



# Annual Activity Report 2024

annexes

European Health and Digital Executive  
Agency

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## **ANNEX 1: Statement of the Director and of the Head of Department in charge of Risk Management and Internal Control**

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

*I hereby certify that the information provided in section 2 of the present annual activity report and in its annexes is, to the best of my knowledge, accurate and complete.”*

31 March 2025

Jacques Remacle

*(e-signed in ARES)*

*“I hereby certify that the information provided in section 1 of the present annual activity report and in its annexes is, to the best of my knowledge, accurate and complete.”*

31 March 2025

Marina Zanchi

*(e-signed in ARES)*

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

## ANNEX 2: Performance tables

### 1. EU4Health

<b>General objective:</b> Promoting our European way of life			
<b>Specific objectives:</b>			
<ul style="list-style-type: none"> <li>• Diminishing the impact of cancer in Europe (SANTE)</li> <li>• Effective response coordination of serious cross-border health threats (SANTE)</li> <li>• More effective accessible and resilient health systems (SANTE)</li> </ul>			
<b>Main outputs in 2024:</b>			
<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known result</b>
Calls for proposals	Number of calls launched/invitations sent	12 (covering 33 topics)	14 (covering 36 topics) <sup>(2)</sup>
Calls for tender	Number of calls launched	60 <sup>(3)</sup>	37 <sup>(4)</sup>
Evaluation sessions	Number of evaluation sessions finalised	Approximately 15	13
	Time to inform participants	100% of applicants informed within 6 months after the call deadline	100 % applicants informed within 6 months after the call deadline
	Percentage of evaluated proposals challenged under the evaluation review procedure	Less than 3% of evaluated proposals	2.49% of total evaluated proposals (6 out of 203)
	Percentage of evaluated proposals re-evaluated following review requests	Max. 0,5% of evaluated proposals	0%
Grant agreements	Number of grant agreements signed	250	148 <sup>(5)</sup>
	Time to grant	98% of grant agreements signed within 9 months after the call deadline	99%
Contracts	Number of contracts signed	60 <sup>(6)</sup>	32 <sup>(7)</sup>
	Percentage of negative opinions issued by the Advisory Committee for procurement and contracts	0%	0%

<sup>(2)</sup> Five open calls for proposals and nine invitations to Member States to submit proposals for Joint Actions (JA) and other direct grants. The amendment to the 2024 work programme accounts for one additional call compared to the target. The other additional call is a call from the 2023 work programme that was relaunched.

<sup>(3)</sup> Including requests for services.

<sup>(4)</sup> The target included the remainder of the calls for tender from the 2023 work programme as well as all the calls covered by the 2024 work programme. Some of these 2024 calls will be launched in 2025.

<sup>(5)</sup> The EU4Health work programme does not indicate the number of grant agreements to be signed, so the target is a rough estimation.

<sup>(6)</sup> Including requests for services.

<sup>(7)</sup> The target included the remainder of the contracts from the 2023 work programme as well as all the contracts to be signed under the 2024 work programme. Some of these 2024 contracts will be signed in 2025.

Output	Indicator	Target	Latest known result
Payments	Time to pay	98% of payments within the legal deadlines	100%
Policy feedback	Implementation rate of the feedback-to-policy plan	90%	100%

### External communication actions

Output	Indicator	Target	Latest known result
Events organised	Number of participants	2700 participants (events on EU4Health grants)	3621
	Satisfaction rate	90%	94,5%

## 2. Horizon Europe – Cluster 1: Health

### General objective:

- Promoting our European way of life
- A Europe fit for the digital age

### Specific objectives:

- Research and Innovation support the European health initiative, including the European plan to fight cancer (RTD)
- The revitalised European Research Area sets directions for societal, economic and ecological transitions in Europe and contributes to spreading excellence, closing research and innovation gap and working out a common global response to emerging challenges (RTD)
- High-quality science, knowledge and innovative solutions facilitate a digital transition in Europe, including a new European approach to Artificial intelligence (RTD)
- A European single market for data where data can flow for the benefit of all and where rules for access and use of data are fair, practical and clear (CNECT)

### Main outputs in 2024:

Output	Indicator	Target	Latest known result
Calls for proposals	Number of calls launched	15 calls (25 topics) covering: - Cluster 1 2024 second stage of two-stage and single stage calls (as well as new calls/topics tbc – awaiting Missions work programme publication) - Mission cancer 2024 call (tbc – awaiting Missions work programme publication) - WIDERA Hop-on Facility Call managed by REA	17

<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known result</b>
Calls for tender	Number of calls published	tbc ( <i>awaiting Missions work programme publication</i> )	0
Evaluation sessions	Number of evaluation sessions finalised	5 - tbc ( <i>awaiting work programme publication</i> )	6
	Time to inform participants	100% of applicants informed within 5 months after the call deadline	100%
	Percentage of evaluated proposals challenged under the evaluation review procedure	Less than 3% of evaluated proposals	1,2% <sup>(8)</sup>
	Percentage of evaluated proposals re-evaluated following review requests	Max. 0,5% of evaluated proposals	0% <sup>(9)</sup>
Grant agreements	Number of grant agreements signed	61	64
	Time to grant	98% of grant agreements signed within 8 months after the call deadline	98%
Contracts	Number of contracts signed	tbc	0
Payments	Time to pay	98% of payments within the legal deadlines	100%
Policy feedback	Implementation rate of the feedback-to-policy plan	90%	90%

### External communication actions

<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known result</b>
Events	Number of participants	200 participants	575 participants
	Satisfaction rate	90%	83%

<sup>(8)</sup> 12 out of 954 evaluated proposals. However, three requests concerned the admissibility/eligibility checks and not the evaluation itself.

<sup>(9)</sup> Redress procedures for second stage of the 2024 two-stage calls and single-stage calls are ongoing.

### 3. Horizon Europe – Cluster 4: Digital

**General objective:** A Europe fit for the digital age

**Specific objectives:**

- Europe's strategic autonomy ensured in critical technology areas (CNECT)
- Artificial Intelligence that is human-centric, ethical, sustainable and that respects EU values (CNECT)
- A fair, competitive and resource-efficient digital economy (CNECT)
- A European single market for data where data can flow for the benefit of all and where rules for access and use of data are fair, practical and clear (CNECT)
- A modern, open and pluralistic society in the digital age where online disinformation is countered and diverse cultural content is available to all Europeans (CNECT)

**Main outputs in 2024:**

Output	Indicator	Target	Latest known result
Calls for proposals	Number of calls launched	5	5
Calls for tender	Number of calls launched	NA	NA
Evaluation sessions	Number of evaluation sessions finalised	4	4
	Time to inform participants	100% of applicants informed within 5 months after the call deadline	100%
	Percentage of evaluated proposals challenged under the evaluation review procedure	Less than 3% of evaluated proposals	0.85%
	Percentage of evaluated proposals re-evaluated following review requests	Max. 0,5% of evaluated proposals	0%
Grant agreements	Number of grant agreements signed	29	33
	Time to grant	98% of grant agreements signed within 8 months after the call deadline	100%
Contracts	Number of contracts signed	NA	NA
Payments	Time to pay	98% of payments within the legal deadlines	100%
Policy feedback	Implementation rate of the feedback-to-policy plan	90%	100% <sup>(10)</sup>

**External communication actions**

Output	Indicator	Target	Latest known result
	Number of events	8	7 <sup>(11)</sup>

<sup>(10)</sup> The plan, formally agreed on 05/03/2024, which was later revised in collaboration with DG CNECT, included 10 items, 9 of the 10 items which have been delivered. The pending item which is a Workshop on future policy need on strategic planning and programme development, as agreed with CNECT G2 has been postponed to February 2025.

<sup>(11)</sup> The Workshop on future policy needs in the field of Extended Reality was postponed for 2025 on DG CNECT's request.

Output	Indicator	Target	Latest known result
Events organised by HaDEA or in which HaDEA will take active part to promote projects' results	Satisfaction rate	90%	N/A <sup>(12)</sup>
Articles published on HaDEA's website to promote projects' results	Number of articles	27	14
Publications to promote projects' results (e.g. new or updated Cordis Results Packs, ad hoc publications etc.)	Number of publications	6	35 <sup>(13)</sup>

#### 4. Horizon Europe – Cluster 4: Industry

##### **General objective:**

- A Europe fit for the digital age
- A European Green Deal

##### **Specific objectives:**

- European enterprises make the digital and green transition (GROW)
- Increase the share of material recovered and fed back into the economy (GROW)

##### **Main outputs in 2024:**

Output	Indicator	Target	Latest known result
Calls for proposals	Number of calls launched	2	2
Calls for tender	Number of calls launched	NA	NA
Evaluation sessions	Number of evaluation sessions finalised	4	6 <sup>(14)</sup>
	Time to inform participants	100% of applicants informed within 5 months after the call deadline	100%
	Percentage of evaluated proposals challenged under the evaluation review procedure	Less than 3% of evaluated proposals	3% <sup>(15)</sup>
	Percentage of evaluated proposals re-evaluated following review requests	Max. 0,5% of evaluated proposals	0.4%
Grant agreements	Number of grant agreements signed	43	70 <sup>(16)</sup>

<sup>(12)</sup> The Agency did not conduct satisfaction surveys but the feedback received from participants was very positive.

<sup>(13)</sup> Including Cordis publications on proposals in grant agreement preparation.

<sup>(14)</sup> Including the Identified Beneficiary Action call and HUMAN-02.

<sup>(15)</sup> 16 out of 523 proposals evaluated.

<sup>(16)</sup> The target was based on grants signed from 2024 calls only. 41 grant agreements were signed stemming from 2024 calls, while the rest comes from 2023 calls.

Output	Indicator	Target	Latest known result
	Time to grant	98% of grant agreements signed within 8 months after the call deadline	100%
Contracts	Number of contracts signed	NA	NA
Payments	Time to pay	98% of payments within the legal deadlines	100%
Policy feedback	Implementation rate of the feedback-to-policy plan	90%	97%

### External communication actions

Output	Indicator	Target	Latest known result
Events organised by HaDEA or in which HaDEA will take active part to promote projects' results	Number of events	6	7
	Satisfaction rate	90%	95%
Articles published on HaDEA's website to promote projects' results	Number of articles	15	16
Publications to promote projects' results (e.g. new or updated Cordis Results Packs, ad hoc publications etc.)	Number of publications	3	4

## 5. Horizon Europe – Cluster 4: Space

### General objective:

- *A Europe fit for the digital age*
- *Promoting our European way of life*

### Specific objectives:

- *Modern and well-functioning EU space-enabled services to support the Union's priorities*
- *Security actors have access to EU autonomous tools, space-enabled services, and technologies needed to build resilience to security threats, safety hazards and crisis situations (DEFIS)*

### Main outputs in 2024:

Output	Indicator	Target	Latest known result
Calls for proposals	Number of calls launched/invitations sent	Open calls: 1 IBA: 1	Open call: 0 IBA: 1
Calls for tender	Number of calls launched	NA	NA
Evaluation sessions	Number of evaluation sessions finalised	Horizon Europe open calls: 1	1
	Time to inform participants	100% of applicants informed within 5 months after the call deadline	100%

Output	Indicator	Target	Latest known result
	Percentage of evaluated proposals challenged under the evaluation review procedure	Less than 3% of evaluated proposals	0%
	Percentage of evaluated proposals re-evaluated following review requests	Max. 0,5% of evaluated proposals	0%
Grant agreements	Number of grant agreements signed	12	13 (2 from the 2023 annual call; 1 from the 2023 Space Partnership IBA; 10 from the 2024 annual call).
	Time to grant	98% of grant agreements signed within 8 months after the call deadline	83%
Contracts	Number of contracts signed	NA	NA
Payments	Time to pay	98% of payments within the legal deadlines	100%
Policy feedback	Implementation rate of the feedback-to-policy plan	90%	100%

### External communication actions

Output	Indicator	Target	Latest known result
Events	Satisfaction rate	90%	NA <sup>(17)</sup>
Articles	Number of articles published	7	16

## 6. Single Market Programme: Food

**General objective:** A European Green Deal

**Specific objectives:**

- Ensuring food and feed safety (SANTE)
- Ensuring sustainable food systems – the Farm to Fork strategy (SANTE)

**Main outputs in 2024:**

Output	Indicator	Target	Latest known result
Calls for proposals	Number of calls launched/invitations sent	7	8
Calls for tender	Number of calls launched	2-6	2
Evaluation sessions	Number of evaluation sessions finalised	7 (to be confirmed, depending on the above)	7 for grants 3 for contracts
	Time to inform participants	100% of applicants informed within 6 months after the call deadline	100%

<sup>(17)</sup> The events to which HaDEA contributed were organised by the parent DGs.

Output	Indicator	Target	Latest known result
	Percentage of evaluated proposals challenged under the evaluation review procedure	Less than 3% of evaluated proposals	0%
	Percentage of evaluated proposals re-evaluated following review requests	Max. 0,5% of evaluated proposals	0%
	Percentage of negative opinions issued by the Advisory Committee for procurement and contracts	0%	0%
Grant agreements	Number of grant agreements signed	157 (estimate)	118
	Time to grant	98% of grant agreements signed within 8 months after the call deadline	98%
Contracts	Number of contracts signed	1-3	3
Payments	Time to pay	98% of payments within the legal deadlines	100%
Policy feedback	Implementation rate of the feedback-to-policy plan	90%	100%

### External communication actions

Output	Indicator	Target	Latest known result
Events	Satisfaction rate	90%	N/A
Videos	Video views	2000	3578

## 7. Digital Europe Programme

**General objective:** A Europe fit for the digital age

**Specific objectives:**

- A fair, competitive and resource-efficient digital economy (CNECT)
- A European single market for data where data can flow for the benefit of all and where rules for access and use of data are fair, practical and clear (CNECT)
- A cyber resilient Europe, promoting digital identities for all Europeans, while protecting their e-privacy (CNECT)
- A modern, open and pluralistic society in the digital age where online disinformation is countered and diverse cultural content is available to all Europeans (CNECT)

**Main outputs in 2024:**

Output	Indicator	Target	Latest known result
Calls for proposals	Number of calls launched	2 sets of calls	4
Calls for tender	Number of calls launched	1	1
Evaluation sessions	Number of evaluation sessions finalised	3	5

Output	Indicator	Target	Latest known result
	Time to inform participants	100% of applicants informed within 6 months after the call deadline	100%
	Percentage of evaluated proposals challenged under the evaluation review procedure	Less than 3% of evaluated proposals	5% <sup>(18)</sup>
	Percentage of evaluated proposals re-evaluated following review requests	Max. 0,5% of evaluated proposals	0%
Grant agreements	Number of grant agreements signed	50	60
	Time to grant	98% of grant agreements signed within 9 months after the call deadline	100%
Contracts	Number of contracts signed	1	1
	Percentage of negative opinions issued by the Advisory Committee for procurement and contracts	0%	0%
Payments	Time to pay	98% of payments within the legal deadlines	100%
Policy feedback	Implementation rate of the feedback-to-policy plan	90%	100%

### External communication actions

Output	Indicator	Target	Latest known result
Events organised by HaDEA or in which HaDEA will take active part to promote projects' results	Number of events	6	6
	Satisfaction rate	90%	90%
Articles published on HaDEA's website to promote projects' results	Number of articles	18	21
Publications to promote projects' results, such as mini campaigns	Number of publications / mini-campaigns	3	4

<sup>(18)</sup> It should be noted that only four requests for reviews were received in 2024. The indicator is however >3% as the baseline is 75 proposals evaluated. Moreover, three reviews concerned admissibility/eligibility, with clear cases of mandatory annexes or documents missing. Only one review concerned the evaluation and was deemed 'unfounded'.

