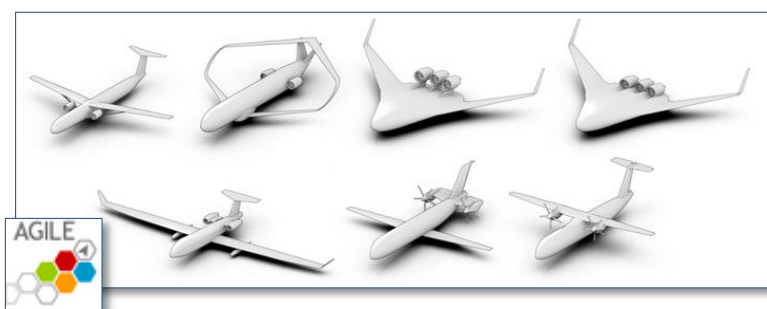
vision on future infrastructure capabilities and common pathways for innovation development and implementation. The action started in October 2018 and will last for two years. Although very recent, infra4Dfuture already organised the first of a series of stakeholder conferences to establish a fruitful dialogue with relevant actors engaged with transport infrastructure. INEA staff from the H2020 and CEF programmes attended the event, as the project is very interested in promoting the deployment of H2020 research

results in the TEN-T corridors. The H2020-MG-2018-SingleStage call which infra4Dfuture was funded from is already a good outcome from the discussions generated by the synergies analysis exercises, as a reference to CEF was included in the H2020 Work Programme with a clear expectation to receiving proposals linking these two programmes. Infra4Dfuture is seen as a very good mechanism to promote further synergies between the programmes.

Exploitation of project results

The H2020 transport project [AGILE \(#636202\)](#) received the 'ICAS Award for Innovation in Aeronautics' at the 2018 International Council Aeronautical Science conference in Belo Horizonte, Brazil, which was attended by more than 800 participants from all over the world. The ICAS prize can be compared to a Nobel Prize in the area of aviation research and innovation. This

Research and Innovation action ended and addressed the complex challenge of collaborative product development. AGILE has developed a revolutionary methodology to optimize the collaborative design of aircraft using a fully



automated, multidisciplinary and cross-organizational approach based on state-of-the-art IT and supercomputing. The methodology has been implemented in the AGILE's Open Access platform which is currently used by a broad spectrum of organizations, also from non-aviation sectors such as naval engineering and building architecture. The project has demonstrated that a 40% reduction in the time needed to solve the aircraft multidisciplinary design problem is possible, thus leading to significant cost savings. AGILE has also contributed to achieve the EU environmental goals set in FlighPath2050 by demonstrating its applicability for designing seven future disruptive aircraft configurations which are expected to have lower environmental impact in terms of noise and gas emissions.

1.10 2018 Challenges

Coming closer to the end of the current multiannual financial framework, with a growing and maturing portfolio, there is an increased need for close monitoring of on-going actions which are sometimes facing issues and delays. For CEF, this challenge was addressed through the assessment of the annual Action Status Reports and in the case of transport, the Mid-term Review of the Actions from the 2014 and 2015 Multi-annual calls, which allowed maintaining a clear overview of the portfolio and an in-depth knowledge of the specificities of each Action. The monitoring of the Actions also implied regular on-site visits and bilateral contacts in particular through systematic exchanges between the project managers in charge of the Action and the beneficiaries. Where necessary, modifications were implemented in order to adjust the Actions to reality. This close monitoring will be continued in 2019, and should ensure maximum absorption of funds.

In addition, in the context of the preparation for the new Multi-annual Financial Framework 2021-2027, INEA has addressed a certain number of challenges throughout 2018:

In line with the policy of the Commission to increase the use of corporate tools, preliminary discussions took place in 2018 to prepare the migration of CEF from the in-house developed and maintained IT tool (TENtec) to the **corporate eGrants** solution already in place for other EU funding programmes, notably H2020. The discussions have highlighted certain challenging aspects due to the particular nature of the CEF programme with its well-established implementing modalities. Despite of the challenges, a migration is expected to bring about tangible gains in terms of efficiency as well as simplification from an administrative perspective. The target for the transition of CEF to eGrants is the next Multiannual Financial Framework (MFF) starting in January 2021, and the scope targets only the forthcoming CEF programme.

INEA has focused its effort on the **progress of synergies** both between CEF and H2020 programmes and between its field of activities, notably transport, energy and digital connectivity. In this regard, INEA's operational departments have jointly elaborated a number of documents which target potential synergies among the two programmes managed by INEA. INEA is also working with its parent DGs to foster synergies at work programme design level, paving the way for a successful implementation of synergies between CEF2 and Horizon Europe.

INEA is committed to better spending, increased accountability and transparency, and creating a maximum added value for EU citizens. To **increase the focus on results**, INEA has been actively working on **improving the CEF performance framework** in order to define new indicators in preparation for the CEF2 programme, together with its parents DGs. A working group was created in 2018 at the initiative of INEA and has notably prepared a detailed list of indicators for the CEF Energy and Transport programmes, which will be already tested on CEF1 grant agreement data.

In terms of internal challenges, INEA has taken steps to **decrease its staff turnover by adopting a Retention policy in 2018**. This was identified as a key action in the implementation plan of the multi-annual HR strategy, adopted in 2016. A reduction of staff turnover brings positive effects for the organisational performance, ensures a stable skilled and motivated workforce and preserves organisational knowledge.

2. ORGANISATIONAL MANAGEMENT AND INTERNAL CONTROL

This section answers to the question *how* the achievements described in the previous section were delivered by the Agency. This section is divided in two subsections.

The first subsection reports the control results and all other relevant information that support management's assurance on the achievement of the financial management and internal control objectives. It includes any additional information necessary to establish that the available evidence is reliable, complete and comprehensive; appropriately covering all activities, programmes and management modes relevant for the Agency.

The second subsection deals with the other components of organisational management: human resources, better regulation principles, information management and external communication.

2.1 Financial management and internal control

Assurance is an objective examination of evidence for the purpose of providing an assessment of the effectiveness of risk management, control and governance processes.

This examination is carried out by management, who monitors the functioning of the internal control systems on a continuous basis, and by internal and external auditors. Its results are explicitly documented and reported to the Director. The reports produced are:

- The AOSD reports submitted by the Heads of Department on the implementation progress of their respective areas of responsibility including on internal control and risk assessment of their department;
- The reports of the ex-post audit function;
- The limited conclusion of the Internal Auditor on the state of internal control, and the observations and recommendations reported by the Internal Audit Service (IAS);
- The observations and the recommendations reported by the European Court of Auditors (ECA) and recommendations made through the different mid-term or final evaluation reports on the specific programmes;
- The contribution by the Director in charge of Risk Management and Internal Control Coordinator, including the results of internal control monitoring at INEA level;
- The observations and the recommendations reported by external parties (e.g. the CEF Advisory Board, the Observer(s) appointed to dedicated evaluations).
- The reports on recorded exceptions and non-compliance events

These reports result from a systematic analysis of the evidence available. This approach provides sufficient guarantees as to the completeness and reliability of the information reported and results in a complete coverage of the budget delegated to the Director of INEA.

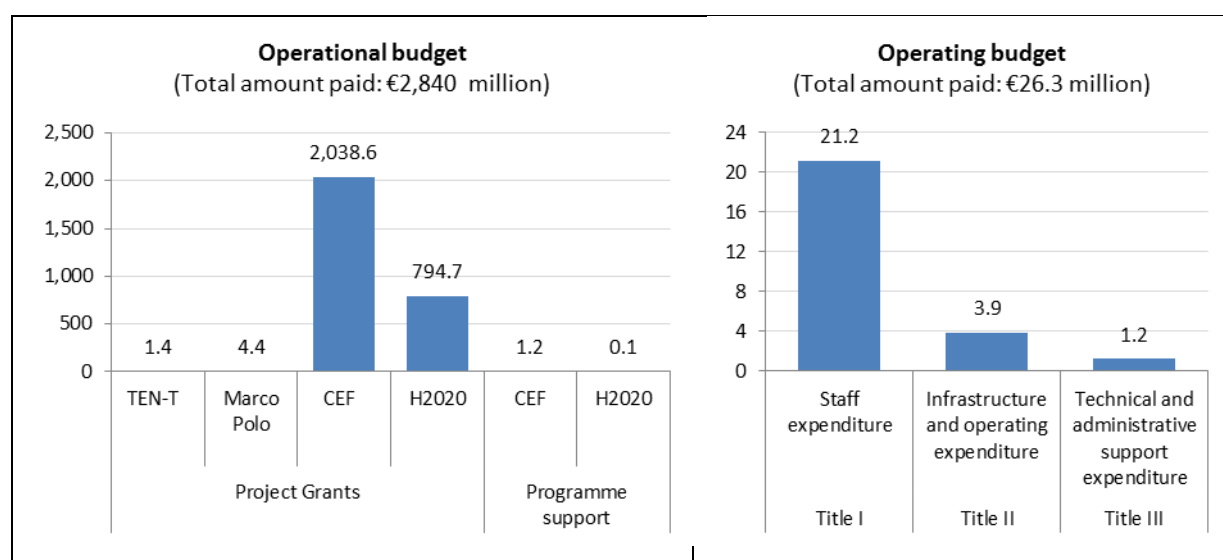
This section reports the control results and other relevant elements that support management's assurance. It is structured into (a) Control results, (b) Audit observations and recommendations, (c) Effectiveness of the internal control system, and resulting in (d) Conclusions on the impact as regards assurance.

2.1.1 Control results

This section reports and assesses the elements identified by management that support the assurance on the achievement of the internal control objectives²⁴ and in line with INEA Control Strategy. INEA's assurance building and materiality criteria are outlined in the AAR Annex 4. Annex 5 outlines the main risks together with the control processes aimed to mitigate them and the indicators used to measure the performance of the relevant control systems.