## 8. Connecting Europe Facility – Digital and WiFi4EU

**General objective:** A Europe fit for the digital age

**Specific objectives:**

- Europe's strategic autonomy is ensured in critical technology areas (CNECT)
- A fair, competitive and resource-efficient digital economy (CNECT)
- A modern, open and pluralistic society in the digital age where online disinformation is countered and diverse cultural content is available to all Europeans (CNECT)

**Main outputs in 2024:**

Output	Indicator	Target	Latest known result
Calls for proposals	Number of calls launched	4 (2024 calls)	3
Calls for tender	Number of calls launched	0	0
Evaluation sessions	Number of evaluation sessions finalised	3 (2023 calls)	3
	Time to inform participants	100% of applicants informed within 6 months after the call deadline	100%
	Percentage of evaluated proposals challenged under the evaluation review procedure	Less than 15% of evaluated proposals	3%
	Percentage of evaluated proposals re-evaluated following review requests	Max. 0,5% of evaluated proposals	0%
Grant agreements	Number of grant agreements signed	35	52
	Time to grant	98% of grant agreements signed within 3 months after informing applicants of call results	92% <sup>(19)</sup>
Contracts	Number of contracts signed	0	0
Payments	Time to pay	98% of payments within the legal deadlines	100%
Policy feedback	Implementation rate of the feedback-to-policy plan	90%	89%

### WiFi4EU

Output	Indicator	Target	Latest known result
Active networks	Number of public WiFi networks broadcasting WiFi4EU	7850	9152
	Number of hotspots	80 000	93 181
Users	Number of connections per day (in average)	103 000	140 235

<sup>(19)</sup> The signature of four of the grant agreements was delayed: in two cases, this was due to late decisions on the applicants' side; the third beneficiary had a last-minute change in the consortium, which required Member State's approval of security guarantee; the last one was delayed due to issues related to the signature of the Declaration of Honour.

<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known result</b>
Policy feedback	Implementation rate of the feedback-to-policy plan	90%	100%

### External communication actions

<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known result</b>
Events (strategic missions)	Number of strategic missions organised	2	2
	Satisfaction rate	90%	100%

## 9. Client satisfaction

### Satisfaction level of contractors, unsuccessful tenderers and expert evaluators.

These three client groups maintain very different type of interactions with HaDEA and therefore have different expectations. The specificities of these interactions are reflected in their overall level of satisfaction with HaDEA's services:

- **Contractors** and **unsuccessful tenderers** are presumably biased by the results of their participation in HaDEA's calls for tenders, with the first successful group being more satisfied (contractors, 81%) than the second one who failed to obtain a contract with the Agency (unsuccessful tenderers, 55%). HaDEA could observe similar differences between beneficiaries and disappointed applicants when it run the satisfaction survey to these client groups in 2023.
- As for **expert evaluators** (satisfaction, 96%), they are working on the basis of a remunerated client relationship and for the provision of technical expertise in very specific domains. Expert evaluators often offer their expertise on a recurrent basis. They are therefore familiar with the inner workings of a system that is well established and steady.

### Satisfaction rate of participants to events organised by HaDEA in 2024

Event date	Programme	Event title	Participants satisfaction rate
May 2024	EU4Health	eHealth Direct Grants kick-off	95%
May 2024	EU4Health	InfoDay on HERA Action grants	90%
May 2024	EU4Health	InfoDay on HERA Joint Actions	100 %
May 2024	EU4Health	Workshop on GAPS Digital & Surveillance	100%
September 2024	EU4Health	Direct Grants to Member States + EURLs IVMD	100%
September 2024	EU4Health	InfoDay on Joint Actions third wave	85%
September 2024	EU4Health	InfoDay on Action Grants third wave	86%
December 2024	EU4Health	EURLs human pathogens	100%
March, May, June 2024	HE Cluster 1	Three networking events	83%
May 2024	HE Cluster 1	Cluster 1 Info Day (3 new topics) 2024	95%
October 2024	HE Cluster 1	Communication & Dissemination webinar 2024	90%
November 2024	CEF Digital	Info Days November 2024	89%
May 2024	CEF Digital	Workshop with CEF-Digital beneficiaries participating in the event on submarine cables EMEA	100%
		<b>HaDEA</b>	<b>93%</b>

## ANNEX 3: Draft annual accounts and financial reports

### 1. Operational budget

Table 1 – Commitments

TABLE 1: OUTTURN ON COMMITMENT APPROPRIATIONS IN 2024 (in Mio €) for DG HADEA					
			Commitment appropriations authorised*	Commitments made	%
			1	2	3=2/1
<b>Title 01 Research and Innovation</b>					
01	01 02	Horizon Europe	1.669,53	1.588,64	95,15 %
<b>Total Title 01</b>			<b>1.669,53</b>	<b>1.588,64</b>	<b>95,15 %</b>
<b>Title 02 European Strategic Investments</b>					
02	02 03	Connecting Europe Facility (CEF)	82,68	79,82	96,55 %
	02 04	Digital Europe Programme	122,17	122,17	100,00 %
<b>Total Title 02</b>			<b>204,85</b>	<b>202,00</b>	<b>98,61 %</b>
<b>Title 03 Single Market</b>					
03	03 02	Single Market Programme	91,54	91,52	99,97 %
	03 20	Pilot projects, preparatory actions, prerogatives and other actions	0,00	0,00	0,00 %
<b>Total Title 03</b>			<b>91,54</b>	<b>91,52</b>	<b>99,97 %</b>
<b>Title 06 Recovery and Resilience</b>					
06	06 06	EU4Health Programme	677,74	677,56	99,97 %
<b>Total Title 06</b>			<b>677,74</b>	<b>677,56</b>	<b>99,97 %</b>
<b>Total Excluding NGEU</b>			<b>2.643,66</b>	<b>2.559,71</b>	<b>96,82 %</b>
<b>Title 01 Research and Innovation</b>					
01	01 02	Horizon Europe	0,00	0,00	0,00 %
<b>Total Title 01</b>			<b>0,00</b>	<b>0,00</b>	<b>0,00 %</b>
<b>Total NGEU Only</b>			<b>0,00</b>	<b>0,00</b>	<b>0,00 %</b>
<b>Total DG HADEA</b>			<b>2.643,66</b>	<b>2.559,71</b>	<b>96,82 %</b>

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

**% Outturn on Commitment Appropriations in 2024 for DG HADEA**

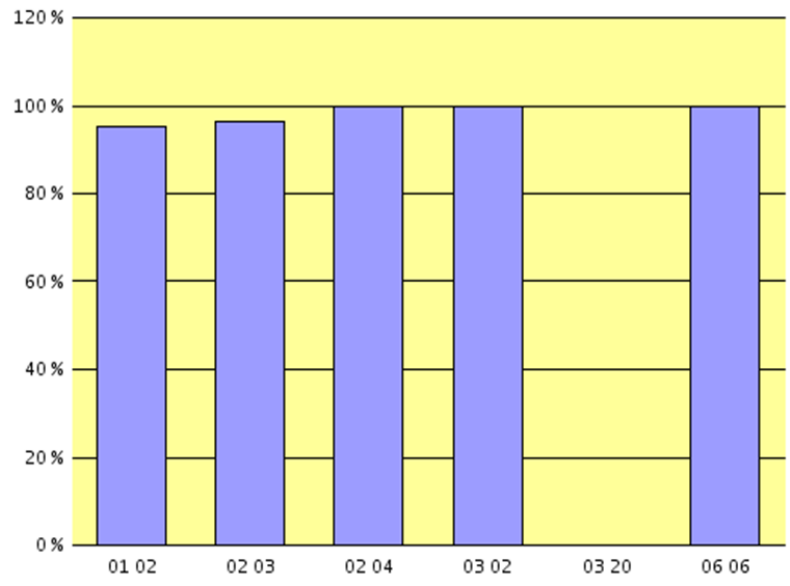


Table 2 – Payments

TABLE 2: OUTTURN ON PAYMENT APPROPRIATIONS in 2024 (in Mio €) for DG HADEA					
			Payment appropriations authorised *	Payments made	%
			1	2	3=2/1
<b>Title 01 Research and Innovation</b>					
01	01 02	Horizon Europe	1.910,52	1.534,33	80,31 %
<b>Total Title 01</b>			<b>1.910,52</b>	<b>1.534,33</b>	<b>80,31%</b>
<b>Title 02 European Strategic Investments</b>					
02	02 03	Connecting Europe Facility (CEF)	134,73	132,53	98,37 %
	02 04	Digital Europe Programme	123,48	121,63	98,51 %
<b>Total Title 02</b>			<b>258,21</b>	<b>254,16</b>	<b>98,43%</b>
<b>Title 03 Single Market</b>					
03	03 02	Single Market Programme	79,77	79,77	100,00 %
	03 20	Pilot projects, preparatory actions, prerogatives and other actions	0,44	0,44	100,00 %
<b>Total Title 03</b>			<b>80,22</b>	<b>80,22</b>	<b>100,00%</b>
<b>Title 06 Recovery and Resilience</b>					
06	06 06	EU4Health Programme	425,54	425,50	99,99 %
<b>Total Title 06</b>			<b>425,54</b>	<b>425,50</b>	<b>99,99%</b>
<b>Total Excluding NGEU</b>			<b>2.674,49</b>	<b>2.294,21</b>	<b>85,78%</b>
<b>Title 01 Research and Innovation</b>					
01	01 02	Horizon Europe	414,55	396,36	95,61 %
<b>Total Title 01</b>			<b>414,55</b>	<b>396,36</b>	<b>95,61%</b>
<b>Total NGEU Only</b>			<b>414,55</b>	<b>396,36</b>	<b>95,61%</b>
<b>Total DG HADEA</b>			<b>3.089,04</b>	<b>2.690,56</b>	<b>87,10 %</b>

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

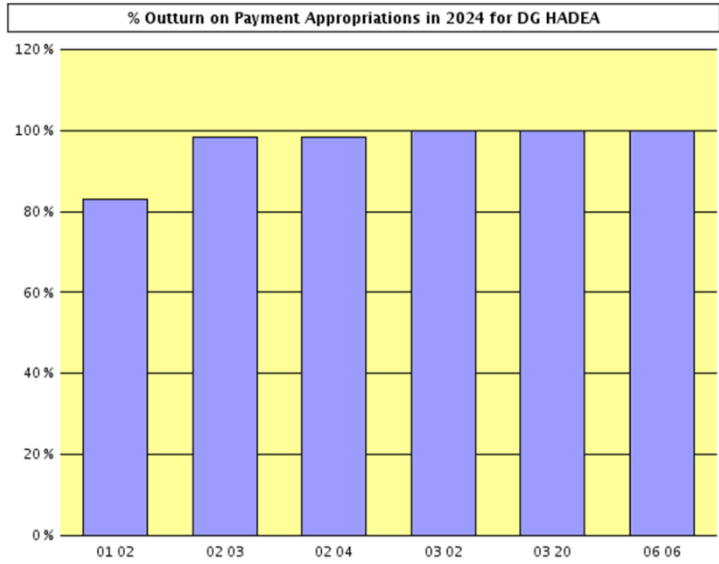


Table 3 – Commitments to be settled

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2024 (in Mio €) for DG HADEA									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2023	Total of commitments to be settled at end of financial year 2024	Total of commitments to be settled at end of financial year 2023
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
01	01 02	Horizon Europe	1.588,64	531,04	1.057,60	66,57%	2.296,84	3.354,43	3.331,65
<b>Total Title 01</b>			<b>1.588,64</b>	<b>531,04</b>	<b>1.057,60</b>	<b>66,57%</b>	<b>2.296,84</b>	<b>3.354,43</b>	<b>3.331,65</b>

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2024 (in Mio €) for DG HADEA									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2023	Total of commitments to be settled at end of financial year 2024	Total of commitments to be settled at end of financial year 2023
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
02	02 03	Connecting Europe Facility (CEF)	79,82	0,11	79,72	99,87%	449,09	528,80	620,47
	02 04	Digital Europe Programme	122,17	5,45	116,72	95,54%	127,27	244,00	240,84
<b>Total Title 02</b>			<b>202,00</b>	<b>5,56</b>	<b>196,44</b>	<b>97,25%</b>	<b>576,36</b>	<b>772,80</b>	<b>861,31</b>

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2024 (in Mio €) for DG HADEA									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2023	Total of commitments to be settled at end of financial year 2024	Total of commitments to be settled at end of financial year 2023
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
03	03 02	Single Market Programme	91,52	0,92	90,59	98,99%	40,88	131,47	173,13
	03 20	Pilot projects, preparatory actions, prerogatives and other actions	0,00	0,00	0,00	0,00%	0,74	0,74	1,29
<b>Total Title 03</b>			<b>91,52</b>	<b>0,92</b>	<b>90,59</b>	<b>98,99%</b>	<b>41,62</b>	<b>132,21</b>	<b>174,41</b>

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2024 (in Mio €) for DG HADEA									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2023	Total of commitments to be settled at end of financial year 2024	Total of commitments to be settled at end of financial year 2023
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
06	06 06	EU4Health Programme	677,56	84,96	592,60	87,46%	717,01	1.309,61	1.103,21
<b>Total Title 06</b>			<b>677,56</b>	<b>84,96</b>	<b>592,60</b>	<b>87,46%</b>	<b>717,01</b>	<b>1.309,61</b>	<b>1.103,21</b>
<b>Total Excluding NGEU</b>			<b>2.559,71</b>	<b>622,48</b>	<b>1.937,23</b>	<b>75,68%</b>	<b>3.631,83</b>	<b>5.569,05</b>	<b>5.470,58</b>