In 2018, INEA processed **1,322** payments under the operational budget and **1,020** payments under the operating budget. The total amount of payments made from the operational budget represents EUR 2,840 million while for the operating budget is EUR 26.3 million. The split is presented in the figure below.

Figure 13: Total payments made by INEA in 2018 (amounts in EUR million)



Operating budget

The controls established by INEA aim at ensuring the sound financial management and the legality and regularity of all financial transactions related to the operating budget (EUR 26.3 million). For that purpose, the Agency has put in place several mechanisms such as various procedures complemented by a series of templates and check-lists.

The accounting quality programme of the Agency for the operating budget consists of the review of all transactions related to invoices, payments and recoveries. The controls aim to spot ex-ante any possible errors that may impact the reliability of the accounts.

The result of the checks performed is the basis for the certification of the annual accounts and the validation of the financial processes by the Accountant. It is also the basis for the signature of the Management Representation Letter that accompanies the Financial Statements and is addressed to the Court of Auditors. The letter is signed by the Director for the aspects of legality and regularity of transactions and by the Accountant for the reliability and the true and fair view of the accounts.

²⁴ 1) Effectiveness, efficiency and economy of operations; 2) reliability of reporting; 3) safeguarding of assets and information; 4) prevention, detection, correction and follow-up of fraud and irregularities; and 5) adequate management of the risks relating to the legality and regularity of the underlying transactions, taking into account the multiannual character of programmes as well as the nature of the payments (FR Art 36.2). The 2nd and/or 3rd Internal Control Objective(s) (ICO) only when applicable, given the DG's activities.

The cost of control is difficult to measure and the impact is limited given the nature of the tasks performed by the Agency. Therefore its quantification is not undertaken here.

The Residual Error Rate is currently estimated at 0.5%, which is significantly below the target of 2%. During audits of the Agency's annual accounts performed by the Court of Auditors, there have been no observations on the internal control systems in place. Therefore INEA does not consider any reservation on the operating budget.

The net time to pay on the operating budget was 7.4 days (with 99.9% of payments on time).

Operational budget

INEA's operational budget is almost exclusively implemented through grants under direct management.

INEA has implemented a series of controls to ensure the sound financial management and the legality and regularity of all financial transactions related to the operational budget. Payments under INEA's operational budget are based on the acceptance of costs incurred as of submission of the applications (in accordance with the principle of non-retroactivity of grants stipulated by Article 193.2 of the Financial Regulation). The only exception to this principle applies to the expenditure for actions resulting from projects included in the first Multiannual and Annual Work programmes (i.e. 2014), which could be eligible as from 1 January 2014, as laid down in Article 8.2 of the CEF regulation.

The following table shows the results of the overall analysis of the main quantifiable indicators available, notably the Residual Error Rate and findings from the Internal Audit Service and/ or European Court of Auditors.

Figure 14: Overall conclusions table (amounts in EUR million)

	Grants (relevant expenditure in € million) ²⁵	Residual Error Rate ²⁶	Independent info from auditors (IAS, ECA) on assurance or on new/overdue critical recommendations available?	Any reservation?
TEN-T	17.8	0.60%	N	N
Marco Polo	7.5	0.23%	N	N
CEF Transport	1,895.6	0.92%	N	N
CEF Energy	65.9	est. 1-2%	N	N
CEF Telecom	10.1	1.1%	N	N
Horizon 2020 Transport	289.4	2.45%	N	N
Horizon 2020 Energy	298.7	2.45%	N	N
Operational budget (Progr. support)	1.3	est. <0.5%	N	N
Operational budget Total coverage	2,586.6		N	N

²⁵ Same as in the amount at risk calculations in Figure 20

²⁶ Target: <2% for CEF and 2%-5% for H2020.

In addition, as detailed in the following sections, INEA's Overarching Control Strategy, including the Cost-effectiveness of controls and the recently revised Anti-Fraud Strategy, provide reasonable assurance for the Agency's AOSD that, overall: suitable controls are in place and work as intended; risks are being mitigated and/or monitored; and improvements and eventual reinforcements are being implemented

Based on above, INEA can conclude that there is no reservation to signal in this report with regards to the implementation of the operational budget.

2.1.1.1 Effectiveness of the implemented controls

Legality and regularity of the transactions

INEA has set up internal control processes aimed to ensure the adequate management of the risks relating to the legality and regularity of the underlying transactions, taking into account the multiannual character of programmes as well as the nature of the payments concerned.

As determined in the materiality criteria in Annex 4, the threshold is set at a residual error rate of 2% cumulative by the end of the programme implementation for all programmes but Horizon 2020 for which the error rate is established within the range of 2-5%.

Stage 1 – Evaluation and selection of proposals

The overall control objective is to ensure that only projects which meet the policy objectives are among the selected proposals. In order to ensure this ultimate objective, the Agency has put in place a set of rules and procedures that are objective, transparent and ensure equal treatment of all applicants.

The results of each evaluation are submitted to the relevant European Commission services for final decision, after formal opinion of the relevant Programme Committee. The Agency also fulfils its information obligations by distributing the results of each call to the European Parliament.

The qualitative benefits of this control stage are:

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

The quantitative benefits from this control stage are measured by the total of the requested funding in proposals which were rejected by the external experts involved in the evaluation process. They are shown on Figure 15.

Figure 15: Benefits of stage 1 – Evaluation²⁷

Programme	CEF Transport	CEF Energy	CEF Telecom ²⁸	H2020 Transport	H2020 Energy	Total (EUR million)
Indicative calls budget	640	1,000	80	510	407	2,636
Recommended funding (selected/awarded proposals)	695	921	75	361	343	2,395
Requested funding from proposals rejected by experts (benefits)	327	19	24	367	851	1,588

Stage 2 - Contracting

The overall control objective of this stage is to translate each of the selected proposals into legally binding GAs in a way that ensures an optimal allocation of the EU funds.

Qualitative benefits identified are:

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

As a result of the contracting process, some selected proposals were cancelled during the grant agreement preparation while for others the maximum funding was reduced. The reduced amount of funding can be considered the quantitative benefits of this stage as detailed in Figure 16.

Figure 16: Benefits of stage 2 – Contracting

Programme	Number of cancelled proposals	Funding reductions due to cancellations	Funding reductions during grant agreement signature	Total funding reduction
CEF - Transport	2	11,152,478	15,819,673	26,972,151
CEF - Energy	1	125,000	179,327	304,327
CEF - Telecom	1	755,226	284,982	1,040,208
H2020 – Transport	0	0	202,973	202,973
H2020 – Energy	0	0	380,649	380,649
Total	4	12,032,704	16,867,604	28,900,308

²⁷ The information contained refers to calls concluded in 2018 when the applicants were officially informed. The proposals rejected by the experts refer to those proposals that did not pass the threshold following the consensus meeting and were not recommended for funding.

²⁸ This table does not include the evaluation of the first WiFi4EU call, to which 3,438 applications were submitted and 2,800 vouchers were attributed on a first come first serve basis.

Stage 3 – Monitoring the execution

The overall control objective of this stage is to ensure that the projects are performing according to their schedule and that the payments (or recoveries) made comply with the regulatory and contractual provisions.

The execution of the projects is monitored through different tools, the results of the ex-ante controls being the most important ones. The ex-ante controls are performed in accordance with pre-defined internal guidelines for each programme. In this context, it is important to highlight that the Ex-ante control Guidelines for the CEF programme were the object of an update in 2018.

Qualitative benefits identified at this stage are:

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

Figure 17 summarises the quantitative benefits of the controls performed in stage 3, notably the quantification of the ineligible amount in submitted cost claims.

Figure 17: Benefits of stage 3 – Monitoring the execution

Programme		Number of cost claims	Submitted amount	Ineligible amount (€) (recovery context ERROR) ²⁹	Rejection rate (%)
CEF-Transport		239	2,047,879,486	56,768,458	2.8%
CEF-Energy		35	73,815,669	453,167	0.6%
CEF-Telecom		34	10,505,838	206,803	2.0%
Horizon2020 Energy	-	123	299,758,911	1,577,311	0.5%
Horizon2020 Transport	-	107	276,219,472	1,366,081	0.5%
TEN-T		4	102,792,441	10,134,070	9.9%
Marco Polo		10	9,949,217	50,527	0.5%
Total		552	2,820,921,033	70,556,418	2.5%

²⁹ It is important to highlight that the ineligible amount considered for this purpose refers to invoices with detected irregularities. An additional amount of EUR 61,710,764 has been declared ineligible due to overspending, contribution exceeding 80% or rejected contribution on an appeal (Recovery context 'None'). This amount has furthermore been excluded from the calculation of the benefits of control.

Stage 4 – Ex-Post controls

Ex-post controls are carried out by INEA on CEF and Legacy Programmes. For H2020 ex-post controls are carried out by the Common Audit Service (CAS) on behalf of the Research family.

The ex-post controls (audits) carried out by INEA are made on costs accepted after ex-ante controls on interim and final financial statements submitted to the Agency. They consist of verifying the legality and regularity of the underlying transactions, including public procurement to determine the amount of eligible declared costs (and consequently, the eligible EC contribution).

The controls are performed on a sample basis, according to a defined methodology which is detailed in Annex 4. The audit sampling performed by INEA is as 'representative' as possible, in terms of the coverage of projects in financial and geographical terms, and also in the blend of beneficiaries.

INEA is confident that the audit results give a fair indication of the level of error in the non-audited population. The detected error rate is considered to be applicable to the non-audited population as the best available estimate of the level of error remaining in the population.

The audit results in 2018, as per previous years, show that the incidence of basic errors such as the claiming of ineligible VAT, costs without sufficient supporting documents and costs outside of the eligible period are negligible, which indicates that the ex-ante controls are operating effectively.

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

Legacy Programmes - TEN-T and Marco Polo II

Audit results in 2018 were consistent with previous audit campaigns. A limited number of errors were detected leading to financial adjustment of the EU contribution mainly related to unjustified direct award of service contracts and errors in the declaration of staff costs.

For Marco Polo II, no errors were detected leading to a financial impact on the EU contribution.

Figure 18: Legacy Programme Multi-annual residual error rates

Multi-annual residual error rates	TEN-T Programme 2007-2013	Marco Polo II
Total number of closed audits	120	24
1. Audited EU Contribution	1,311,341,335	37,485,828
2. Detected error	10,489,655	123,597
3. Detected error rate	0.80%	0.33%
4. Total errors corrected	10,223,989	123,338
a) Errors corrected by 31/12/2018	10,223,989	123,338

b) Errors corrected 1/1/2019 - 31/3/2019	0	0
5. Errors not corrected	265,667	259
6. Total EU Contribution accepted and paid	5,203,505,296	126,537,399
7. Audit coverage	25.20%	29.62%
8. Calculated multi-annual residual error = (5) + [(6)-(1)]*(3)	31,399,787	293,877
9. Multi-Annual residual error rate = (8)/(6)	0.60%	0.23%

CEF programme

Audits of CEF projects began in 2017. As the number of audit results is still relatively limited, these results should be interpreted with some degree of caution, in particular for CEF Energy with only 8 audits used as a basis for calculation. However, the results so far indicate that the estimated range of error of 1-2% (also presented in the AAR 2017) is not exceeded, and in line with the expectations when the INEA Audit Strategy 2014-2024 was developed.

CEF Transport and Energy

The most common ex-post audit detected errors so far in CEF Transport and Energy relate to the declaration of costs not explicitly covered by the grant agreement (including costs ineligible by nature or potentially eligible costs that are nevertheless not part of the scope of the action as per the GA). These issues have either not been picked by ex-ante sampling and / or only partially addressed.

There are also recurrent errors in the declaration of staff costs, but as these costs tend to represent a low proportion of overall declared costs in large scale infrastructure projects, the financial impact of these findings is not significant.

Procurement infringements have been detected, but at this stage without significant financial impact. This is one aspect that leads to the preliminary error rate results to be interpreted with some caution. In particular for CEF Energy, the resulting detected and residual error rate are rather too low to be considered reliable enough at this stage. Procurement errors tend to have a larger financial impact than any other form of error and for that reason can have a stronger influence on error rates.

CEF Telecom

CEF Telecom has a different cost basis than CEF Transport and Energy. In the majority of audits so far, the proportion of staff costs is higher than for the other CEF sectors. Audit findings in CEF Telecom have occurred most consistently in the incorrect declaration of staff costs. We have also seen one case of ineligible VAT declared with a significant impact. This is considered an isolated error, as the same issues have not been detected in any other audit and usually any VAT issues are resolved at the ex-ante control stage.

Figure 19: CEF Programme Multi-annual residual error rates

Multi-annual residual error rate	CEF Transport	CEF Energy	CEF Telecom
Total number of closed audits	27	8	11
1. Audited EU Contribution MUS	414,133,211	31,419,686	3,546,529
2. Audited EU Contribution Risk	37,556,720	5,530,886	-
3. Total Audited EU Contribution =(1)+(2)	451,689,931	36,950,572	3,546,529
4. Detected MUS error	3,851,075	43,297	44,078
5. Detected Risk Error	616,924	36,023	-
6. Detected error rate = (4)/(1)	0.93%	0.14%	1.24%
7. Total errors corrected for MUS and Risk Based audits			
a) Errors corrected by 31/12/2018	511,013	36,023	40,820
b) Errors corrected 1/1/2019 - 31/03/2019	-	-	-
8. Errors not corrected	3,956,717	43,297	3,258
9. Total EU Contribution	3,093,676,827	150,143,072	28,594,511
10. Audit coverage = (3)/(9)	14.60%	24.61%	12.40%
11. Calculated residual error = (8) + [(9)-(3)]*(6)	28,524,874	199,280	314,569
12. Calculated residual error rate = (11)/(9)	0.92%	0.13%	1.10%

Results of the ex-post audits and expectations for Horizon 2020

Ex-post audit methodology (Horizon 2020)

The Common Representative Sample (CRS) provides an estimate, via a representative sample of cost claims across the Research and Innovation Family, of the **overall level of error** in the Research Framework Programmes, across all services involved in its management. All of these grants follow the same homogeneous overall control system set out in this report.

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

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

Overall Detected Error Rate: this is the error rate derived from the results of all audits, whether audits on a representative sample of beneficiaries or audits implemented for other reasons (large beneficiaries, preventive audits, risk factors, etc.). Its value is cumulative and can be calculated for a specific Executive Agency or for the whole Research and Innovation Family.

Representative Error Rate for the Framework Programme: this is the error rate derived solely from the results of the CRS, extrapolated to the overall population and calculated for each FP as a whole. This error rate provides an estimate of the

level of error in the given Framework Programme at the time of the audits, but does not factor in the follow-up and corrections/recoveries undertaken by Commission services after the audit, nor does it provide information on the net final financial impact of errors.

Residual Error Rate: the residual error rate, on a multi-annual basis, is the extrapolated level of error remaining after corrections/recoveries undertaken by Commission services following the audits that have been made. The calculation of the residual error rate, as shown in **Annex 4**, is based on the following assumptions:

1. all errors detected will be corrected;
2. all non-audited expenditure of audited beneficiaries is clean from systematic material errors so that the residual error rate in this expenditure can be estimated to be equal to the non-systematic part of the representative error rate (for expenditure subject to extension of audit findings this is only assumed when the respective extension procedures have been closed).

The residual error rate develops over time and depends on the assumptions set out above. This indicator is reliable and acceptable for the purposes for which it was intended, i.e. as a legality and regularity indicator on the progress made, through its ex-post audit strategy, in dealing with errors over a multi-annual basis. However, it remains an estimate as long as not all cost claims have been received and not all cases of extension of audit findings have been fully implemented yet.

Results of the ex-post audits and expectations for Horizon 2020

At this stage of the programme lifecycle, cost claims totalling EUR 9 billion of requested funding had been received by the services by the end of 2018. The first Horizon 2020 audits were launched in the middle of 2016 and further audits were launched in 2017 and 2018. Two Common Representative Samples (CRS), Common Risk Samples and Additional Samples³⁰ have been selected. In total, by December 2018, 2383 participations had been selected for audit, covering all the services signing grants in Horizon 2020.

In total, the audit of 1155 participations has been finalised by 31/12/2018 (763 in 2018). This includes 164 out of 303 participations selected in the first 2 CRS. The error rate at 31/12/2018 is:

Overall Detected Error Rate based on 1155 participations: 1,62 %

The Detected Error Rate³¹ based on 164 out of 303 participations selected in the first and second CRS is 2.43%. However, if we take into account the draft audit reports, then the expected representative error rate for the full sample will be around 3.32%.

Residual Error Rate for the Research and Innovation Family: 2,22 %, (2.30% for INEA) expected to rise to around 2.45% (2.77% for INEA) when taking into account the draft audit reports.

³⁰ This sampling accommodates special needs of certain stakeholders with regard to audit coverage and selection method. In addition, top ups, which are participations of selected beneficiaries which are added to the selected participations, are included in the total participations selected.

³¹ This error rate is not named at this stage common representative error rate as the audits of the first CRS are not yet all finalised.

Comments on the control results

As last year, the error rates set out above **must still be treated with care**. The two first CRS are not yet complete, and so the error rate is not yet fully representative of the expenditure that it covered. In addition, the first CRS was taken at an early stage of the programme in order to provide an early indication of the error rate and, also, to help assess whether the simplifications introduced in Horizon 2020 had been effective. The nature of expenditure in the first years of the programme may not be totally representative of the expenditure across the whole period of expenditure. And the programme is in any case multi-annual, so the error rates, and especially the residual error rate, must be considered over time. In particular, the cleaning effect of audits over time will tend to increase the difference between the representative/detected error rate and the residual error rate, with the latter finishing at a lower rate.

There is nevertheless evidence that the simplifications introduced in Horizon 2020, as well as the increased experience of major beneficiaries, are reducing the number and level of errors made by beneficiaries. However, beneficiaries still make a number of errors, sometimes because of a lack of understanding of the rules, sometimes because of a non-respect of the rules.

To improve clarity of the rules and compliance with them the following actions have already been taken:

- The Model Grant Agreement, and its accompanying annotations, have already been adjusted to introduce simplifications or clarifications on different points. The results of the first audits were considered in a working group bringing together auditors from the Commission and the Court of Auditors to see where additional simplifications and clarifications may be needed³².
- Considerable efforts have been made to ensure clear communication of the rules and guidance to participants and their auditors. In 2018, the Common Support Centre attended and coordinated 15 events organised by the National Contact Points of Member States and associated members with a total of 1819 participants.
- Lump sum funding has already been used for the SME stage 1 calls grants. Trials of lump sum funding for collaborative projects began in 2018 to evaluate if this form of entitlement funding, which would avoid errors of legality and regularity, is appropriate to achieving all the objectives of research policy. These trials will continue in 2019, and include the extension of lump sum funding to the ERCEA Proof of Concept grants.

The Financial Statement accompanying the Commission's proposal to the legislative authority for the Horizon 2020 regulation states: "*The Commission considers therefore that, for research spending under Horizon 2020, a risk of error, on an annual basis, within **a range between 2-5 % is a realistic objective**, taking into account the costs of controls, the simplification measures proposed to reduce the complexity of rules and the related inherent risk associated to the reimbursement of costs of the research 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 %.***"

The first audit results suggest that the detected (and in future representative) error rate

³² This meeting took place on 14 March 2018.

will remain within the established range. Together with the experience in FP7, they also suggest that the objective for the residual error rate will be respected.