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2024 (in Mio €) for DG HADEA									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2023	Total of commitments to be settled at end of financial year 2024	Total of commitments to be settled at end of financial year 2023
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
01	01 02	Horizon Europe	0,00	0,00	0,00	0,00%	376,94	376,94	773,29
<b>Total Title 01</b>			<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00%</b>	<b>376,94</b>	<b>376,94</b>	<b>773,29</b>
<b>Total NGEU Only</b>			<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00%</b>	<b>376,94</b>	<b>376,94</b>	<b>773,29</b>

<b>Total for DG HADEA</b>	<b>2.559,71</b>	<b>622,48</b>	<b>1.937,23</b>	<b>75,68 %</b>	<b>4.008,76</b>	<b>5.945,99</b>	<b>6.243,87</b>
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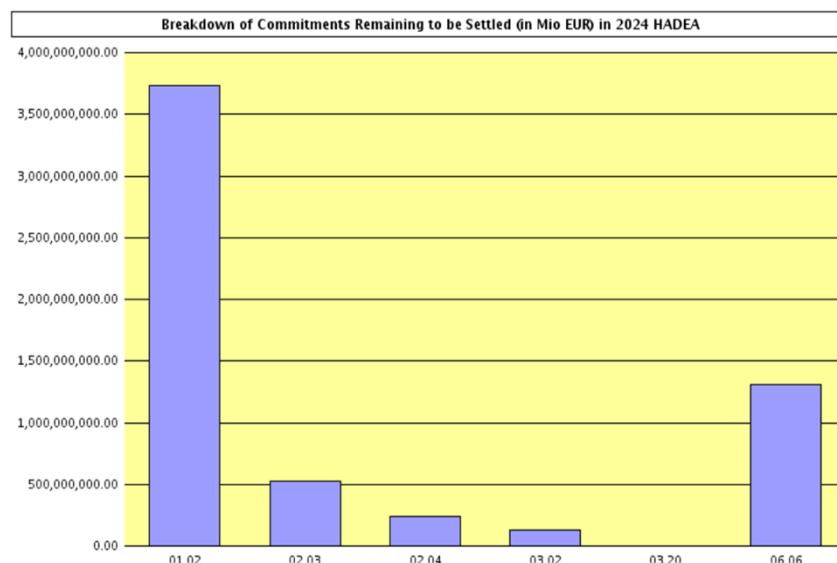


Table 4 – Balance sheet

<b>TABLE 4 : BALANCE SHEET for DG HADEA</b>		
<b>BALANCE SHEET</b>	<b>2024</b>	<b>2023</b>
<b>A.I. NON CURRENT ASSETS</b>	<b>744.115.817,99</b>	<b>816.773.420,14</b>
A.I.1. Intangible Assets	1.128.022,00	1.128.022,00
A.I.5. Non-Current Pre-Financing	742.987.795,99	815.645.398,14
<b>A.II. CURRENT ASSETS</b>	<b>1.922.270.330,60</b>	<b>1.711.556.734,58</b>
A.II.2. Current Pre-Financing	1.915.255.588,73	1.706.844.218,00
A.II.3. Curr Exch Receiv & Non-Ex Recoverables	7.014.741,87	4.712.516,58
A.II.4. Inventories	0,00	0,00
<b>ASSETS</b>	<b>2.666.386.148,59</b>	<b>2.528.330.154,72</b>
<b>P.II. CURRENT LIABILITIES</b>	<b>-355.158.557,02</b>	<b>-288.779.336,44</b>
P.II.4. Current Payables	-117.725.936,09	-83.551.529,47
P.II.5. Current Accrued Charges & Defrd Income	-237.432.620,93	-205.227.806,97
<b>LIABILITIES</b>	<b>-355.158.557,02</b>	<b>-288.779.336,44</b>
<b>NET ASSETS (ASSETS less LIABILITIES)</b>	<b>2.311.227.591,57</b>	<b>2.239.550.818,28</b>
Non-allocated central (surplus)/deficit*	-10.376.724.884,93	-8.057.762.142,46
P.III.2. Accumulated Surplus/Deficit	8.065.497.293,36	5818211324
<b>TOTAL DG HADEA</b>	<b>0,00</b>	<b>0,00</b>

Table 5 – Statement of financial performance

TABLE 5 : STATEMENT OF FINANCIAL PERFORMANCE for DG HADEA		
STATEMENT OF FINANCIAL PERFORMANCE	2024	2023
II.1 REVENUES	-2.901.945,72	-3.799.305,69
II.1.1. NON-EXCHANGE REVENUES	-4.950.663,39	-4.235.779,24
II.1.1.6. RECOVERY OF EXPENSES	-4.950.663,39	-4.235.779,24
II.1.2. EXCHANGE REVENUES	2.048.717,67	436.473,55
II.1.2.2. OTHER EXCHANGE REVENUE	2.048.717,67	436.473,55
II.2. EXPENSES	2.714.258.114,97	2.251.085.274,87
II.2. EXPENSES	2.714.258.114,97	2.251.085.274,87
II.2.11. OTHER EXPENSES	2.357.045,71	183.796,66
II.2.2. EXP IMPLEM BY COMMISS&EX.AGENC. (DM)	2.711.384.963,96	2.250.478.512,41
II.2.4. EXP IMPL BY 3RD CNTR & INT ORG (IM)	514.290,91	420.509,09
II.2.6. STAFF AND PENSION COSTS		0,00
II.2.8. FINANCE COSTS	1.814,39	2.456,71
<b>STATEMENT OF FINANCIAL PERFORMANCE</b>	<b>2.711.356.169,25</b>	<b>2.247.285.969,18</b>

Table 5 bis – Off-balance

TABLE 5bis : OFF BALANCE SHEET for DG HADEA		
OFF BALANCE	2024	2023
OB.1. Contingent Assets	21.560.197,00	19.438.795,25
GR for performance	15.997.520,00	15.997.520,00
GR for pre-financing	5.562.677,00	3.441.275,25
OB.3. Other Significant Disclosures	-5.955.092.145,42	-5.955.092.145,42
OB.3.2. Comm against app. not yet consumed	-5.955.092.145,42	-5.955.092.145,42
OB.4. Balancing Accounts	5.933.531.948,42	5.935.653.350,17
OB.4. Balancing Accounts	5.933.531.948,42	5.935.653.350,17
<b>OFF BALANCE</b>	<b>0,00</b>	<b>0,00</b>

Table 6 – Payment times

Legal Times									
Maximum Payment Time (Days)	Total Nbr of Payments	Nbr of Payments within Time Limit	Percentage	Average Payment Times (Days)	Nbr of Late Payments	Percentage	Average Payment Times (Days)	Late Payments Amount	Percentage
30	2.875	2.844	98,92 %	11,58	31	1,08 %	49,61	2.616.216,55	0, %
60	153	152	99,35 %	25,45	1	0,65 %	71,00	88.000,00	0, %
90	1.272	1.270	99,84 %	62,37	2	0,16 %	97,50	1.095.040,36	0, %

Total Number of Payments	4.300	4.266	99,21 %		34	0,79 %		3799256,91	0, %
Average Net Payment Time	27,3972093			27,19			53,06		
Average Gross Payment Time	45,59232558			45,4069386			68,85294118		

Suspensions							
Average Report Approval Suspension	Average Payment Suspension Days	Number of Suspended Payments	% of Total Number	Total Number of Payments	Amount of Suspended Payments	% of Total Amount	Total Paid Amount
0	59	1.326	30,84 %	4.300	1.239.302.254,41	52,31 %	2.368.955.042,95

Late Interest paid in 2024			
DG	GL Account	Description	Amount (Eur)
HADEA	65010100	Interest on late payment of charges New FR	1.814,39
			<b>1.814,39</b>

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

Table 7 – Income

TABLE 7 : SITUATION ON REVENUE AND INCOME in 2024 for DG HADEA								
Chapter		Revenue and income recognized			Revenue and income cashed from			Outstanding balance
		Current year RO	Carried over RO	Total	Current Year RO	Carried over RO	Total	
		1	2	3=1+2	4	5	6=4+5	7=3-6
60	Single market, innovation and digital	24.829.315,80	4.617.709,44	29.447.025,24	20.840.603,23	1.747.918,07	22.588.521,30	6.858.503,94
61	Cohesion, resilience and values	385.011,58	43.612,40	428.623,98	285.401,88	9.948,60	295.350,48	133.273,50
67	Completion for outstanding recovery orders prior to 2021	0,00	56.000,00	56.000,00	0,00	0,00	0,00	56.000,00
<b>Total DG HADEA</b>		<b>25.214.327,38</b>	<b>4.717.321,84</b>	<b>29.931.649,22</b>	<b>21.126.005,11</b>	<b>1.757.866,67</b>	<b>22.883.871,78</b>	<b>7.047.777,44</b>

Table 8 – Recovery contexts

TABLE 8 : FINANCIAL IMPACT OF EX-ANTE AND EX-POST CONTROLS in 2024 FOR HADEA			
EX-ANTE CONTROLS BY TRANSACTION	Irregularity	OLAF notified	Total ex-ante amounts
NON ELIGIBLE IN COST CLAIMS	10.620.673,04	1.443,99	<b>10.622.117,03</b>
CREDIT NOTES	20.388,20	0,00	<b>20.388,20</b>
RECOVERY ORDERS ON PRE-FINANCING	0,00	0,00	<b>0,00</b>
<b>Sub-Total</b>	<b>10.641.061,24</b>	<b>1.443,99</b>	<b>10.642.505,23</b>
EX-POST CONTROLS BY TRANSACTION	Irregularity	OLAF notified	Total ex-post amounts
RECOVERY ORDERS OTHER THAN ON PRE-FINANCING	3.018.500,79	142.920,96	<b>3.161.421,75</b>
INCOME LINES IN INVOICES	643.160,17	0,00	<b>643.160,17</b>
<b>Sub-Total</b>	<b>3.661.660,96</b>	<b>142.920,96</b>	<b>3.804.581,92</b>
<b>GRAND TOTAL (EX-ANTE + EX-POST)</b>	<b>14.302.722,20</b>	<b>144.364,95</b>	<b>14.447.087,15</b>

Table 9 – Ageing balance of recovery orders

TABLE 9: AGEING BALANCE OF RECOVERY ORDERS AT 31/12/2024 for DG HADEA						
	Number at 01/01/2024	Number at 31/12/2024	Evolution	Open Amount (Eur) at 01/01/2024	Open Amount (Eur) at 31/12/2024	Evolution
2020	1	1	0,00 %	56.000,00	56.000,00	0,00 %
2021	3	2	-33,33 %	179.976,88	152.601,38	-15,21 %
2022	7	7	0,00 %	2.000.449,31	2.000.449,31	0,00 %
2023	20	5	-75,00 %	2.480.895,65	750.404,48	-69,75 %
2024		26			4.088.322,27	
	<b>31</b>	<b>41</b>	<b>32,26 %</b>	<b>4.717.321,84</b>	<b>7.047.777,44</b>	<b>49,40 %</b>

## Table 10 – Recovery order waivers

TABLE 10 :Recovery Order Waivers >= 60 000 € in 2024 for DG HADEA					
Waiver Central Key	Linked RO Central Key	RO Accepted Amount (Eur)	LE Account Group	Commission Decision	Comments

Total DG HADEA	
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Number of RO waivers	
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There are no waivers below 60 000 €

## Table 11 – Negotiated procedures

The procedures are presented in the Annual Management and Performance Report of 2024.

## Table 12 – Summary of procedures

The procedures are presented in the Annual Management and Performance Report of 2024.

## Table 13 – Building contracts

TABLE 13 : BUILDING CONTRACTS in 2024 for DG HADEA					
Legal Base	Procedure subject	Contract Number	Contractor Name	Contract Subject	Contracted Amount (€)

## Table 14 – Secret contracts

TABLE 14 : CONTRACTS DECLARED SECRET in 2024 for DG HADEA				
Legal Base	LC Date	Contract Number	Contract Subject	Contracted Amount (€)

## Table 15 – FPAs whose duration exceeds 4 years

None.

## Table 16 – Commitments co-delegation type 3

None.

Table 17 – Time to grant

Data considered: calls with a time to grant deadline in 2024.

**Results per programme**

Programme	Total number of calls with a TTG deadline in 2024	Total number of GAs	Number of GAs signed within target	% of GAs signed within target	Average TTG for grants with a deadline in 2024 (days)	TTG deadline (days)
CEF DIGITAL	3	52	48	92%	272,75	275
Digital Europe Programme	5	46	46	100%	222,78	275
EU4Health	12	110	109	99%	203,33	275
Horizon Cluster 1 - Health	10	55	54	98%	228,51	245
Horizon Cluster 4 - Digital	3	26	26	100%	232,54	245
Horizon Cluster 4 - Industry	5	59	59	100%	217,51	245
Horizon Cluster 4 - Space	2	12	10	83%	258,55	245
SMP Food	8	159	156	98%	232,32	275
<b>HaDEA</b>	<b>48</b>	<b>519</b>	<b>508</b>	<b>98%</b>	<b>227,85</b>	<b>NA</b>

## Details per call

Call	Total number of GAs in call	Number of signed GAs	Completion rate	Number of GAs signed within target	% of GAs signed within target	Comment
<b>CEF DIGITAL</b>	<b>52</b>	<b>52</b>	<b>100%</b>	<b>48</b>	<b>92%</b>	
CEF-DIG-2023-5GCORRIDORS	7	7	100%	7	100%	
CEF-DIG-2023-5GSMARTCOM-EDGE	24	24	100%	22	92%	- For one project: Consortium required extra time to decide, as the budget situation for the municipality was unclear. Agreement to only start project on 1 March and with 0 pre-financing solved the issue. - For another project: Last-minute change in the consortium (the Coordinator withdrew and another MNO took over). This change required the security guarantee's approval of the new beneficiary by the Member State, which took almost one month
CEF-DIG-2023-GATEWAYS	21	21	100%	19	90%	- For one project: Issue of interpretation as to which version of the Financial Regulation provision (Declaration of Honour) was applicable + delays with eGrant helpdesk. - For another project: delayed by the Beneficiary, who conveyed the meeting to authorize their signature only in December
<b>DIGITAL EUROPE PROGRAMME</b>	<b>46</b>	<b>46</b>	<b>100%</b>	<b>46</b>	<b>100%</b>	
DIGITAL-2023-CLOUD-DATA-04	1	1	100%	1	100%	
DIGITAL-2023-CLOUD-DATA-AI-05	6	6	100%	6	100%	
DIGITAL-2023-DEPLOY-04	27	27	100%	27	100%	
DIGITAL-2023-SKILLS-04	3	3	100%	3	100%	
DIGITAL-2023-SKILLS-05	9	9	100%	9	100%	
<b>EU4HEALTH</b>	<b>110</b>	<b>110</b>	<b>100%</b>	<b>109</b>	<b>99%</b>	
EU4H-2023-DGA-IO-IBA	2	2	100%	2	100%	
EU4H-2023-DGA-MS2-IBA	1	1	100%	1	100%	
EU4H-2023-DGA-MS3-IBA	23	23	100%	23	100%	
EU4H-2023-DGA-MS-IBA	13	13	100%	13	100%	
EU4H-2023-ERN2-IBA	24	24	100%	24	100%	
EU4H-2023-JA-2-IBA	3	3	100%	3	100%	
EU4H-2023-JA-3-IBA	5	5	100%	5	100%	
EU4H-2023-JA-IBA	2	2	100%	2	100%	
EU4H-2023-PJ	18	18	100%	17	94%	- An exception note was needed due to the participation of legal entities from 3rd countries not associated to the EU4Health programme.
EU4H-2023-PRES2-IBA	1	1	100%	1	100%	
EU4H-2023-PRES-IBA	1	1	100%	1	100%	
EU4H-2024-OG	17	17	100%	17	100%	