In conclusion, INEA still considers that the error rate will fall within the range established in the Financial Statement, so it does not consider that a reserve is needed for Horizon 2020 expenditure.

In the context of the protection of the EU budget, at the Commission's corporate level, the DGs' estimated overall amounts at risk and their estimated future corrections are consolidated.

For INEA, the estimated overall amount at risk at payment for the 2018 expenditure is between EUR 38.1 and 38.9 million. This is the AOD's best, conservative estimation of the amount of relevant expenditure during the year (EUR 2,612.9 million) not in conformity with the applicable contractual and regulatory provisions at the time the payment is made.

This expenditure will be subsequently subject to ex-post controls and a sizeable proportion of the underlying error will be detected and corrected in successive years. The conservatively estimated future corrections for the 2018 expenditure are between EUR 10.5 and 10.6 million. This is the amount of errors that INEA conservatively estimates to identify and correct from controls that it will implement in successive years.

The difference between those two amounts leads to the estimated overall amount at risk at closure for the 2018 expenditure between EUR 27.6 and 28.3 million.

Figure 20 - Estimated overall amount at risk at closure

INEA	Total payments made	minus new prefinancing	plus cleared prefinancing (by cost claims)	relevant expenditure	Detected error rate	estimated overall amount at risk at payment	Average Recoveries and Corrections	estimated future corrections	estimated overall amount at risk at closure
	1	2	3	4=1-2+3	5	6=4*5	7	8=4*7	9=6-8
TEN-T	1.4		16.5	17.8	0.80%	0.14	0.20%	0.04	0.11
Marco Polo	4.4		3.2	7.5	0.33%	0.02	0.10%	0.01	0.02
CEF Transport	1,828.9	882.9	949.6	1,895.6	0.93%	17.63	0.37%	7.07	10.56
CEF Energy	170.9	125.7	20.7	65.9	[1-2%]	[0.66, 1.32]	[0.19%, 0.38%]	[0.12, 0.25]	[0.53, 1.07]
CEF Telecom	38.8	29.6	0.9	10.1	1.24%	0.13	0.24%	0.02	0.10
H2020 Transport	338.5	237.3	188.2	289.4	3.32%	9.61	0.55%	1.59	8.02
H2020 Energy	456.2	276.2	118.9	298.9	3.32%	9.92	0.55%	1.64	8.28
Operational budget (Progr. support)	1.3			1.3	[0-0.5%]	[0, 0.01]	0.00%	0.00	[0, 0.01]
Operational budget	2,840.4	1,551.8	1,297.9	2,586.6	[1.47-1.50%]	[38.1, 38.8]	[0.41%, 0.41%]	[10.5, 10.6]	[27.6, 28.2]
Operating budget	26.3			26.3	[0-0.5%]	[0, 0.1]	0%	0.00	[0, 0.1]
Total	2,866.7	1,551.8	1,297.9	2,612.9	[1.46-1.49%]	[38.1, 38.9]	[0.40%, 0.41%]	[10.5, 10.6]	[27.6, 28.3]

Notes to the table

(1) In order to calculate the weighted Average Error Rate (AER) for the total relevant expenditure in the reporting year, the detected error rates have been used – or equivalent. For CEF Energy in particular, the detected error rate reported in the ex-post control section of this AAR was not used as the calculation is considered immature at this stage due to a limited number of audit results being available and lower than expected levels of detected error so far. A more conservative estimate for the calculation of the amount at risk for 2018 for CEF Energy has therefore been included (1-2% instead of 0.13%). For the other CEF sectors, the actual detected error rate based on CEF audits completed to end 2018 was used, as the calculation basis is considered sufficiently mature and in line with estimates.

(2) For both CEF and H2020, the historic average of recoveries and financial corrections (ARC) is based on the historic audit coverage and expected detected error in future audits. In other words, the best estimation of the ARC is the difference between overall representative detected error rate and the residual error rate.

Fraud prevention, detection and correction

Fraud prevention, detection and correction are an integral part of the Internal Control Framework of INEA. The Agency considers fully the potential for fraud in assessing risks towards the achievement of its own objectives. One of the elements supporting such finding is the positive assessment of the internal control systems of the Agency and in particular the fraud related principles of INEA's Internal Control Framework (please revert to chapter 2.1.3 for more information).

To achieve this, since 2013 INEA has developed and implemented its own anti-fraud strategy (AFS), elaborated on the basis of the methodology provided by the European Anti-Fraud Office (OLAF). It is updated every two years (last update in 2018) and its implementation is being monitored twice a year along with regular reporting to the management.

Following the delegation of the WiFi4EU initiative³³, accepted by the Agency on 30 April 2018³⁴, and the completion of the 2016 AFS Action Plan³⁵, INEA 's fraud risk inventory was reassessed by a working group representing the various sectors of the Agency.

Based on this, a revised AFS was approved in December 2018, covering the period from 1 January 2019 to 31 December 2020.

The new AFS Action Plan includes the following actions:

1. Provide awareness training to all staff members, especially newcomers, covering the whole fraud circle (prevention, detection & corrective measures) and present the Agency AFS & its Action Plan.
2. Continue to mitigate fictitious immaterial actions for CEF Telecom Digital Service Infrastructure whilst consulting with the relevant Commission services and DSI owners.
3. Mitigate fictitious actions under the WiFi4EU initiative via the operational monitoring platform of DIGIT. The use of an operational monitoring platform will help to ensure an efficient monitoring of the actions with the aim to prevent and detect any related risks.
4. Mitigate fictitious WiFi Installation companies and Installation reports. It is expected that the establishment of a triple check system of the installation report (installation companies, beneficiaries and the monitoring platform) will reduce fraud risks.

In addition to the work carried out in the context of the revision of the Agency's AFS, as part of its regular activities, the Agency worked in close collaboration with OLAF in the detection and correction of fraud. In total, in 2018 INEA dealt with 10 requests for information from OLAF and issued one request for investigation. Furthermore, in the first trimester of 2019, INEA issued a further request for investigation for a case detected in late 2018.

Finally, the Agency is strongly committed to raising staff's awareness of fraud prevention,

³³ Decision C(2018) 1281 : WiFi4EU is a support scheme encouraging the provision of free WiFi access to citizens in public spaces (e.g. public administrations premises, schools, libraries, health centres, museums, public parks and squares) to better integrate local communities in the Digital Single Market.

³⁴ Ares(2018)2295910

³⁵ The 'Guidelines on eligibility of costs' was finalized in October 2018

detection and correction. In particular the Agency closely monitors the level of participation of its staff at the training course "Fraud: Staying Vigilant" which has recently become compulsory. The vast majority of INEA's staff has attended this training and the Agency will maintain its efforts to raising the awareness of the new AFS and achieve the target of 100% staff participation at this course.

Other control objectives: safeguarding of assets and information, reliability of reporting

The Agency protects its fixed assets and inventory through a good internal control system which guards against loss because of theft or errors - and provides reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use or disposition of its assets that could have a material financial effect by the following means:

- The Inventory Committee, which exercises supervisory duties on the retirement and other specific inventory movements.
- The 'Assets and Inventory Management' guide, including the annual inventory exercise.
- The Anti-fraud Strategy contains actions to cover all stages of the project life cycle.
- Assurance also exists that transactions related to assets have been properly processed and are appropriately controlled. In accordance with the Financial Regulation, the Agency uses the 'four-eyes' principle so that before an operation is authorised, all operational and financial aspects are verified by a staff member other than the one who initiated the operation.

The financial assets, managed by the Agency, consist of pre-financing payments made to the beneficiaries of grants. They are secured by various preventive measures foreseen in the rules and regulations – financial guarantees, H2020 Guarantee Fund, limitation to a certain percentage of the amount of the pre-financing payment.

2.1.1.2 Efficiency of the implemented controls

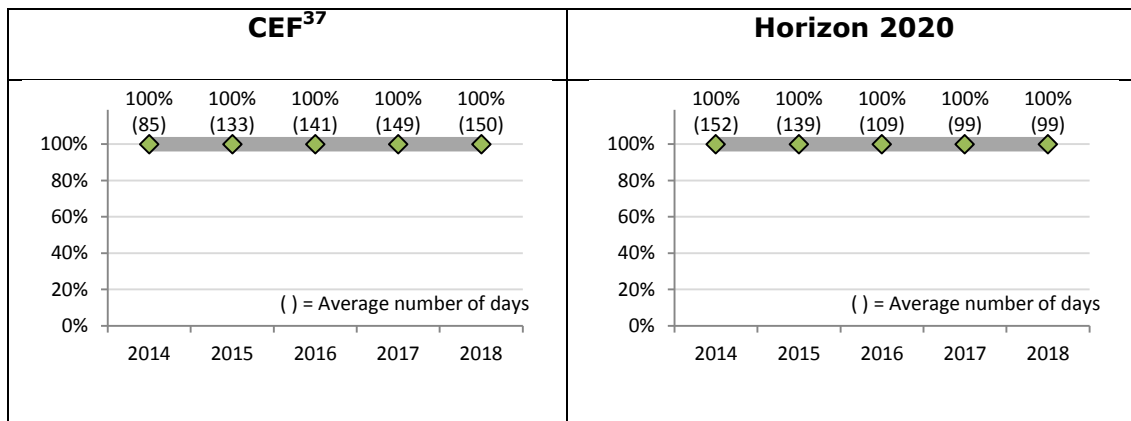
One of the most reliable means to assess efficiency is to make use of indicators that can be easily quantified and continuously assessed throughout the implementation of programmes. For this purpose, the Agency utilises a set of efficiency indicators notably time-to-inform, time-to-grant and time-to-pay.