Call	Total number of GAs in call	Number of signed GAs	Completion rate	Number of GAs signed within target	% of GAs signed within target	Comment
<b>HORIZON EUROPE CLUSTER 1 - HEALTH</b>	<b>55</b>	<b>55</b>	<b>100%</b>	<b>54</b>	<b>98%</b>	
HORIZON-HLTH-2023-CEPI-11-IBA	1	1	100%	1	100%	
HORIZON-HLTH-2023-DISEASE-07	1	1	100%	0	0%	- 153 partners in this complex and policy relevant partnership (associations, ministries, regulatory agencies etc) required much more time than usual to prepare and sign this GA.
HORIZON-HLTH-2024-CARE-04-two-stage (04/24)	4	4	100%	4	100%	
HORIZON-HLTH-2024-DISEASE-03-two-stage (04/24)	17	17	100%	17	100%	
HORIZON-HLTH-2024-DISEASE-08	7	7	100%	7	100%	
HORIZON-HLTH-2024-ENVHLTH-02-two-stage (04/24)	7	7	100%	7	100%	
HORIZON-HLTH-2024-IND-06	2	2	100%	2	100%	
HORIZON-HLTH-2024-STAYHLTH-01-two-stage (04/24)	7	7	100%	7	100%	
HORIZON-HLTH-2024-TOOL-05-two-stage (04/24)	3	3	100%	3	100%	
HORIZON-HLTH-2024-TOOL-11	6	6	100%	6	100%	
<b>HORIZON EUROPE CLUSTER 4 - DIGITAL</b>	<b>26</b>	<b>26</b>	<b>100%</b>	<b>26</b>	<b>100%</b>	
HORIZON-CL4-2024-DIGITAL-EMERGING-01	18	18	100%	18	100%	
HORIZON-CL4-2024-DIGITAL-EMERGING-01-CNECT	3	3	100%	3	100%	
HORIZON-CL4-2024-TWIN-TRANSITION-01	5	5	100%	5	100%	
<b>HORIZON EUROPE CLUSTER 4 - INDUSTRY</b>	<b>59</b>	<b>59</b>	<b>100%</b>	<b>59</b>	<b>100%</b>	
HORIZON-CL4-2023-PRESIDENCY-EVENT-2024-IBA	1	1	100%	1	100%	
HORIZON-CL4-2023-RESILIENCE-01-TWO-STAGE (10/23)	15	15	100%	15	100%	
HORIZON-CL4-2023-TWIN-TRANSITION-01-TWO-STAGE (10/23)	2	2	100%	2	100%	
HORIZON-CL4-2024-RESILIENCE-01	18	18	100%	18	100%	
HORIZON-CL4-2024-TWIN-TRANSITION-01	23	23	100%	23	100%	
<b>HORIZON EUROPE CLUSTER 4 - SPACE</b>	<b>12</b>	<b>11</b>	<b>92%</b>	<b>10</b>	<b>83%</b>	
HORIZON-CL4-2023-SPACE-PARTNERSHIP-IBA	1	1	100%	0	0%	A complex action and/or consortium which required more time for the grant agreement preparation.
HORIZON-CL4-2024-SPACE-01	11	10	91%	10	91%	The project performed a change of beneficiaries, this required more time.
<b>SINGLE MARKET PROGRAMME - FOOD</b>	<b>159</b>	<b>159</b>	<b>100%</b>	<b>156</b>	<b>98%</b>	
SMP-FOOD-2022-BIOCIDES-PESTICIDES-IBA	15	15	100%	15	100%	
SMP-FOOD-2023-AMR-AG-IBA	26	26	100%	26	100%	
SMP-FOOD-2023-EURL-EURC-AG-IBA	50	50	100%	47	94%	- For the 3 delayed grants: complex discussion on the applicable rules for reimbursement of the costs for travel and accommodations,..; Both HADEA and JRC were waiting the opinion of DG BUDGET.
SMP-FOOD-2023-FW-FEBA-AG-IBA	1	1	100%	1	100%	
SMP-FOOD-2023-FW-NCA-AG-IBA	3	3	100%	3	100%	
SMP-FOOD-2023-FW-STAKEHOLDERS-AG	8	8	100%	8	100%	
SMP-FOOD-2024-PHYTOPROGR-LS-IBA	25	25	100%	25	100%	
SMP-FOOD-2024-VETPROGR-LS-IBA	31	31	100%	31	100%	

## 2. Operating budget

Table 1 – Commitments

TABLE 1: OUTTURN ON COMMITMENT APPROPRIATIONS IN 2024 (in Mio €) for HADEA					
			Commitment appropriations authorised	Commitments made	%
			1	2	3=2/1
Title 1 STAFF EXPENDITURE					
1	11	Remuneration, Allowances and Charges	43,03	42,53	98,85 %
	12	Professional Development and Social Expenditures	2,30	2,28	99,01 %
<b>Total Title 1</b>			<b>45,33</b>	<b>44,81</b>	<b>98,86 %</b>
Title 2 INFRASTRUCTURE AND OPERATING EXPENDITURE					
2	21	Building Expenditures	4,52	4,52	100,00 %
	22	ICT Expenditures	2,85	2,82	99,04 %
	23	Movable property and current operating expenses	0,36	0,34	94,21 %
<b>Total Title 2</b>			<b>7,73</b>	<b>7,68</b>	<b>99,38 %</b>
Title 3 PROGRAMME SUPPORT EXPENDITURE					
3	31	Programme Management Expenditure	2,47	2,46	99,46 %
<b>Total Title 3</b>			<b>2,47</b>	<b>2,46</b>	<b>99,46 %</b>
<b>Total HADEA</b>			<b>55,54</b>	<b>54,96</b>	<b>98,96 %</b>

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

**% Outturn on Commitment Appropriations in 2024 for HADEA**

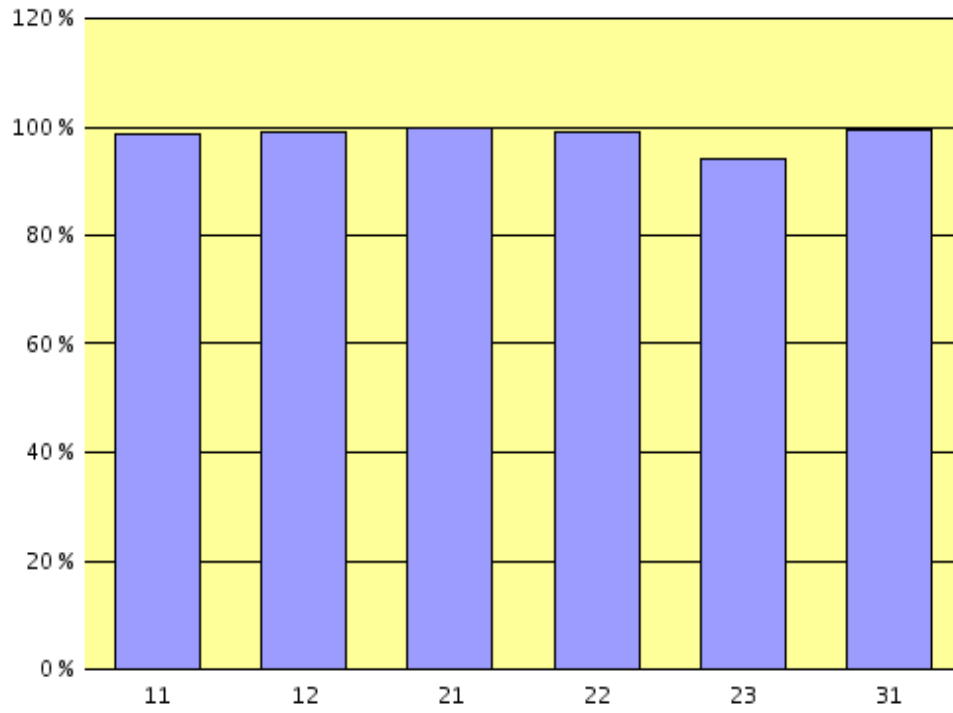


Table 2 – Payments

TABLE 2: OUTTURN ON PAYMENT APPROPRIATIONS IN 2024 (in Mio €) for HADEA					
			Payment appropriations authorised *	Payments made	%
			1	2	3=2/1
Title 1 STAFF EXPENDITURE					
1	11	Remuneration, Allowances and Charges	43,27	42,38	97,95 %
	12	Professional Development and Social Expenditures	2,55	1,97	77,44 %
<b>Total Title 1</b>			<b>45,82</b>	<b>44,36</b>	<b>96,81%</b>
Title 2 INFRASTRUCTURE AND OPERATING EXPENDITURE					
2	21	Building Expenditures	4,60	4,49	97,53 %
	22	ICT Expenditures	3,04	2,76	90,83 %
	23	Movable property and current operating expenses	0,44	0,32	73,37 %
<b>Total Title 2</b>			<b>8,08</b>	<b>7,57</b>	<b>93,69%</b>
Title 3 PROGRAMME SUPPORT EXPENDITURE					
3	31	Programme Management Expenditure	3,22	1,81	56,28 %
<b>Total Title 3</b>			<b>3,22</b>	<b>1,81</b>	<b>56,28%</b>
<b>Total HADEA</b>			<b>57,12</b>	<b>53,74</b>	<b>94,08 %</b>

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

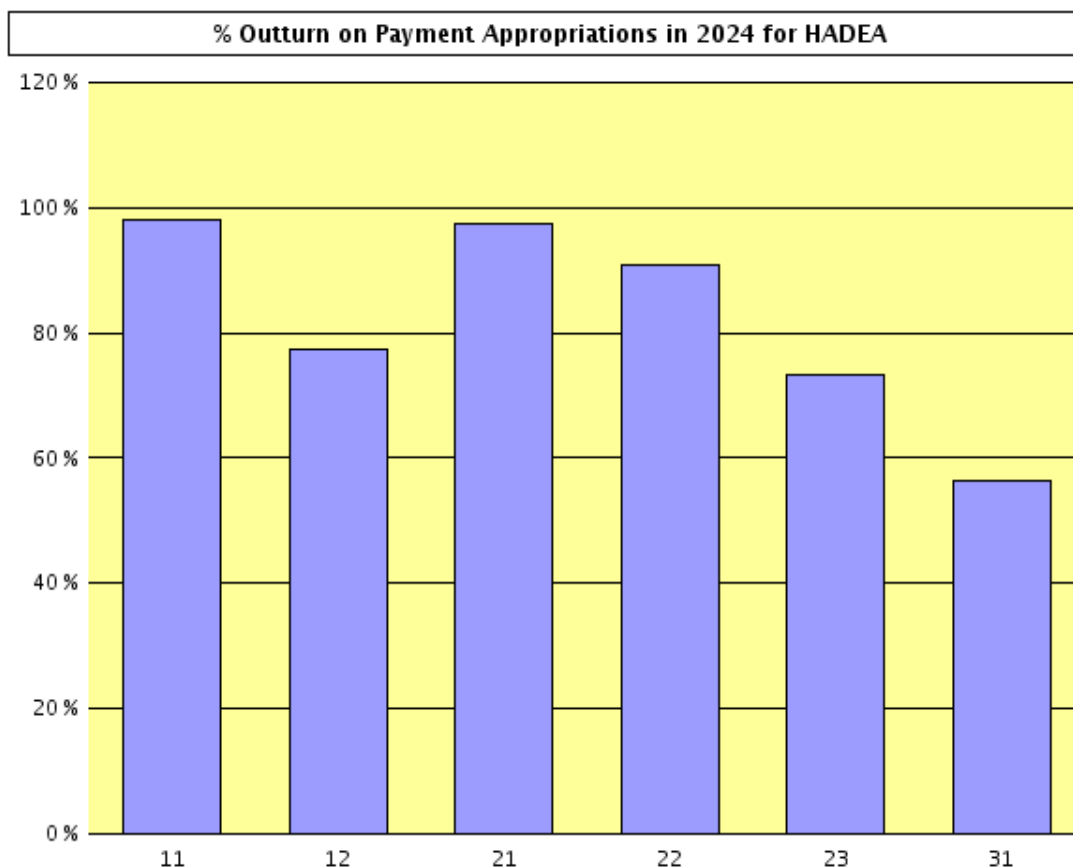


Table 3 – Commitments to be settled

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2024 (in Mio €) for HADEA									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2023	Total of commitments to be settled at end of financial year 2024	Total of commitments to be settled at end of financial year 2023
			Commitments	Payments	RAL	%to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
1	11	Remuneration, Allowances and Charges	42,53	42,16	0,38	0,89%	0,00	0,38	0,24
	12	Professional Development and Social Expenditures	2,28	1,83	0,45	19,73%	0,00	0,45	0,25
<b>Total Title 1</b>			<b>44,81</b>	<b>43,99</b>	<b>0,83</b>	<b>1,85%</b>	<b>0,00</b>	<b>0,83</b>	<b>0,49</b>

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2024 (in Mio €) for HADEA									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2023	Total of commitments to be settled at end of financial year 2024	Total of commitments to be settled at end of financial year 2023
			Commitments	Payments	RAL	%to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
2	21	Building Expenditures	4,52	4,42	0,10	2,27%	0,00	0,10	0,08
	22	ICT Expenditures	2,82	2,57	0,25	8,92%	0,00	0,25	0,19
	23	Movable property and current operating expenses	0,34	0,25	0,09	27,68%	0,00	0,09	0,08
<b>Total Title 2</b>			<b>7,68</b>	<b>7,23</b>	<b>0,45</b>	<b>5,84%</b>	<b>0,00</b>	<b>0,45</b>	<b>0,35</b>

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2024 (in Mio €) for HADEA									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2023	Total of commitments to be settled at end of financial year 2024	Total of commitments to be settled at end of financial year 2023
			Commitments	Payments	RAL	%to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
3	31	Programme Management Expenditure	2,46	1,13	1,33	54,18%	0,00	1,33	0,75
<b>Total Title 3</b>			<b>2,46</b>	<b>1,13</b>	<b>1,33</b>	<b>54,18%</b>	<b>0,00</b>	<b>1,33</b>	<b>0,75</b>
<b>Total :</b>			<b>54,96</b>	<b>52,35</b>	<b>2,61</b>	<b>4,75 %</b>	<b>0,00</b>	<b>2,61</b>	<b>1,58</b>

Breakdown of Commitments Remaining to be Settled (in Mio EUR) in 2024 HADEA

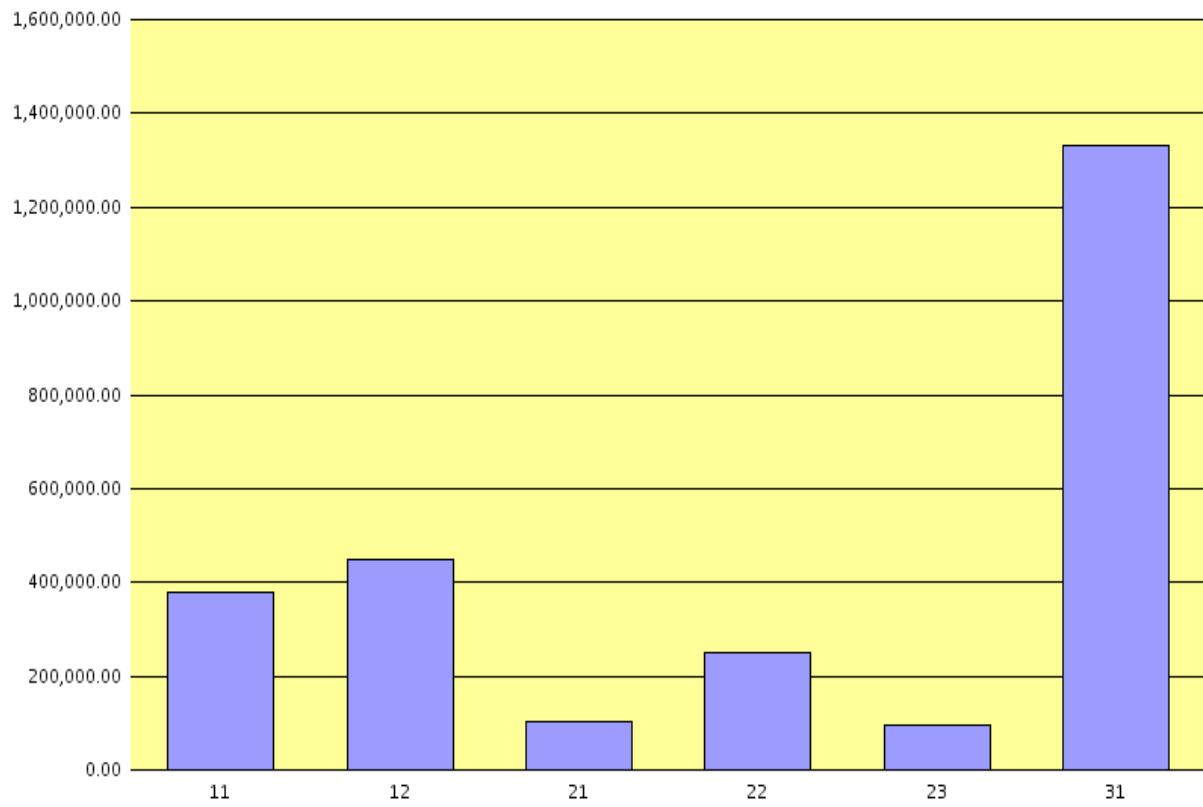


Table 4 – Balance sheet

<b>TABLE 4 : BALANCE SHEET for HADEA</b>		
<b>BALANCE SHEET</b>	<b>2024</b>	<b>2023</b>
<b>A.I. NON CURRENT ASSETS</b>	309.542,00	248.914,00
A.I.1. Intangible Assets	3.328,00	6.300,00
A.I.2. Property, Plant and Equipment	306.214,00	242.614,00
<b>A.II. CURRENT ASSETS</b>	3.507.291,15	2.552.655,23
A.II.3. Curr Exch Receiv & Non-Ex Recoverables	3.507.291,15	2.552.655,23
<b>ASSETS</b>	<b>3816833,15</b>	<b>2801569,23</b>
<b>P.II. CURRENT LIABILITIES</b>	<b>-2.693.474,95</b>	<b>-1.874.203,30</b>
P.II.2. Current Provisions	0,00	-11.014,75
P.II.4. Current Payables	-487.038,66	-4.710,55
P.II.5. Current Accrued Charges & Defrd Income	-2.206.436,29	-1.858.478,00
<b>LIABILITIES</b>	<b>-2693474,95</b>	<b>-1874203,3</b>
<b>NET ASSETS (ASSETS less LIABILITIES)</b>	<b>1123358,2</b>	<b>927.365,93</b>
P.III.2. Accumulated Surplus/Deficit	-927.365,93	-452.813,45
Non-allocated central (surplus)/deficit*	-195.992,27	-474.552,48
<b>TOTAL</b>	<b>0,00</b>	<b>0,00</b>

Table 5 – Statement of financial performance

TABLE 5 : STATEMENT OF FINANCIAL PERFORMANCE for HADEA		
STATEMENT OF FINANCIAL PERFORMANCE	2024	2023
II.1 REVENUES	-54.796.210,26	-49534156,23
II.1.1. NON-EXCHANGE REVENUES	-54.773.545,12	-49.530.319,61
II.1.1.8. OTHER NON-EXCHANGE REVENUES	-54.773.545,12	-49.530.319,61
II.1.2. EXCHANGE REVENUES	-22.665,14	-3.836,62
II.1.2.2. OTHER EXCHANGE REVENUE	-22.665,14	-3.836,62
II.2. EXPENSES	54.600.217,99	49059603,75
II.2. EXPENSES	54.600.217,99	49.059.603,75
II.2.11. OTHER EXPENSES	12.382.325,27	9.963.208,69
II.2.6. STAFF AND PENSION COSTS	42.217.607,50	39.096.098,06
II.2.8. FINANCE COSTS	285,22	297,00
<b>STATEMENT OF FINANCIAL PERFORMANCE</b>	<b>-195.992,27</b>	<b>-474.552,48</b>

Table 5 bis – Off-balance

TABLE 5bis : OFF BALANCE SHEET for HADEA		
OFF BALANCE	2024	2023
OB.2. Contingent Liabilities	-44.740,44	-46.123,02
OB.2.6. CL Other	-44.740,44	-46.123,02
OB.3. Other Significant Disclosures	-19.050.197,84	-20.481.806,60
OB.3.2. Comm against app. not yet consumed	-1.348.843,08	-573.010,15
OB.3.5. Operating lease commitments	-17.701.354,76	-19.908.796,45
OB.4. Balancing Accounts	19.094.938,28	20.527.929,62
OB.4. Balancing Accounts	19.094.938,28	20.527.929,62
<b>OFF BALANCE</b>	<b>0,00</b>	<b>0,00</b>

Table 6 – Payment times

**TABLE 6: AVERAGE PAYMENT TIMES FOR 2024 for HADEA**

Legal Times									
Maximum Payment Time (Days)	Total Nbr of Payments	Nbr of Payments within Time Limit	Percentage	Average Payment Times (Days)	Nbr of Late Payments	Percentage	Average Payment Times (Days)	Late Payments Amount	Percentage
30	745	744	99,87 %	10,6438172	1	0,13 %	105	315,00	0, %
45	32	32	100,00 %	14,90625				0,00	0, %
60	38	38	100,00 %	16,47368421				0,00	0, %

<b>Total Number of Payments</b>	<b>815</b>	<b>814</b>	<b>99,88 %</b>		<b>1</b>	<b>0,12 %</b>		<b>315,00</b>	<b>0, %</b>
<b>Average Net Payment Time</b>	<b>11,19877301</b>			<b>11,08353808</b>			<b>105</b>		
<b>Average Gross Payment Time</b>	<b>11,22576687</b>			<b>11,11056511</b>			<b>105</b>		

Suspensions							
Average Report Approval Suspension Days	Average Payment Suspension Days	Number of Suspended Payments	% of Total Number	Total Number of Payments	Amount of Suspended Payments	% of Total Amount	Total Paid Amount
0	7	3	0,37 %	815	20.305,56	0,16 %	12.735.206,91

DG	GL Account	Description	Amount (Eur)

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

Table 7 – Income

TABLE 7 : SITUATION ON REVENUE AND INCOME IN 2024 for HADEA								
Chapter		Revenue and income recognized			Revenue and income cashed from			Outstanding balance
		Current year RO	Carried over RO	Total	Current Year RO	Carried over RO	Total	
		1	2	3=1+2	4	5	6=4+5	
20		55.536.286,00	0,00	55.536.286,00	55.536.286,00	0,00	55.536.286,00	0,00
90		1.351,22	0,00	1.351,22	1.351,22	0,00	1.351,22	0,00
<b>Total HADEA</b>		<b>55537637,22</b>	<b>0</b>	<b>55537637,22</b>	<b>55537637,22</b>	<b>0</b>	<b>55537637,22</b>	<b>0</b>

Table 8 – Recovery contexts

TABLE 8 : FINANCIAL IMPACT OF EX-ANTE AND EX-POST CONTROLS in for HADEA		
<b>EX-ANTE CONTROLS BY TRANSACTION</b>		<b>Total ex-ante controls</b>
NON ELIGIBLE IN COST CLAIMS		
CREDIT NOTES		
RECOVERY ORDERS ON PRE-FINANCING		
<b>Sub-Total</b>		
<b>EX-POST CONTROLS BY TRANSACTION</b>		<b>Total ex-post controls</b>
RECOVERY ORDERS OTHER THAN ON PRE-FINANCING		
INCOME LINES IN INVOICES		
<b>Sub-Total</b>		
<b>GRAND TOTAL (EX-ANTE + EX-POST)</b>		

Table 9 – Ageing balance of recovery orders

TABLE 9: AGEING BALANCE OF RECOVERY ORDERS AT 31/12/2024 for HADEA						
	Number at 01/01/2024	Number at 31/12/2024	Evolution	Open Amount (Eur) at 01/01/2024	Open Amount (Eur) at 31/12/2024	Evolution
2023	1		-100,00 %	137,62		-100,00 %
	1		-100,00 %	137,62		-100,00 %

Table 10 – Recovery order waivers

TABLE 10 :Recovery Order Waivers >= 60 000 € in 2024 for HADEA						
	Waiver Central Key	Linked RO Central Key	RO Accepted Amount (Eur)	LE Account Group	Commission Decision	Comments
<b>Total DG</b>						
<b>Number of RO waivers</b>						

There are no waivers below 60 000 €

## ANNEX 4: Financial scorecard

The Annex 4 of each Commission service summarises the annual result of the standard financial indicators measurement. Annexed to the Annual Activity Report 2024, 11 standard financial indicators are presented below, each with its objective and result for the Commission service and for the EC as a whole (for benchmarking purposes) <sup>(20)</sup>.

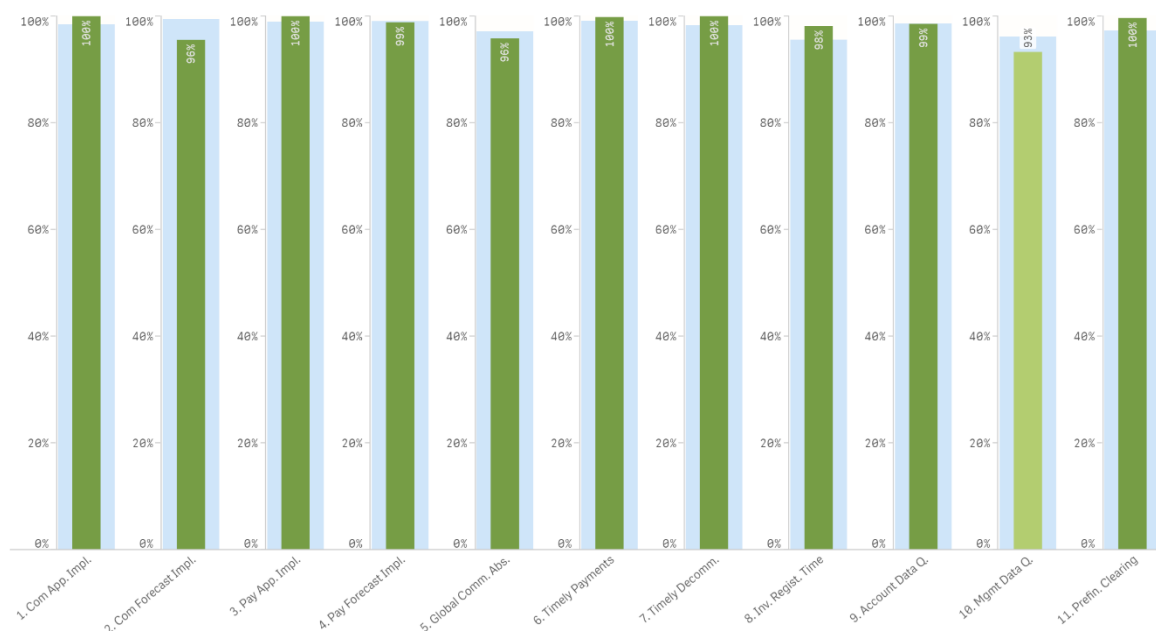
For each indicator, its value (in %) for the Commission service is compared to the common target (in %). The difference between the indicator's value and the target is colour coded as follows:

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

The detailed definitions of the indicators are available on the internal DG BUDG site (BudgPedia) and managed by unit BUDG.C5 Financial Reporting.

### 1. Operational budget

HADEA Indicator Scores for 2024 12



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

<sup>(20)</sup> If the EC service did not perform any transaction in the area measured by the indicator or the information is not available in the central financial system, the indicator is not calculated (i.e. displayed as “-“) in this Annex.