Time-to-inform³⁶

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

Figure 21: Development of the proposals informed on time per Programme (in days)

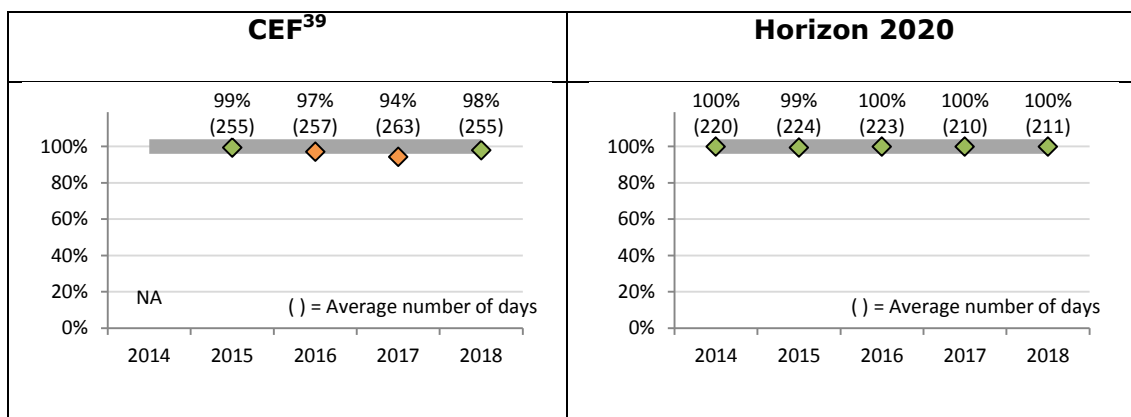
³⁶ Only Calls for proposals whose time-to-inform deadline took place in 2018 have been taken into account.



Time-to-grant³⁸

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

Figure 22: Development of projects signed on time per Programme



In average, the number of days for the time-to-grant is below the target for both programmes. For H2020, the average number of days shows a quite stable trend in relation to last year, whereas for CEF, it has decreased.

In absolute terms, for Horizon 2020, all grants signed respected the 8-month time-to-grant limit. For CEF, in a very limited number of instances, grants were signed beyond the 9 months due mostly to reasons outside the Agency's remit.

Overall, the target of 98% for the GAs signed on time set in the 2018 Work Programme

³⁷ These figures do not include the 13,198 Wifi4EU submissions to the first Wifi4EU call, that were all timely informed of the outcome of their applications. These have been excluded due to the particular nature of the initiative and its limited duration. If Wifi4EU would be included, the CEF time-to-inform would be significantly reduced from 150 to 52 days in average

³⁸ Only the calls whose time-to-grant deadline took place in 2018 have been included.

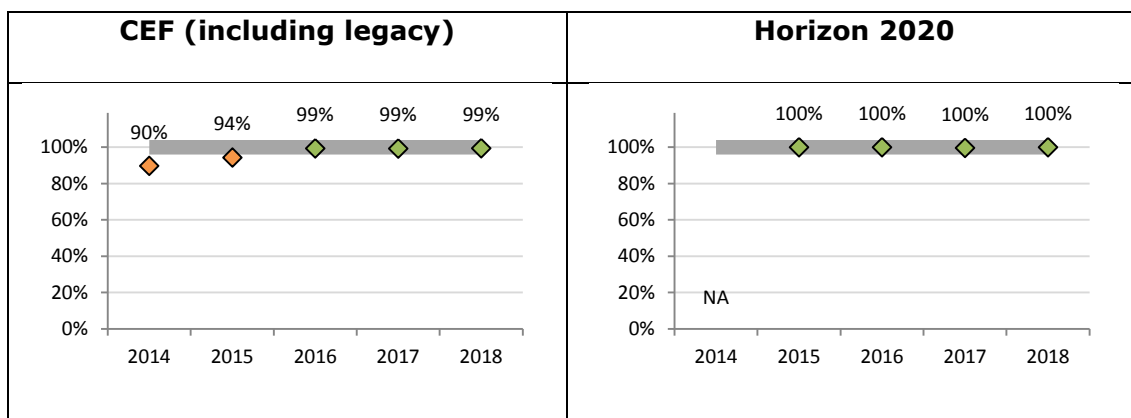
³⁹ These figures do not include the 1,237 Wifi4EU vouchers that were attributed in 2018 in the context of the Wifi4EU initiative. If Wifi4EU would be included in the statistics, the CEF time-to-grant would be significantly reduced from 255 to 57 days in average. The percentage of grants signed on time would also go up (please see KPI charts in the Executive summary).

of the Agency was reached in full for both Horizon 2020 and CEF.

Time-to-pay

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

Figure 23: Development of payments done on time per Programme



The time-to-pay maximum target for the different types of payments (pre-financing, further pre-financing and interim/final payment) was respected in all instances for Horizon 2020. As to CEF and the Legacy programmes, the targets were met in 99% of the cases for the past three years.

The details on the average time to pay per sector and per payment type can be found in Annex 12 of this document. The Agency maintained all average days below the maximum target for time-to-pay.

2.1.1.3 Economy of the implemented controls

The total costs of the overall control system (all stages combined) can be approximated by the costs of control staff working at INEA (EUR 22.7 million)⁴⁰, the operating payments made on the operational budget (EUR 1.3 million) as well as the costs allocated to INEA from the H2020 Common Support Centre in DG RTD (EUR 4.6 million) and the expert management support services from REA (EUR 6.7 million)⁴¹.

Therefore, the cost of controls amount to €35.4 million, which corresponds to 1.25% of the total EUR 2,839 million operational payments made in 2018 (excl. the administrative payments on the operational budget). Historically, the costs of controls have been stable with values within the range of 1%.

⁴⁰ To be noted that in 2018, INEA reverted to a new methodology for calculating the cost of controls introduced by the European Commission's central services. As per the new methodology only the share of INEA's staff in control functions has been considered (hence excluding overheads).

⁴¹ The costs allocated to INEA from the H2020 evaluation support services in REA have been added pro-rata with the use of an agreed common methodology based on the amount of operational payments. It is nevertheless noted that a direct link between operational payments and costs of controls linked to experts may not always be demonstrated.

In 2018, INEA's costs of controls as well as the benefits of controls have been estimated for each of the different stages. The results are shown in the figure below.

Figure 24: Costs and benefits of controls for each control stage (€ million)

Stages	COSTS - CEF	COSTS – H2020	BENEFITS
Stage 1: Evaluation and selection	4.3	9.2	1,588
Stage 2: Contracting	3.5	1.1	28.9
Stage 3: Monitoring the execution	9.3	5.8	132.6
Stage 4⁴²: Ex-post controls	1.1	1.1	5.4 ⁴³
All stages included	18.2	17.2	1,755.9

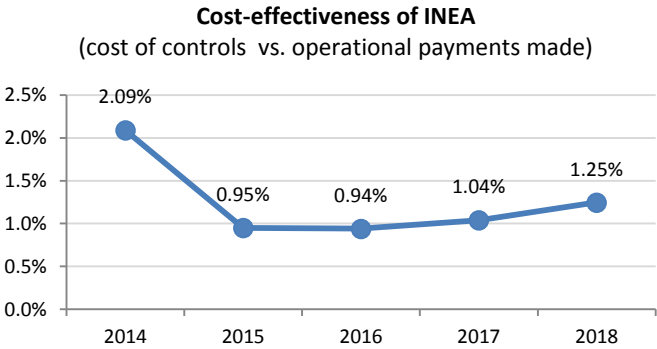
The costs of the evaluation and selection of proposals (i.e. stage 1) correspond to 0.25% (CEF) and 1.31% (H2020) of the respective amount recommended for funding following the evaluation of the calls for proposals in 2018.

Similarly, the cost of contracting (i.e. stage 2) correspond to 0.12% (CEF) and 0.13% (H2020) of the respective amount contracted in 2018 and the cost of monitoring the execution of projects (i.e. stage 3) equals 0.45% (CEF) and 0.73% (H2020) of the respective operational payments made in 2018.

Finally, the audits executed in 2018 for the CEF Programme covered a total amount of EU contribution of EUR 613 million. Hence the cost of the ex-post controls for CEF (i.e. stage 4) equals to 0.2% of this amount.

The total benefits of controls clearly outweigh the overall costs of controls together. Furthermore, when comparing the costs of control (EUR 35.4 million) with the operational expenditure (EUR 2,840 million), the resulting ratio is set at 1.25%.

2.1.1.4 Conclusion on the cost-effectiveness of controls



Based on the most relevant key indicators and control results, INEA has assessed the effectiveness, efficiency and economy of the control system and reached a positive conclusion on the cost-effectiveness of controls.

It is important to highlight that these benefits solely refer to CEF considering that the ex-post controls of H2020 are performed by the Common Support Centre. This also explains the very limited costs of control for H2020 in INEA, that mostly refer to support activities.

⁴³ Calculated by deducting the CEF and legacy detected error amounts reported at the end of 2017 from the detected error amounts reported at the end of 2018, thus giving an annualised benefits figure for 2018.

In particular, the analysis showed that the total benefits of controls significantly counterbalance the overall costs of controls. When comparing the costs of controls with the operational expenditure, the resulting ratio is set around 1.25%, which demonstrates the cost-effectiveness of the controls linked to the implementation of the programmes managed by INEA.

It should be noted that the control environment and Control Strategy remained stable during the reporting year when compared to previous years. Indeed, with the exception of the first year of implementation, a trend of low costs of controls has been confirmed, with cost-effectiveness ratios around 1%.

To this should be added a number of non-quantifiable benefits resulting from the controls operated during the different control stages, as mentioned in the previous section.

The Control Strategy applied is therefore considered suitable to fulfil the intended control objectives efficiently and at a reasonable cost. This conclusion is attested by the satisfactory balance between low error rates, adequate time-to-pay and low costs of controls.

2.1.2 Audit observations and recommendations

This section reports and assesses the observations, opinions and conclusions reported by auditors in their reports as well as the limited conclusion of the Internal Auditor on the state of internal control, which could have a material impact on the achievement of the internal control objectives, and therefore on assurance, together with any management measures taken in response to the audit recommendations.

Internal Audit Service (IAS)

In 2018, the following audit engagements were relevant to INEA:

- A new audit on 'Grants management phase 2: project management and payments for H2020 in INEA' was launched in January 2018. The audit assessed the effectiveness of INEA's processes and procedures for project management and payments, as well as the legality and regularity of the underlying transactions. The final audit report, issued by the IAS on 20 December 2018, was globally very positive. The implementation of the measures to address the sole recommendation (rated as important and related to plagiarism checks) will take place in 2019.
- The final audit report on 'HR Management Strategy in INEA' was issued by the IAS on 23 January 2018. The report stresses out three identified strengths (strong control environment, a comprehensive and coherent multi-annual HR resources strategy and a service oriented approach by the HR team) and two important recommendations (one related to HR monitoring and reporting and one on workload indicators). Both recommendations were implemented by INEA and are pending the review of the Internal Audit Service.
- Following the implementation of the action plan for the audit on 'Grant Management – Phase 2: Project Management and Payments for CEF in INEA', INEA fully implemented the action plan addressing the single recommendation of the audit findings (rated as important), notably the need to further develop the

guidance for on-site visits. By the end of 2018, the measures proposed by INEA to address such recommendation were implemented and are pending the review of the Internal Audit Service.

It is important to highlight that, in its contribution to the 2018 Annual Activity Report process⁴⁴, the IAS states that internal control systems in place for the audited processes are effective.”

European Court of auditors (ECA)

During the period of reference the Agency was audited by the European Court of Auditors (ECA) in three main areas: the operating budget and the preparation of the annual accounts; the Declarations of Assurance (DAS) for 2017 and 2018 and certain ongoing special audits and preliminary studies.

Operating budget and the preparation of the annual accounts

The audit on the 2017 operating budget and annual accounts aimed to obtain reasonable assurance that the Agency's annual accounts are free of material misstatement and that the underlying transactions are legal and regular. An unqualified opinion on the legality and regularity of the accounts was received, with a comment on the non-implementation of e-procurement⁴⁵: the modules of e-tendering and e-submission.

By the end of 2017 the Agency had introduced e-invoicing for certain procedures. The use of e-tendering and e-submission was not introduced as it does not concern the Agency. The procurement activities are implemented only through the use of low value contracts or existing Framework contracts managed by the European Commission services.

In the framework of the audit, the Agency responded to surveys on accounting environment, BREXIT preparation, procurement, and use of working languages in the recruitment process.

Operational budget

On the reliability of the 2017 operational accounts and the cut-off exercise, the auditors issued an observation on the overstatement of the recoveries, resulting from the recovery context assigned to expenses in an appeal by a beneficiary and to certain expenses above the ceiling in a cost claim. The Agency accepted the observation about the recovery context in the appeal but did not agree with the one on the recovery context in expenses above the ceiling.

Declarations of Assurance (DAS)

In the scope of the DAS 2018, eighteen transactions on the operational budget (ten CEF and eight H2020) were selected for review. The Agency provided the requested

⁴⁴ Ares(2019)922195

⁴⁵ In particular, as regards the Commission's tools for the electronic publication of documents related to contract notices in the EU Official Journal (e-tendering) and for the electronic submission of tenders (e-submission)

documents and participated in all the Court's missions to the beneficiaries. INEA has received four clearing letters, one of them with no observations. The other three observations referred to ineligible VAT and staff costs, and to a delay of transfer of funds from the project coordinator to the grant beneficiaries. The Agency accepted the observations about the ineligible costs and will initiate the recovery process. It disagreed with the observation about the delay of the transfer of funds. The results from the audit of the other fourteen transactions will be received and dealt with by the Agency in 2019.

In the course of 2018 the Agency also received the results from twelve audited transactions from DAS 2017. For two of them the Court did not issue observations. The other ten had observations about ineligible costs, non-respect of the procurement rules by the beneficiaries, a late payment, and non-compliance with the principles of non-retroactivity and sub-contracting. The Agency accepted and took follow up actions on the observations about ineligible costs, non-respect of the procurement rules by the beneficiaries and the late payment, related to the CEF projects. Four H2020 transactions are still pending as they were joint audits with the European Commission/DG RTD and the audit process took longer. INEA will start the follow up actions in 2019.

The Agency did not accept the ECA observations about the incorrect reimbursement rate, the wrong activity classification, and the non-compliance with the principles of retroactivity and sub-contracting.

INEA had one pending action resulting from the ECA 2017 Annual Report – improvement of the guidance on the eligibility of costs to the grant beneficiaries. The Agency revised and published the updated document on its website in the early January 2019. Further fine-tuning on the paragraph about sub-contracting will be done in the first quarter of the year.

Special audits and preliminary studies

The Agency was an auditee in the following special audits and preliminary studies:

- *Innovations and Network Executive Agency (INEA)*
- *High-speed rail transport*
- *Deployment of SESAR*
- *EU research and innovation funding for climate and energy*
- *Transport flagship projects*
- *Road transport (preliminary study)*
- *Urban mobility (preliminary study).*

The audit on INEA has the aim to answer 'Does the EU Innovation and Networks Executive Agency's management of EU programmes optimise their implementation?' The Agency was selected as it manages the largest operational budget amongst the executive agencies. During the year the audit team discussed the objectives and the main steps of the audit with the Director and the Heads of Departments. They visited INEA four times and had a number of video conference meetings with different staff members. Additionally, the audit team met relevant staff from DG MOVE and DG RTD and attended several important meetings such as the CEF Committee, the CEF Advisory Group meeting and INEA's Steering Committee meeting in October. The audit will continue in 2019 with the special report expected by the end of that year.

INEA's staff actively participated in meetings with ECA and provided thousands of documents and information for the audit topics. Auditors from ECA spent twenty-three working days in the Agency's premises, and had a number of video conference meetings

with INEA staff and management. The Agency joined the audit teams to their missions to the beneficiaries, provided input on the clearing letters and participated in the adversarial procedures.

2.1.3 Assessment of the effectiveness of the internal control systems

The Commission has adopted an Internal Control Framework based on international good practice, aimed to ensure the achievement of policy and operational objectives. In addition, as regards financial management, compliance with the internal control framework is a compulsory requirement.

INEA has put in place the organisational structure and the internal control systems suited to the achievement of the policy and internal control objectives, in accordance with the standards and having due regard to the risks associated with the environment in which it operates.

Source and methodology for the assessment of internal control systems

INEA performed the annual assessment of the effectiveness of the internal control systems (self-assessment) with the use of the revised Internal Control Framework⁴⁶. The framework shifted from a more compliance-based approach to a principle-based system which allows for the necessary flexibility to reflect the specific characteristics and working modalities of each DG/ Executive Agency.

The self-assessment of the effectiveness of INEA's internal control systems was performed between November 2018 and January 2019 and followed the methodology established in the 'Implementation Guide of the Internal Control Framework of the Commission'.

The exercise was based on three main pillars: 1) experience and findings of past years; 2) a series of interviews with staff (including representatives of middle management and specialized functions); 3) desk review of information from various sources (including the results of a complimentary survey of a representative sample of INEA staff organised during the month of December 2018).

Outcome of the 2018 assessment of the effectiveness of INEA's internal control systems

All 17 internal control principles were assessed. Out of them, 14 principles are present and functioning well with only minor improvements needed.

As a consequence, three⁴⁷ out of the five internal control components are assessed as

⁴⁶ C(2017) 2373 final, 19.4.2017

⁴⁷ Control Environment, Control Activities and Information and Communication

present and functioning but with some improvements needed. The remaining two⁴⁸ are present and functioning well with only minor improvements needed.

Risk Management

INEA's 2018 risk management exercise identified a particular continuous challenge in the set-up and early implementation of the WiFi4EU initiative and assessed the related risk as critical. The risk was furthermore maintained at its critical level following the mid-term review of the Agency's risks conducted in the second half of the year.

The risk was linked to the establishment of the relevant business processes and procedures along with the determination of the concrete timeline, allocation of the necessary resources and the outstanding issues on the supporting IT infrastructure and developments. The risk, later also evidenced by the obstacles faced with the first WiFi4EU call and subsequent signature of grant agreements, was monitored very closely by INEA's senior management and discussed at regular intervals with DG CONNECT and the Agency's Steering Committee.

Exceptions and non-compliance

One of the most representative indicators of the robustness of the internal control systems is the number and nature of deviations (non-compliance and events and exceptions) that are detected and/ or notified. In total, three deviations were documented in 2018, significantly less than in 2017, when 10 cases were reported.

The shortcomings referred to contractual and financial procedures (2 cases) and mission procedures (1 case). The potential risk resulting from these deviations was assessed as low in all cases due to their very limited impact and the particular nature of the cases at stake.

Finally, it is important to highlight that in 2018, the deviation reporting procedure was revised in order to better codify certain steps. The notification of non-compliance events was notably made simpler and the approval workflow for exceptions was reinforced.

Conclusion on the internal control system

INEA has assessed its internal control system during the reporting year and has concluded that it is effective and that the components and principles are present and functioning as intended. This has also been supported by the limited conclusion of the Internal Auditor on the state of internal control in the Agency.

Although some deficiencies were identified and their overall impact determined, the self-assessment did not result in the identification of any major weaknesses, errors or actions that could jeopardise the overall effectiveness of INEA's internal control system.

For three principles - 5, 12 and 13⁴⁹, even though they are present and functioning

⁴⁸ Risk Assessment and Monitoring Activities

⁴⁹ Principle 5: *The Commission/Executive Agency holds individuals accountable for their internal control responsibilities in the pursuit of objectives*

overall well, some improvements are needed as some minor deficiencies were identified related to staff matters, clarification of procedures and streamlining of information and document management.