<b>Indicator</b>	<b>Objective</b>	<b>Comment <sup>(21)</sup></b>	<b>HADEA Score</b>	<b>EC Score</b>
1. Commitment Appropriations Implementation	Ensure efficient use of commitment appropriations expiring at the end of Financial Year	HaDEA implemented all its commitment appropriations expiring at the end of the financial year.	100%	99%
2. Commitment Forecast Implementation	Ensure the cumulative alignment of the commitment implementation with the commitment forecast in a financial year	HaDEA achieved a 96% score under this indicator after receiving additional commitment credits for additional actions towards the end of the financial year (104% committed credits compared to forecast).	96%	99%
3. Payment Appropriations Implementation	Ensure efficient use of payment appropriations expiring at the end of Financial Year	HaDEA successfully implemented all its payment appropriations expiring at the end of the year also making use of transfer opportunities to balance needs and surpluses over the budget lines under its responsibility.	100%	99%
4. Payment Forecast Implementation	Ensure the cumulative alignment of the payment implementation with the payment forecast in a financial year	HaDEA achieved a 99% score under this indicator, by closely monitoring payment execution in accordance with a robust payment forecast during the final quarter of the year (effectively receiving and absorbing additional credits compared to forecast – 101%). As a result, the final implementation score is closely aligned with the initial forecast.	99%	99%
5. Global Commitment Absorption <sup>(22)</sup>	Ensure efficient use of already earmarked commitment appropriations (at L1 level)	In 2024 HaDEA individualized formally 96% of the appropriations committed globally in 2023 for actions and programmes under its responsibility. HaDEA also worked with parent DGs to ensure reassignment of partly decommitted appropriations, effectively transferring back over 1% of credits for further implementation.	96%	97%
6. Timely Payments	Ensure efficient processing of payments within the legal deadlines	HaDEA paid on time 100% of its operational appropriations aggregating EUR 2.45 billion, demonstrating effective monitoring of payment deadlines, demonstrating excellent performance in this key metric.	100%	99%

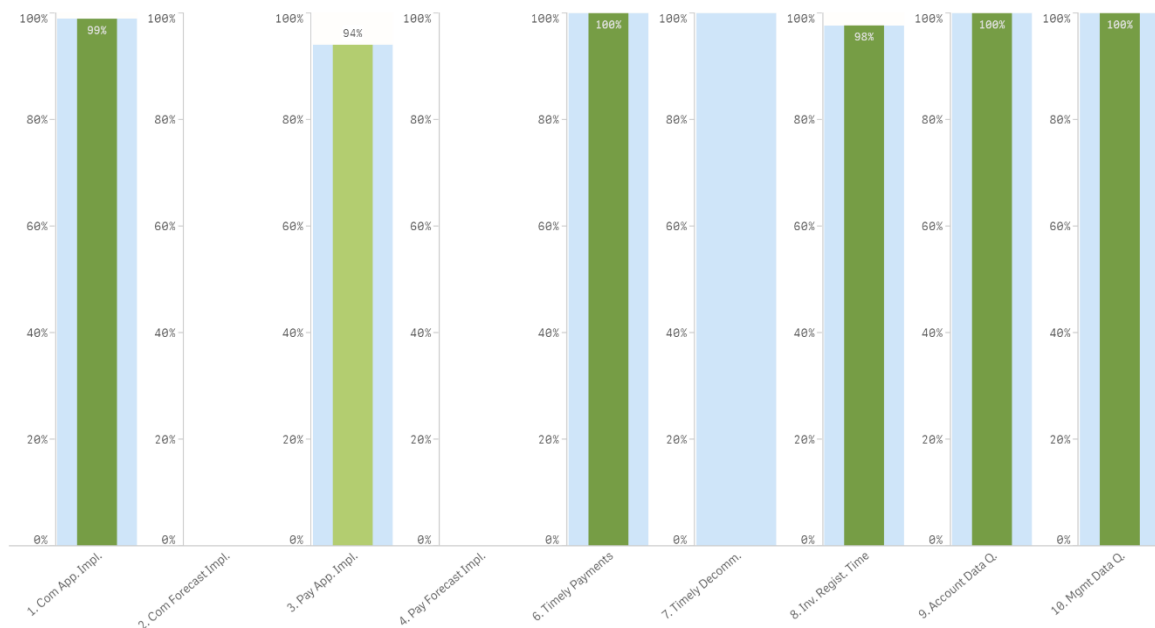
<sup>(21)</sup> An explanation behind the indicator result can be provided, e.g. the comment about the achievement itself, reference to the whole Commission performance (better or worse), reasons behind this achievement. The comment is mandatory for the 'Timely payments' indicator. For the rest of indicators the comment is mandatory only if the score is equal or below the target of 80%.

<sup>(22)</sup> Due to technical limitation: 1. the indicator does not take into account the Com L1 Consumption between the FDC ILC date and the FA FDI allowed as an exception in the external actions for Com L1 of type GF, i.e. with Financing Agreement, under the FR2018 Article 114.2. 2. it is technically not possible to exclude the decommitment of RAL (C8) which is subsequently re-committed for a new purpose. As a result, the actual Indicator score may be slightly higher than the one reported for DGs using the GF commitments.

7. Timely Decommits	Ensure efficient decommitment of outstanding RAL at the end of commitment life cycle	HaDEA maintains a 100% indicator, as a result of overall attention to accounting and transaction quality.	100%	98%
8. Invoice Registration Time	Monitor the accounting risk stemming from late registration of invoices in the central accounting system ABAC	In 2024, HaDEA improved its score on this indicator, achieving 98% compared to 96% in 2023. This is the result of the anticipated continuing increase of eGrants use and normal focus on manual invoice registration.	98%	96%
9. Accounting Data Quality	Ensure the good data quality of ABAC transactions with the focus on fields having a primary impact on the accounts	HaDEA maintains a 99% score in accounting data quality, achieved through good practices in initial encoding but also established regular and end-of-year accounting quality exercises.	99%	99%
10. Management Data Quality	Ensure the good data quality of ABAC transactions with the focus on fields having a primary impact on the management decisions	HaDEA maintains a 93% score in management data quality, achieved through good practices in initial encoding but also through regular and end-of-year transaction quality exercises, slightly impacted by the concentration of efforts on accounting quality and SUMMA preparedness.	93%	96%
11. Timely Invoice PF clearing	Ensure efficient clearing by invoices of prefinancing payments within the invoice payment time limit	HaDEA has a 100% score in this indicator, result of the continuing increase of eGrants use and normal focus on manual clearings.	100%	100%

## 2. Administrative budget

HADEA Indicator Scores for 2024 12



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

Indicator	Objective	Comment <sup>23</sup>	HADEA Score	EC Score
1. Commitment Appropriations Implementation	Ensure efficient use of commitment appropriations expiring at the end of Financial Year		99%	99%
2. Commitment Forecast Implementation	Ensure the cumulative alignment of the commitment implementation with the commitment forecast in a financial year	The indicator is not applicable for DG HADEA in 2024 due to the lack of underlying transactions recorded by DG HADEA in 2024.	-	-
3. Payment Appropriations Implementation	Ensure efficient use of payment appropriations expiring at the end of Financial Year		94%	94%
4. Payment Forecast Implementation	Ensure the cumulative alignment of the payment implementation with the payment forecast in a financial year	The indicator is not applicable for DG HADEA in 2024 due to the lack of underlying transactions recorded by DG HADEA in 2024.	-	-
5. Global Commitment Absorption <sup>24</sup>	Ensure efficient use of already earmarked commitment appropriations (at L1 level)	The indicator is not applicable for DG HADEA in 2024 due to the lack of underlying transactions recorded by DG HADEA in 2024.	-	-
6. Timely Payments	Ensure efficient processing of payments within the legal deadlines		100%	100%
7. Timely Decommittments	Ensure efficient decommitment of outstanding RAL at the end of commitment life cycle	The indicator is not applicable for DG HADEA in 2024 due to the lack of underlying transactions recorded by DG HADEA in 2024.	-	100%
8. Invoice Registration Time	Monitor the accounting risk stemming from late registration of invoices in the central accounting system ABAC		98%	98%
9. Accounting Data Quality	Ensure the good data quality of ABAC transactions with the focus on fields having		100%	100%

(<sup>23</sup>) An explanation behind the indicator result can be provided, e.g. the comment about the achievement itself, reference to the whole Commission performance (better or worse), reasons behind this achievement. The comment is mandatory for the 'Timely payments' indicator. For the rest of indicators the comment is mandatory only if the score is equal or below the target of 80%.

(<sup>24</sup>) Due to technical limitation: 1. the indicator does not take into account the Com L1 Consumption between the FDC ILC date and the FA FDI allowed as an exception in the external actions for Com L1 of type GF, i.e. with Financing Agreement, under the FR2018 Article 114.2. 2. it is technically not possible to exclude the decommitment of RAL (C8) which is subsequently re-committed for a new purpose. As a result, the actual Indicator score may be slightly higher than the one reported for DGs using the GF commitments.

	a primary impact on the accounts			
10. Management Data Quality	Ensure the good data quality of ABAC transactions with the focus on fields having a primary impact on the management decisions		100%	100%
11. Timely Invoice PF clearing	Ensure efficient clearing by invoices of prefinancing payments within the invoice payment time limit	The indicator is not applicable for DG HADEA in 2024 due to the lack of underlying transactions recorded by DG HADEA in 2024.	-	100%

## ANNEX 5: Materiality criteria

This annex provides a detailed explanation on how the Authorising officer by Delegation (AOD) defined the materiality threshold as a basis for determining whether significant weaknesses should be subject to a formal reservation to her declaration of assurance.

### 1. Introduction

HaDEA's expenditure is composed of (in order of importance): directly managed grants (92% in 2024), procurement and experts' fees.

Deciding on whether a weakness is significant is a **matter of judgement** by the Authorising Officer by Delegation, who remains responsible for the declaration of assurance, including any reservations to it. The AOD should **assess the overall impact of a weakness** and **decide whether it is material** enough that not disclosing it could affect the decisions or conclusions of those using the declaration. The benchmark for this judgement is the materiality criteria which the AOD sets when designing the internal control system under their responsibility. The materiality of residual weaknesses identified after mitigating and corrective measures is assessed based on qualitative and/or quantitative criteria, in line with the instructions for the preparation of the Annual Activity Report.

The Agency's quantitative materiality threshold is set at a residual error rate of 2%, in application of the Commission's standard practice, per programme and at the closure of the programmes. The **quantitative assessment** aims at estimating the financial impact (*amount at risk*) resulting from the errors detected. The materiality level is defined for each programme, with coherent risk characteristics for the amount at risk over the programming period.

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

### 2. Qualitative criteria for defining significant weaknesses

For all methods of implementation under its operational budget, HaDEA considers the following parameters as relevant for identifying significant weaknesses:

- **Significant control system weaknesses**

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

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

Any critical recommendations made by the European Court of Auditors, the IAS, DG BUDG or OLAF, which have not been effectively addressed should be assessed in terms of their significance. "Critical recommendation" includes those labelled as such by the auditor as well as those not labelled but considered to have a critical impact on the assurance. The impact on assurance of recommendations labelled "very important" with a significant implementation delay in the Action Plan will also be taken into account.

- **Significant reputational events**

Events or weaknesses which have a significant reputational impact on HaDEA, or indirectly on the Commission, will be reported regardless of the financial impact on HaDEA's administrative and operational budget and may lead to a reservation based on reputational concerns.

When assessing the significance of any weaknesses, the following factors are considered:

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

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

### **3. Quantitative criteria for defining reservations**

The criteria for deciding on whether there is material error in the expenditure of the Agency, and whether to make a reservation in the AAR, will be principally, though not exclusively, based on the level of residual error identified in ex-post audits of HaDEA programmes, on a multi-annual basis. The question of being on track towards this objective is to be (re)assessed annually, in view of the results of the implementation of the ex-post audit strategy and taking into account qualitative aspects, including both the frequency and importance of the errors found as well as a cost-benefit analysis of the effort needed to detect and correct them and the reputational risk associated.

The analysis and conclusions are presented concisely in the body of the Annual Activity Report.

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

Each programme is treated as a separate population. The estimated residual error risk is estimated yearly per programme by the residual error rate.

HaDEA implements and is responsible for the performance of ex-post controls on the following legacy programmes (programmes from the 2014-2020 multi-annual financial framework): CEF Telecom and the Third Health Programme <sup>(25)</sup>. In addition, HaDEA is in charge of the ex-post controls for the following programmes implemented within the 2021-2027 programming period: the EU4Health Programme, the Single Market Programme Food (SMP Food), the Connecting Europe Facility-Digital (CEF Digital) and the Digital Europe Programme <sup>(26)</sup> <sup>(27)</sup>.

The audit functions for Horizon 2020 and Horizon Europe are under the responsibility of the Common Audit Service (CAS) of the Common Implementation Centre (CIC).

For the current programmes under 2021-2027 programming period, the first two audit campaigns were released in 2024 with limited audit results at the end of 2024. For details, please refer to Annex 7.

## A. HaDEA Audit Methodology <sup>(28)</sup>

### **1) Legacy programmes (2014-2020)**

In view of the multiannual nature of the programmes managed, HaDEA developed a multiannual ex-post control strategy for legacy programmes (programming period 2014-2020).

HaDEA's ex-post control strategy for the legacy programmes is based on the following principles, intended to find an optimal balance between being (i) maximum-corrective, (ii) reasonably cost-effective and (iii) ensuring sufficient coverage to draw an assurance conclusion.

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<sup>(25)</sup> The Food and Feed Programme was already closed. Therefore, no ex-post controls were not performed for this programme in 2024.

<sup>(26)</sup> Annex I of Commission Decision C(2021)948 final – 12/02/2021 reads: *“as regards ex-post controls, for the whole Digital Europe programme: support the design by the authorising officers by delegation of the ex-post audit strategy; contribute to the design of the annual audit plan and the indicative audit programme; execute the ex-post audits and implement in a timely manner the annual audit plan; provide the authorising officers by delegation with the necessary ex-post control results in accordance with the endorsed ex-post audit strategy and the annual audit plan; participate in stakeholder communication campaigns”*.

<sup>(27)</sup> The Digital Europe Programme is covered by a dedicated audit strategy designed by DG CONNECT and HaDEA.

<sup>(28)</sup> Methodology applicable to ex-post audits performed by HaDEA.

## Sampling approach

### ***Value-based selection***

Taking into account the limited ex-post control resources, the strategy aims to detect and correct the most significant errors (amount in absolute terms). In that respect, HaDEA focuses on value-based audits (aiming at cleaning the largest amounts and thus maximising assurance). This type of approach is considered more control effective, resulting in higher returns on investment and having a dissuasive effect, as well as being cost-effective. To the best of our knowledge, there are no indications (at ex-post level) for inherently higher error rates (error in %) in the larger participations, thus the value-based audits are considered to be a non-biased 'proxy' – i.e., random enough to be able to draw conclusions from them. Auditing a statistically representative sample would not be considered cost-effective, given that then rather small participations would also be sampled.