2.1.4 Conclusions on the impact as regards assurance

This section reviews the assessment of the elements reported above (in Sections 2.1.1, 2.1.2 and 2.1.3), the sub-conclusions above, and draws the overall conclusion supporting the declaration of assurance and whether it should be qualified with reservations.

The information reported in Section 2.1 stems from the results of management and auditor monitoring contained in the reports listed. These reports result from a systematic analysis of the evidence available. This approach provides sufficient guarantees as to the completeness and reliability of the information reported and results in a comprehensive coverage of the budget delegated to the Director of INEA as Authorising Officer. This is confirmed by the statement of the Head of Department Risk Management and Internal Control in Annex 1.

On the basis of its supervision and monitoring activities, INEA's management trusts that resources assigned in 2018 to the activities described in this report are used for the intended purpose following sound financial management, and that the control system in place gives the necessary guarantees concerning the legality and regularity of the underlying transactions.

The assessment of the internal controls did not detect major deficiencies or that would impact assurance. Management has therefore obtained satisfactory evidence that the system of internal controls is implemented effectively in INEA. Further assurance is obtained by the comprehensive and continuous risk management process, supported by the fact that, during the reporting year, no cases of conflicts of interest, serious misapplications of procedures or intentionally overridden controls have been reported.

The outcome of the audits performed by the European Court of Auditors and the Internal Audit Service during the reporting period was generally positive and, most importantly, no critical recommendations were issued. The residual risk from open audit recommendations of previous years does not have a bearing on the declaration of assurance.

Finally, other internal control objectives (reliable reporting, safeguarding of assets and information; and the prevention, detection and correction of fraud and irregularities) for both expenditure and/or revenue operations were complied with. It is notably important to refer to the revision of the Agency's Anti-fraud Strategy, which was concluded in 2018, based on a specific assessment of INEA's fraud risks.

Overall Conclusion

In conclusion, management has reasonable assurance that, overall, suitable

Principle 12: *The Agency deploys control activities through corporate policies that establish what is expected and in procedures that put policies into action*

Principle 13: *The Agency obtains or generates and uses relevant quality information to support the functioning of internal control*

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 his capacity as Authorising Officer by Delegation has signed the Declaration of Assurance.

2.1.5 Declaration of Assurance

I, the undersigned, Executive Director of INEA, 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 view⁵⁰.

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 limited conclusion of the Internal Auditor on the state of internal control, the observations 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 INEA or those of the Commission.

Brussels, 15 February 2018

(signed)

Dirk Beckers

AOD

⁵⁰ True and fair in this context means a reliable, complete and correct view on the state of affairs in the DG/Executive Agency.

2.2 Other organisational management dimensions

As indicated in the INEA Annual Work Programme 2018, the INEA's Horizontal priority is to maximise the efficiency of the Agency's resources, providing programme support and administrative support so as to help the Agency achieve its objectives. The following actions have been flagged as main contributors to the achievement of this objective.

2.2.1 Human resource management

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

As demonstrated by the indicators in Annex 2, INEA strives to deploy effectively its resources in support of the delivery of the Commission's priorities and core business and has a competent and engaged workforce. Various actions in the domain of the fit@work, the HR strategy and the Learning and Development Framework programme are defined and implemented in order to increase the ownership of the staff towards these activities and to contribute to a better and more efficient working environment.

Staffing and Recruitment

Recruitment and personnel management

In 2018, INEA achieved significant progress to meet its staffing targets by speeding up the recruitments and by organising and managing a total of 46 staff selection procedures (internal, inter-Agency job mobility and external publications). As a result, at the end of the reporting period, INEA had 282 staff members out of the 298 foreseen for 2018. This includes 14 additional posts that were added in the course of the year to manage the WiFi4EU programme.

At the end of 2018, the vacancy rate was 5.4%. Furthermore, 5 recruitments of new staff members were confirmed. They should take functions in the first months of 2019. Taking them into account the vacancy rate would drop to 3.8%, close to the 2018 set objective of 3%.

The staff turnover rate was 9.09%⁵¹ and the internal staff movements rate was at 6%⁵².

The selection of the HoU for the newly created unit C05 was concluded in 2018 and the new seconded official took his functions on 1/1/2019.

In 2018 the retention rate of staff was higher (91.97%) than in 2017 (87.77%). In order to further improve this trend, INEA adopted a Retention Policy and relevant action plan which started to be implemented as from September.

⁵¹ In 2018, 20 departures were registered.

⁵² The mobility of staff due to creation of the new Unit C5.ICT is not taken in consideration.

INEA registered the second highest response rate across Commission services to the 2018 Staff Satisfaction Survey. Once the results are available and analysed, further actions will be drawn. Moreover, on the basis of the report presenting the outcomes of the 2017 newcomer's survey and exit interviews, a list of follow-up actions were defined and started to be implemented. A new survey to newcomers was also launched in 2018 and the assessment should be finalised during the first quarter of 2019.

Learning

In 2018, INEA developed a competency mapping project, starting with a pilot of two profiles - Secretaries and Team leaders. Once management approval was secured, the full scale project was implemented, mapping the main other profiles. The purpose was to identify the competences needed by the staff to perform and progress in the function. In addition, a Learning needs analysis was launched to check the validity of the current Learning and Development Framework priority actions. These were indeed confirmed and appropriate activities were identified and implemented in each of the priority areas. The Agency delivered or oversaw 65 in-house trainings and external individual trainings for 12 additional staff and expanded the conversation tables scheme to 5 languages (DE, FR, EN, ES, and NL). A 360° assessment was offered to 3 managers who had not yet participated in the process in 2017. A tutoring scheme was introduced for newcomers, and the job shadowing and mentoring schemes were extended and continued.

Staff well-being

In line with the fit@work strategy of the European Commission, the Agency has continued to support well-being incentives such as the promotion of flexible working arrangements (e.g. teleworking) or the organisation of many physical activities during lunchtime. In this context INEA organised the 3rd edition of the Vitality week from 18 to 22 of June. A total of 27 different sport & wellbeing activities and workshops were proposed to all staff.



2.2.2 Information management aspects

Objective: Information and knowledge is shared and reusable. Important documents are registered, filed and retrievable

Internal communication activities

Internal communication focused to create a positive and inclusive environment, and ensure all staff members have the information they need to work effectively and represent the Agency as staff ambassadors. This included in particular weekly Director's messages, fortnightly e-Newsletters, regular news and updates on INEAnet, and the all-staff assembly where the Director discussed numerous issues.



Specific resources exist to help staff in their role as ambassadors, and all INEA newcomers receive the related

publications. The welcome day presentation also includes guidance on how to help in promoting the programme, projects and INEA – in particular via social media. A dedicated Communication Lunchtime conference took place in November, informing staff how to engage on social media, speak in public and take part in external videos. Specific guidelines were created and distributed to all staff, and promoted on the Agency's intranet. An anniversary edition of the internal newsletter W910 was published at the end of the year, giving snapshots from the inception of the Agency until today, and engaging staff members.

Reporting

INEA finalised its Reporting Strategy focusing on the revision of the management reporting system. An interactive dashboard tool (QlikSense) has been developed in a way to bring together all the current reports in one place and to allow for the data visualisation and analysis. The dashboard is expected to be ready by February 2019 and will bring the following benefits:

- holistic approach for the monitoring of the main operations and KPIs of the Agency (all in one place);
- real-time monitoring of the Agency's operations;
- increased efficiency of INEA's operations by improving the monitoring process while reducing the chances for missed opportunities for early reaction.

Document Management

The Agency continued its efforts to reduce the number of its paper files and signatories. Following on the paperless project which started in 2017, presentations were made in all

units to raise awareness of the new rules and the benefits of reducing printed documents. In addition, INEA revised its ARES access rights in order to identify a wider population of files that could be shared with the other Commission's services. As a result, all project folders⁵³ are now fully accessible to the relevant programme-responsible parent DGs' staff, increasing the percentage of HAN files shared with other DGs from 10.95% in 2017 to 81.39% in 2018.

IT development

In 2018, INEA advanced its work on TENtec achieving the following results:

- All TENtec modules were made entirely interlinked with the corporate document and records management system (Ares/Hermes). TENtec is now fully compliant with the corporate eDomec policy.
- A comprehensive analysis on the integration of electronic signatures into TENtec was produced that compared different integration scenarios. However INEA took the decision not to implement the electronic signature in TENtec given the ongoing discussions on the integration of the CEF programme into eGrants for the new MFF.
- The new web streaming solution was successfully deployed to broadcast important events on the Internet.

In addition, preparatory actions took place to ensure a smooth running of the migration to Windows 10 which will be implemented in 2019. Finally, a satisfaction survey was done for the IT Helpdesk showing improved overall users satisfaction rate of 85% compared with a similar survey done in 2015.

Data Protection

So far, INEA has always taken the necessary steps to ensure compliance as regards lawfulness, data minimisation and storage limitation under the old Data Protection (DP) Regulation. Subsequently, after the adoption of the new Data Protection (DP) Regulation, INEA has started to address all the necessary updates in order to ensure compliance with the new rules. In October 2018 a gap analysis and an action plan for the implementation of the new DP Regulation was prepared by INEA's Data Protection Officer and approved by the Agency's management.

The implementation of this action plan has been ongoing through the following activities:

- Staff awareness actions in INEA:
 - Data Protection Campaign in December 2018;
 - Lunch time conference in the framework of the 2019 Data Protection Days opened to other Executive Agencies;
- Appointment of Data Protection Contact Points (DPCP) by each Controller in INEA in December 2018;
- Update of INEA's intranet with information for staff on new data protection requirements;

⁵³ With the exception of the security marked documents

- Preparation of an INEA's procedure for data breach;
- Contribution to written arrangements on joint controllership;
- Reassessment of INEA's 71 notifications & privacy statements adopted under the old DP Regulation in order to convert them into records and data protection notices as required by the new DP Regulation. Privacy statements are being reviewed to ensure concise and intelligible information to data subjects in line with the new DP requirements.
- As regards the establishment of internal rules governing the restrictions of data subjects rights, INEA is already covered in OLAF Internal Rules which are also applicable to Executive Agencies⁵⁴. As regards other fields (e.g. HR), INEA took note of the opinion of the Legal Service⁵⁵ of the European Commission and is currently reflecting with the other Executive Agencies on the way forward.