Although the Agency recognises that the above-mentioned approach is not statistically representative, in line with DG BUDG guidance it is considered as the second-best alternative.

### ***Risk-targeted audits***

In addition to the value-based audits, the Agency performs “risk-targeted” audits of beneficiaries to a limited extent. This selection addresses specific concerns, risks or issues, detected and highlighted either by the financial or operational teams. Due to their specific nature, error rates of these “risk-targeted” audits are not included in the average proxy error rate calculation.

## Error rate calculation

### ***Detected error rates***

The detected error rate is equal to: [the EC-share of] the costs claimed as initially accepted, after the ex-ante controls (on the basis of which the audited payment was made), minus, [the EC-share of] the costs claimed as finally accepted, after the ex-post control (audit).

The “value-based” audits deliver the detected error rate on a multiannual basis <sup>(29)</sup>. The total of all individual errors calculated, covering all audits done on a given programme and leading to recoveries <sup>(30)</sup>, gives the total detected error amount and related error rate as a percentage.

The European Court of Auditors observed in its 2018 Annual Report and its review of the Commission’s ex-post audits that for Horizon 2020 the Commission’s methodology for calculating the error rate leads to an understatement of the error rate, the extent of which cannot be quantified. As a result of further related guidance received by the central services, HaDEA has ensured its methodology for the calculation of the error rate is in line to the

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<sup>(29)</sup> On an annual basis for Food and Feed Programme due to the design of the programme and in line with approach applied by DG SANTE.

<sup>(30)</sup> In some cases, a detected error at cost level has no impact on the EU contribution paid due to costs declared being over and above the maximum EU contribution.

Court's observations. Previously, the detected error rate was calculated by considering the full value of an audited financial statement in the denominator. From 2019 onwards, the detected error rate calculation is based on the sum of the costs actually audited as the denominator.

### *Residual error rate*

Residual error rates are calculated on a multiannual basis to reflect the multiannual nature of the programmes and projects. The results of ex-post controls carried out by the Agency from "value-based" audits are calculated over the programme lifetime to provide the multiannual detected error rate.

HaDEA deducts any corrections made by implementing the audit results from the total amount of errors detected. The residual error rate of each programme audited is the residual error rate applied to the audited part and the detected error rate presumed affect the non-audited part <sup>(31)</sup>.

Due to its multiannual nature, the effectiveness of the HaDEA ex-post control strategy can only be measured and assessed at the final stages of the programme's lifecycle and once it has been fully implemented. Notwithstanding the multi-annuality of the ex-post control strategy, HaDEA's Director is required to sign a yearly statement of assurance. In order to determine whether to qualify this statement of assurance with a reservation, the effectiveness of the control systems in place needs to be assessed not only for the year of reference but also with a multiannual perspective, to determine whether it is possible to reasonably conclude that the control objectives will be met in the future as foreseen.

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

For CEF Telecom and Third Health Programme, the Agency's quantitative materiality threshold is set at a residual error rate of 2%, in application of the Commission's standard practice.

## **2) Current programmes (programming period 2021-2027)**

On 20 December 2023 HaDEA adopted the ex-post audit strategy applicable to the 2021-2027 programmes <sup>(32)</sup>. The strategy defines the audit approach, the audit principles and sets indicative targets in terms of number of financial audits of grants in relation to programmes EU4Health, CEF Digital and SMP Food.

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<sup>(31)</sup> We consider that the part of payments remaining un-audited and un-corrected is affected by errors of the same magnitude of the detected error rate.

<sup>(32)</sup> Ares(2023)8756731

In addition, HaDEA implements the audit strategy for the grant part of the whole Digital Europe Programme (DIGITAL), serving all granting authorities of the programme <sup>(33)</sup>. The audit strategy for DIGITAL was drafted in close collaboration with DG CONNECT and in consultation with the DIGITAL stakeholders, and adopted on 5 July 2024.

Both audit strategies are built on the same main principles, as detailed below.

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

In view of the multi-annual nature of these programmes, HaDEA has developed multi-annual ex post audit strategies with the residual error rates calculated on a multi-annual basis.

The approach of HaDEA's ex-post audit strategy is to treat each programme as a separate population.

The population of each programme is determined by the costs declared and paid to the beneficiaries or affiliated entities through financial statements which are the basis for the calculation of the EU contribution. As payments were processed at the second half of 2023 for some of new programmes (EU4Health, Single Market Programme and the Digital Europe Programme), HaDEA has launched its first audit campaign on these programmes in 2024, based on the audit principles described below. The audits for CEF Digital will be released once the auditable population reaches the corresponding level of maturity.

The harmonised System for Grant Management (SyGMA) is the data source for the audit population and audit selection <sup>(34)</sup>.

The use of lump sums in some of the programmes (veterinary programme and phytosanitary programme as separate strand of SMP Food) will shift the controls from financial audits to the proper implementation of the action, by further developing the methodology for ex-post technical reviews. However, the audit strategy does not address the ex-post technical reviews. The modalities, roles and responsibilities of ex-post technical reviews will be covered by a separate guidance. HaDEA is currently discussing the treatment of the lump sums.

### Sampling approach

The ex-post audit strategy foresees **two layers of sampling** for 2021-2027 programmes:

- Interval sampling,
- Risk-based sampling.

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<sup>(33)</sup> In accordance with Annex I of the Delegation act to HaDEA, Commission Decision C(2021)948 final – 12/02/2021.

<sup>(34)</sup> With the exception of SMP Food grants for the period 2021-2022, which were managed outside eGrants. For these grants, the data is extracted from ABAC.

### *Sampling interval selection*

The interval sampling, while not statistically representative, is intended to be cost-efficient and to provide sufficient coverage in financial terms and in terms of mix of beneficiaries to draw relevant conclusions from the results obtained, in order to conclude on the legality and regularity of the expenditure of the programme.

### *Risk-targeted audits*

Interval sampling will be complemented by risk-targeted audits.

These audits tackle specific inherent or identified risks implying that errors rates are expected to be higher than the Detected Error Rate (DER) from the non-representative interval sample. Therefore, their error rates will not be included in the error rate calculation stemming from the interval sampling audits.

## Error rate calculation

### *Detected error rates*

The interval sample delivers the Detected Error Rate (DER) per programme. The same calculation method will be used for all HaDEA 2021-2027 programmes.

Calculation of the detected error rate <sup>(35)</sup>:

$$\text{DER (\%)} = \frac{\text{Amount of detected errors (EC share of)}}{\text{Sampled amount (EC share of)}}$$

**The amount of detected errors** corresponds to the amount of ineligible expenditure that results in a financial adjustment. It is equal to: [the EC-share of] the costs claimed as initially accepted, after the ex-ante controls (on the basis of which the audited payment was made), minus, [the EC-share of] the costs claimed as finally accepted, after the ex-post control (audit).

The sampled amount must be used as a denominator to calculate the detected error rate <sup>(36)</sup>.

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<sup>(35)</sup> AAR standing instructions, additional guidance on the calculation of error rates, the financial exposure as amount at risk, the materiality for a potential reservation and the impact on the AOD's declaration (2022 version), available on BUDGWeb.

<sup>(36)</sup> The European Court of Auditors in its 2018 Annual Report and its review of the Commission's ex-post audits observed that for Horizon 2020 the Commission's methodology for calculating the Error Rate leads to an understatement of the Error Rate the extent of which cannot be quantified. As a result of further related guidance received by the central services for the AAR 2019, the predecessor's entities have adapted their methodology for the calculation of the Error Rate in line with the Court's observations. Previously, the detected Error Rate was calculated by considering the full value of an audited financial statement in the denominator. Therefore, the Detected Error Rate calculation is based on the sampled EU contribution as the denominator for a more conservative approach.

In the performance of an audit, the sampling applied is to ascertain the risk of a material error in the financial statement of a beneficiary. For cost-efficiency reasons, it might be lower than the cost accepted by the Agency.

*Residual error rate*

Given that usually only a sample of the programme’s payments made is subject to ex-post audits, not all payments can be fully cleared from errors. In reality, the larger part of payments remains un-audited and thus un-corrected; hence probably still affected by errors of the magnitude of the detected error rate.

The estimated **Residual Error per programme** is calculated as follows:

**Residual Error = Uncorrected Errors + (Total EU Contribution – Total Sampled Contribution) \* DER**

The Residual Error is then divided by Total EU Contribution to give the **Residual Error Rate (RER)** expressed as a percentage as follows:

$$\text{RER (\%)} = \frac{\text{Residual Error (EC share of)}}{\text{Total EU Contribution}}$$

The RER represents the estimated error rate that remains in the population after audit corrections are implemented.

*Multi-annual Residual Error Rate*

Residual Error Rates are calculated on a multi-annual basis to reflect the multi-annual nature of the HaDEA programmes and projects. The results of ex-post controls carried out by the Agency from audits selected by Interval sampling are calculated over the programme lifetime to provide the multi-annual Detected Error Rate. The detected error rate is extrapolated to the non-audited EU contribution (including the non-sampled contribution from audited transactions).

Although not derived by statistical parameters that can be extrapolated to the unaudited payment population with statistical confidence, the detected error rate and the residual error rate from the ex-post audits are a key building block in the assurance building process and provide the best available indicator of the level of error in the unaudited respective population of the programmes under the scope of this audit strategy.

**B. Research Framework Programmes - Common aspects**

The assessment of the effectiveness of the different programmes' control system is based mainly, but not exclusively, on ex-post audits' results. The effectiveness is expressed in terms of detected and residual error rate, calculated on a representative sample on a multi-annual basis.

## Assessment of the effectiveness of controls

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

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

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

This results in a residual error rate —used for H2020 and Horizon Europe—which is calculated as follows:

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

where:

<b>ResER%</b>	residual error rate, expressed as a percentage.
<b>RepER%</b>	representative error rate, or error rate detected in the common representative sample, expressed as a percentage. The RepER% is composed of complementary portions reflecting the proportion of negative systemic and non-systemic errors detected. This rate is the same for all implementing entities, without prejudice to possibly individual detected error rates.
<b>RepERsys%</b>	portion of the RepER% representing negative systemic errors, (expressed as a percentage). The RepERsys% is the same for all entities and it is calculated from the same set of results as the RepER%
<b>P</b>	total requested EC contribution (€) in the auditable population (i.e. all paid financial statements).
<b>A</b>	total requested EC contribution (€) as approved by financial officers of all audited financial statements. This will be collected from audit results.
<b>E</b>	total non-audited requested EC contribution (€) of all audited beneficiaries.

**The Common Representative Sample (CRS)** is the starting point for the calculation of the residual error rate. It is representative of the expenditure of each Framework Programme as a whole. Nevertheless, the Director-General (or Director for the Executive Agencies) must also take into account other information when considering if the overall residual error rate is a sufficient basis on which to draw a conclusion on assurance (or make a reservation) for specific segment(s) of Horizon 2020/Horizon Europe. This information may include the results

of other ex-post controls, ex-ante controls, risk assessments, audit reports from external or internal auditors, among others. All this information may be used in assessing the overall impact of a weakness and considering whether to make a reservation or not.

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

Should a calculation of the residual error rate based on a representative sample not be possible for a framework programme for reasons not involving control deficiencies<sup>(37)</sup>, the consequences are to be assessed quantitatively by making a best estimate of the likely exposure for the reporting year based on all available information. The relative impact on the Declaration of Assurance would then be considered by analysing the available information on qualitative grounds and considering evidence from other sources and areas. This should be clearly explained in the AAR.

### Multiannual approach

The Commission's central services' guidance relating to the quantitative materiality threshold refers to a percentage of the authorised payments of the reporting year of the Activity-Based Budgeting (ABB) expenditure. However, the guidance on AARs also allows a multiannual approach, especially for budget areas (e.g., programmes) for which a multiannual control system is more effective. In such cases, the calculation of errors, corrections, and materiality of the residual amount at risk should be done on a "cumulative basis", on the basis of the totals over the entire programme lifecycle.

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

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

Notwithstanding the multiannual span of their control strategy, the Directors-General (and the Directors of the Executive Agencies and Joint Undertakings) implementing Research and Innovation Framework Programmes are required to sign a statement of assurance for each financial reporting year. In order to determine whether to qualify this statement of assurance with a reservation, the effectiveness of the control systems in place needs to be assessed not only for the year of reference but also with a multiannual perspective, to determine

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<sup>(37)</sup> Such as, for instance, when the number of results from a statistically representative sample collected at a given point in time is not sufficient to calculate a reliable error rate.

whether it is possible to reasonably conclude that the control objectives will be met in the future as foreseen.

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

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

### Adequacy of the audit scope

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

The Director-General (or Director for the Executive Agencies) should form a qualitative opinion to determine whether deviations from the multiannual plan are of such significance that they seriously endanger the achievement of the internal control objective. In such a case, they would be expected to qualify their annual statement of assurance with a reservation.

## C. Research Framework programmes – specific aspects

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

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

### **Horizon 2020 Framework Programme**

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

This is based on the provision of the Commission's proposal for the Regulation establishing the Horizon 2020 Framework Programme <sup>(38)</sup>, which states that:

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

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

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

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

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

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<sup>(38)</sup> COM(2011) 809/3 Proposal for a Regulation of the European Parliament and of the Council establishing Horizon 2020 – the Framework programme for Research and Innovation (2014-2020), see point 2.2, pp 98-102.

## **Horizon Europe Framework Programme**

For the Horizon Europe Framework Programme <sup>(39)</sup><sup>(40)</sup>, the general control objective, following the standard quantitative materiality threshold proposed in the standing instructions for Annual Activity Reports, is to ensure that the cumulative representative error rate and the cumulative residual error rate, i.e. the level of errors which remain undetected and uncorrected, does not exceed 2% on an annual basis. A reservation will be issued in the Annual Activity Report if the cumulative residual error rate is above the 2% materiality threshold.

### **4. De minimis rule for financial reservations**

Since 2019 <sup>(41)</sup>, a 'de minimis' threshold for financial reservations has been introduced. Quantified annual activity report reservations related to residual error rates above the 2% materiality threshold are deemed not substantial for segments representing less than 5% of a HaDEA's total payments and with a financial impact below EUR 5 million. In such cases, quantified reservations are no longer needed. Cases where the 'de minimis' threshold applies this year are reported in annex 9.

Of course, this is without prejudice of maintaining a reservation for its reputational reasons if applicable.