⁵⁴ Commission Decision (EU) 2018/1962 of 11 December 2018, OJEU L315, 12.12.18, p.41

⁵⁵ ARES(2019)1404401 - 01/03/19

2.2.3 External communication activities

Objective: Citizens perceive that the EU is working to improve their lives and engage with the EU. They feel that their concerns are taken into consideration in European decision making and they know about their rights in the EU.

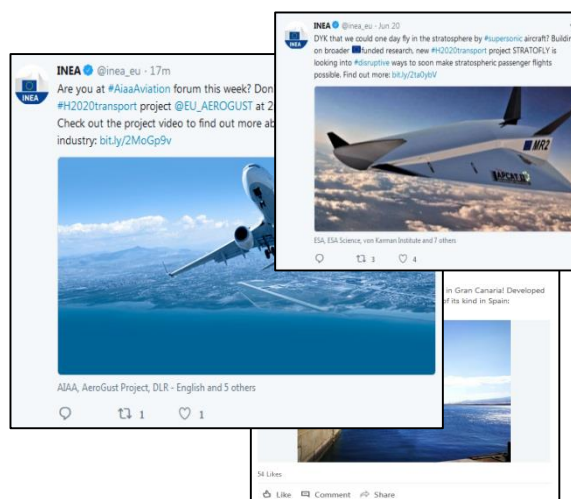
INEA's Communication strategy aims to provide support to the Commission in delivering their political messages to the broader public and achieve a more positive public perception of the EU. INEA contributes by promoting the available EU funding and providing real life examples of what the funds achieve via the programmes and projects.

INEA capitalises on project success stories via its own channels, and by contributing to projects for the 'EUInvest' and 'Budget focused on results' (BFOR) campaigns as well as supporting the European Investment Project Portal (EIPP) and the CEF Digital Portal. There is a continuous promotion of projects from both programmes via social media. For H2020 INEA contributes to DG RTD's efforts to promote success stories via its website's 'success stories' section, as well as the Horizon Magazine and the Euronews Futuris programme. For H2020 transport, there were 6 stories featured in Euronews Futuris in 2018, 15 in Horizon Magazine and 36 success stories on the RTD website. Fifteen success stories were identified for H2020 Energy. 2018 also saw the publication of the first CEF Telecom brochure that includes all actions supported by INEA, the whole CEF Telecom portfolio and project highlights. The brochure is being used by the parent DG (CNECT) and the different DSI owners to promote the results of the programme. INEA also has contacts with the Europe Direct Services for their support in promoting CEF Telecom among potential beneficiaries

29 CEF and TEN-T success stories were collected for the TEN-T Days and used for the initiative #MoreEUBudget4transport. CEF Telecom success stories are identified and published on the CEF Digital portal in collaboration with DG CNECT and DIGIT.

Six project successes were prepared for the #InvestEU campaign and 2 for BFOR. In total over 200 particular success stories have been identified so far for CEF and H2020.

INEA has focused efforts on widening participation to the available calls for funding. As a result, for the CEF calls – first time attendance to the info days ranged from 33% to 77%. The Agency has continued to identify, among its wide portfolio of projects, those which would help showcase the impact of the EU's action for European citizens. An ad hoc campaign to identify more stories among the projects will be launched at the beginning of 2019. During the year, the #EUInvest hashtag has been widely used throughout the Agency's social media channels, to reinforce the EU's message of a budget oriented towards citizens' needs.





For Horizon 2020, INEA worked on growing the network via the parent DGs, the National Contact Points (NCPs), and contacts made mainly at events with multipliers amongst projects, associations and NGOs. Newcomers to the H2020 info days ranged from 54% to 66%. In particular for H2020 energy info days in 2018 a pilot exercise was carried out to target potential participants from EU-13 countries in particular Poland, Bulgaria and Romania, as agreed with the parent DGs. National stakeholders (energy ministries, associations, regional authorities, and municipalities) were identified and contacted. The invitation was translated in the national languages and the EU Permanent Representatives helped in disseminating it. The results were very positive: the EU-13 registration rate increased by 188.5% for the physical info day and 22.2% for the virtual info day. This approach will be continued for future events.

The Agency continues its excellent collaboration with the Research Enquiry Service (RES) which participates in all physical H2020 info day exhibitions. INEA supports promotion of RES to Horizon 2020 stakeholders.

Synergies between the programmes managed by the Agency (and within the programmes between the various sectors) have continued to be fostered during 2018. The TEN-T Days held in April allowed the possibility of featuring both CEF as well as Horizon 2020 Transport project in the indoors exhibition area in Ljubljana (Slovenia), as done in previous years. Both programmes were also represented and highly visible at TRA in Vienna the same month, which with its 3,600 participants was the best attended TRA conference of all time, according to its organisers. INEA also participated in the ICT 2018 event which attracted 4800 visitors and focused on the European Union's priorities in the digital transformation of society and industry. More than 300 H2020 projects were presented there including two INEA Horizon 2020 Energy projects (FLEXICIENCY and GrowSmarter)

Projects from both programmes were promoted via thematic publications - for example the Green Vehicles brochure, and synergies were highlighted at event presentations -for example the Future of Transportation conference on 19 June.

During 2018, the main outputs were the following:

- Thirty publications were produced covering the programmes including twelve reports on the CEF Corridors and horizontal priorities. Fifteen INEA workshops were supported and 129 website news items publicised funding and projects during the year.
- Organisation with the concerned parent DGs of 8 virtual CEF and H2020 Info Days and one physical info day for H2020 Energy that attracted in total nearly 12,000 participants. The average satisfaction rate of participants with the events was 92.4%.
- INEA promoted several high level Grant agreement signature events and supported or participated in 60 other external events such as 12 CEF National Info

Days, TRA2018, the TEN-T Days, the Future of Transportation Conference, the World Air Traffic Congress, EU Sustainable Energy Week (EUSEW), the Energy Infrastructure Forum, ICT Conference, European Utility Week and ILA2018. A total of more than 320,000 people participated.

- INEA also provided support for some completed projects such as Unit-e, an EU-wide network of interoperable and interconnected fast charging stations and the related customer-oriented interoperable e-mobility services. The Agency also promoted H2020 Energy projects including WiseGrid – the winner of two EU Sustainable Energy Week awards.
- In 2018 there were 3460 new twitter followers (total now 11,450) and 3391 new followers on LinkedIn (total now 7227).
- The Agency contributed to specific social media guidelines established by REA for H2020 beneficiaries. They were used as a best practice to establish specific INEA guidelines for both CEF and H2020 beneficiaries at the end of 2018 – for publication in early 2019. Potential beneficiaries have been identified on social media and are now targeted (via mentions on the posts, lists and promotion of the agreed programme hashtags) All the objectives included in INEA's 2016-2018 Social Media strategy have been achieved
- INEA's new animation produced for the [Agency's 10 year anniversary](#) was viewed over 30,000 times via the website, social media or at certain external events including the TEN-T Days, the H2020 Energy Info Day as well as INEA's specific 10 year anniversary event on 20 September.
- INEA's website had 1,067,206 unique page views with 507,331 visits and 330,603 unique visitors.

2.2.4 Special initiatives to improve the 'economy' and 'efficiency' of INEA's spending and non- spending activities

Initiative 1 - Data, information and knowledge management

In pursuit of a wider sharing of information, INEA has been supporting the Commission's corporate strategy on Data,



Information and Knowledge Management that aims to help break down the silos between DGs, Agencies and services by promoting collaborative working and the sharing of data, information and knowledge as widely as possible.

The Commission's strategy leaves room for agencies to develop action plans that also address their own specific needs for improving information retrieval and delivery, maximising use of data, and creating a culture of knowledge sharing and learning – all with benefits for efficiency. On that basis, in 2018, INEA adopted and implemented an on-going action plan in three categories:

- *Sharing information with the outside world (e.g. public open data)*
- *Sharing information inside INEA and with Commission services*

- *Creating a knowledge centre for INEA and parent DGs*

Actions to raise awareness amongst INEA staff were carried out including the creation of a new intranet page that was publicised via all of the Agency's internal communication channels, and promotion of the Commission's first 'Knowledge Week' - where INEA colleagues were also encouraged to participate.

The action plan has both completed and ongoing actions as well as one action on developing 'knowledge centres' on INEA's intranet carried over to early 2019 – pending the results of an internal staff survey where the deadline for input was extended to mid-January.

Initiative 2 - Further simplification measures

During the summer of 2018 an evaluation from the first simplification exercise (conveyed in 2017) was performed with the aim of assessing whether additional simplification measures could be implemented. The assessment showed that overall the Agency has increased its productivity by reducing the administrative burden whilst simultaneously maintaining its robust internal control procedures. In particular, the revised internal processes have accelerated the validation of the files and reduced the number of supporting printed documents resulting in further maximising the economy and efficiency of INEA's activities. However, it also revealed that a margin for improvement remained in certain areas as some procedures were still perceived cumbersome.

In order to solicit bottom-up ideas from all staff and identify the concrete additional actions suitable for further simplification, INEA launched a staff survey in November 2018. The Agency received 80 replies with several proposals in each. A Working Group (WG) composed of representatives from all departments and was established in order to assess the proposals received. In total the WG reviewed 187 proposals for further sub-delegation and simplification. The assessment report including the retained suggestions was sent to INEA's senior management at the end of 2018. In 2019, the Agency will focus on the implementation of the new agreed actions as summarized in the relevant Action plan.