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<sup>(39)</sup> Regulation (EU) 2021/695 of the European Parliament and of the Council of 28 April 2021 establishing Horizon Europe

<sup>(40)</sup> This general control objective described for Horizon Europe is also applicable to FP7 framework programme legacy.

<sup>(41)</sup> Agreement of the Corporate Management Board of 30/4/2019.

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

### **1. Grants**

The principles described per different stages below apply to grants direct management for all programmes managed by the Agency, including legacy programmes 2014-2020 and current programmes 2021-2027. In 2024, the payments of grants represented 92% of the payments made by HaDEA.

The Agency uses one relevant control system per ongoing programme for the management of grants under the legacy programmes and new programmes.

The relevant control system for the 2021–2027 programmes managed by the Agency is based on the principles and best practices implemented by the Agency for the legacy programmes. The ex-post audit strategy for the 2021-2027 programmes implemented by the Agency (EU4Health Programme, SMP Food and CEF Digital) was adopted in 2023. In addition, HaDEA implements the audit strategy for the grant part of the whole Digital Europe Programme. The audit strategy for Digital Europe Programme was adopted in 2024.

The relevant control system for Horizon Europe is similar to that of Horizon 2020. The main improvements for Horizon Europe are the co-creation of the work programme by the thematic Directors' Groups, and further simplifications such as the single daily rate for personnel costs and the rollout of lump sum funding. The control strategy for Horizon Europe grant management was finalised in 2023.

An indicative list of control objectives, inherent risks and mitigating control measures for grants is detailed hereunder.

#### **Stage 1.A – Programming, evaluation, ranking and selection of proposals**

**Main control objectives:** ensuring that the Agency collaborates with the parent DGs to prepare the calls for proposals that contribute the most towards the achievement of the policy or programme objectives (effectiveness); compliance (legality & regularity); prevention of fraud (anti-fraud strategy); other horizontal priorities (ethics, gender balance, security aspects).

**Specific control objective:** contribution to the (annual) work programmes, including the preparation, adoption and publication of calls for proposals.

<b>Main risks</b> It may happen (again) that...	<b>Mitigating controls</b>	<b>Coverage,</b> <b>frequency</b> <b>and depth of</b> <b>controls</b>	<b>Cost-Effectiveness</b> <b>indicators (three E's)</b>
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<p>There is a risk that:</p> <p>Work programmes and the subsequent calls for proposals/ do not adequately reflect the policy objectives, priorities;</p> <p>Topics/ activities are incoherent;</p> <p>Essential eligibility, selection and award criteria are not adequate to ensure effective, efficient and economic evaluations of the proposals</p>	<p>The mitigating controls for these risks are mostly the ownership of the parent DGs. This said, in accordance with agency's Annual Work Programmes:</p> <p>HaDEA provides its contribution to the content of the work programmes (as per the MoUs and agreed working arrangements) in line with the policy objectives and priorities.</p> <p>While doing so, the Agency builds on its knowhow from managing the projects, to benefit the coherency of the topics.</p> <p>The Agency prepares, adopts and publishes the calls/, while ensuring that the work programmes are translated into eligibility, selection and award criteria that are adequate to ensure effective, efficient and economic evaluations of the proposals.</p> <p>Controls are implemented in collaboration with the relevant services, and foresee appropriate hierarchical validation (including consultation of parent DG).</p> <p>Under Horizon Europe, the work programmes proposed by Directors' Groups according to the Commission decision C(2021)4472 are co-created with the work of the various instances and with the processes established in this decision.</p> <p>In particular, the Common Implementation Centre (CIC) in DG Research and Innovation provides all DGs involved in the implementation of Horizon Europe research with harmonised procedures, guidance and IT tools.</p> <p>The Common Policy Centre (CPC) in DG Research and Innovation under Horizon Europe centralises the budget planning and the monitoring of the Horizon Europe's budget implementation.</p> <p>The CIC/CPC governance structure ensures that programme implementation experience</p>	<p><b>Coverage/Frequency:</b></p> <p>100% of work programmes</p> <p>100% of calls</p> <p><b>Depth:</b></p> <p>Work Programme contributions and call preparation, adoption and publication are thoroughly reviewed at all levels, including for operational and legal aspects.</p> <p>Under Horizon Europe, all business processes follow a governance system under the due supervision of instances like the Steering Board, the Executive Committee, the Directors' group and key user groups.</p>	<p><b>Effectiveness</b></p> <p>The work programme is adopted by the Commission.</p> <p>Success ratios in terms of "over-subscription": number of grant proposals retained for funding compared to number of eligible proposals received.</p> <p><b>Efficiency</b></p> <p>Estimation of cost of staff involved in the preparation and validation of the contribution to the Work Programme and preparation, adoption and publication of Calls for Proposals / Value of Contracted Grants (%).</p> <p><b>Qualitative benefits</b></p> <p>Good work programme and well-publicised calls should generate a large number of good quality proposals, from which only the best ones, meeting the policy objectives, are selected. This results in a real competition for funds.</p> <p>Under Horizon Europe: Optimised procedures, common approach on multiple issues (audits, fraud, legal aspects, reporting..); better reporting on the whole programme – better management of the programme <sup>(42)</sup></p>
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Main risks It may happen (again) that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
	gathered feeds back to the programme design.		

## Stage 1.B – Evaluation: Ranking and selection of proposals

**Main control objectives:** ensuring that the Agency selects the calls for proposals that contribute the most towards the achievement of the policy or programme objectives (effectiveness); compliance (legality & regularity); prevention of fraud (anti-fraud strategy). And other horizontal priorities (ethics, gender balance, security aspects)

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<sup>(42)</sup> The mutualisation of the support services represents a quantitative benefit which is certain but not accurately quantifiable in the context of reorganisations, new programme's setting up, general HR offsetting through the Commission.

<b>Main risks It may happen (again) that...</b>	<b>Mitigating controls</b>	<b>Coverage, frequency and depth of controls</b>	<b>Cost-Effectiveness indicators (three E's)</b>
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<p>The evaluation, ranking and selection of proposals is not carried out in accordance with the established procedures, the policy objectives, priorities and/or the eligibility criteria, or with the selection and award criteria defined in the annual work programme and subsequent calls for proposals.</p> <p>Experts have a Conflict of interest regarding the proposals they are called to evaluate.</p>	<p>Assessment by independent experts.</p> <p>Selection and appointment of expert evaluators.</p> <p>Conflict of interest checks.</p> <p>Appropriate briefing of experts, including on the evaluation of cost estimations in lump sum proposals.</p> <p>Comprehensive IT system supporting this stage and allowing better monitoring of the process.</p> <p>Validation by the AOSD of ranked list of proposals. In addition, if applicable: Opinion of Programme Committees; inter-service consultation and adoption by the Commission; publication of publishable summaries of funded projects.</p> <p>Systematic checks on operational and legal aspects performed before signature of the Grant Agreement.</p> <p>Redress/review procedure allowing an applicant, who considers that a procedural act by an authorising officer adversely affects its rights, to challenge the act.</p> <p>Generally, fraud risk and legal checks are incorporated into the procedures or on ad-hoc basis in case of doubt.</p>	<p><b>Coverage/Frequency:</b></p> <p>100% of experts for technical expertise and independence (e.g. conflicts of interests, nationality bias, ex-employer bias, collusion).</p> <p>100% of proposals are evaluated.</p> <p>100% of proposals ranked.</p> <p>Supervision of evaluation process and the work of evaluators.</p> <p>100% of contested decisions are analysed by a redress/review committee</p>	<p><b>Effectiveness</b></p> <p>Number of proposals/ evaluated.</p> <p>Success rate: amounts of retained proposals /amounts of submitted proposals.</p> <p><b>Efficiency</b></p> <p>% of Time-to-inform on time.</p> <p>Estimation of cost of all staff and other expenses (external experts, observers and logistics) involved in the evaluation and selection of proposals/ process / Value of contracted grants or (%).</p> <p>% of number of redress challenges upheld / total number of proposals evaluated (indicator to be minimised)</p> <p><b>Qualitative benefits:</b></p> <p>The evaluation of proposals is objective and performed based on high independent technical expertise. Transparency, independence and objectivity of the evaluation process attested by independent observer(s). Policy objectives of the relevant programmes can be achieved in the most economical way by selecting the best proposals resulting in a real competition for funds.</p> <p>Expert evaluators from outside the Commission bring independence, state of the art knowledge in the field and a range of different opinions. This will have an</p>
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Main risks It may happen (again) that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
			impact on the whole project cycle: better planned, better implemented projects

## Stage 2 – Preparation of grants

**Main control objectives:** ensuring that the most promising projects for meeting the policy objectives are contracted; sound financial management (optimal allocation of the budget available); compliance; prevention of fraud.

Main risks It may happen (again) that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
<ul style="list-style-type: none"> <li>- The beneficiary lacks operational and/or financial capacity to carry out the actions.</li> <li>- Procedures do not comply with the regulatory framework.</li> <li>- The evaluation stage has not detected a potentially fraudulent proposal/beneficiary.</li> <li>- The project implementation might not comply with ethics requirements.</li> <li>- Sensitive/classified information in future deliverables of a selected projects might not be handled with the adequate security measures.</li> </ul>	<ul style="list-style-type: none"> <li>- Formalized grant preparation process in place based on detailed guidance and procedures (eGrants Vademecum, GoFund, HaDEA's MoP)</li> <li>- Validation of beneficiaries and financial capacity checks for selected coordinators/beneficiaries.</li> <li>- Systematic checks on operational and legal aspects performed before signature of the grant agreement.</li> <li>- Risk assessment and risk-based checks before the grant agreement signature and reinforced monitoring flagging where necessary.</li> <li>- Ad hoc anti-fraud checks for beneficiaries with a higher risk profile.</li> <li>- Signature of the grant agreement by the AO.</li> <li>- An ethics review is carried out systematically in all Horizon Europe calls, starting with an ethics pre-screening, which results in detailed screening or assessment if necessary.</li> <li>- Ad hoc security checks and screenings security review is carried out systematically in all Horizon Europe calls, starting with pre-screening, which may result in detailed security scrutiny.</li> <li>- Financial Coverage against financial losses provided by the Participant Guarantee Fund.</li> </ul>	<ul style="list-style-type: none"> <li>- 100% of the selected proposals/ and beneficiaries/ are scrutinised.</li> <li>- Coverage: 100% of draft grant agreements</li> <li>- Depth may be differentiated; determined after considering the type or nature of the beneficiary (e.g. SMEs, joint ventures) and/or the modalities and/or the total value of the grant.</li> <li>- Given the constraints on the time to grant set out in the legislation, "negotiation" of projects is kept to a minimum, as far as possible the positively evaluated projects are accepted without modification.</li> <li>- Controls implemented when justified by the call/proposal content</li> </ul>	<p><b>Effectiveness:</b></p> <ul style="list-style-type: none"> <li>- Number of grants signed</li> </ul> <p><b>Efficiency:</b></p> <ul style="list-style-type: none"> <li>- Average time to grant ((to be minimised)</li> <li>- % of Time to grant on time (indicator to be brought as close as possible to 100%)</li> <li>- Estimated cost of staff involved in stage 2 /value of contracted grants (%)</li> </ul> <p><b>Economy/ Qualitative benefits:</b></p> <ul style="list-style-type: none"> <li>- This stage should lead to a higher assurance on the achievement of the projects and contribution to policy objectives. Economy can also be quantified by justified reduction of EU contribution during grant agreement preparation.</li> </ul>

### Stage 3 – Monitoring the execution: operational, financial and reporting aspects

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

Main risks It may happen (again) that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
<ul style="list-style-type: none"> <li>- The actions foreseen are not, totally or partially, carried out in accordance with the technical description and requirements foreseen in the grant agreement / tender contract (e.g. deliverables, open access to results and publications...);</li> <li>- The amounts paid exceed what is due in accordance with the applicable contractual and regulatory provisions;</li> <li>- The cost claims or deliverables are irregular or fraudulent;</li> <li>- Ethics requirements are not fulfilled.</li> </ul> <p><u>Horizon 2020 and Horizon Europe</u></p> <ul style="list-style-type: none"> <li>- Lack of harmonised approach within the family with the consequence of unequal treatment of the beneficiaries</li> </ul>	<ul style="list-style-type: none"> <li>- Formalised grant implementation monitoring process in place based on detailed guidance and procedures (eGrants Vademecum, GoFund, HaDEA's MoP);</li> <li>- Kick-off meetings and "launch events" involving the beneficiaries/contractors in order to avoid project management and reporting errors;</li> <li>- Specialized webinars targeting reduction of errors</li> <li>- Guidance on reporting for lump sum grants (notion of work package completion);</li> <li>- Effective external communication about guidance to the beneficiaries (including webinars and other communication channels);</li> <li>- Anti-fraud awareness raising training for the project officers;</li> <li>- IT plagiarism detection tool for deliverables;</li> <li>- Enhanced R&amp;I family approach (anti-fraud cooperation; common legal and audit service; comprehensive and common IT system for all of the R&amp;I family);</li> <li>- Operational and financial checks in</li> </ul>	<ul style="list-style-type: none"> <li>- 100% of the projects are controlled, including only value-adding checks.</li> <li>- Riskier operations subject to more in-depth controls. High-risk operations identified by risk criteria. The depth depends on risk criteria. However, in order to reduce administrative burden for beneficiaries, and to ensure a good balance between trust and control, the level of control at this stage is reduced.</li> <li>- Red flags: suspicions raised by staff, audit results, EDES, individual or "population" risk assessment.</li> <li>- Audit certificates required for any beneficiary claiming more than EUR 430 000 (for Horizon Europe), EUR 325,000 (for other programmes), except lump sums grants.</li> </ul>	<p><b>Effectiveness:</b></p> <ul style="list-style-type: none"> <li>- Number of payments (interim and final)</li> <li>- Detected error rates</li> </ul> <p><b>Efficiency:</b></p> <ul style="list-style-type: none"> <li>- Time-to-pay: % of payments made on time (indicator to be brought as close as possible to 100%).</li> <li>- Time-to pay: Average number days net/gross + suspension days.</li> <li>- Cost of all staff and non-staff expenses (e.g. external monitors) related to the monitoring of the execution of projects/contracts / amount paid (%).</li> </ul> <p><b>Economy/ Quantitative benefits:</b></p> <ul style="list-style-type: none"> <li>- Successful implementation of the actions, including building assurance on the achievement of the project/contract and policy objectives. Benefits due to operational review of projects/contracts and consequent corrective actions imposed on projects/contracts.</li> </ul> <p><u>Horizon 2020 and Horizon Europe</u></p> <ul style="list-style-type: none"> <li>- Projects are executed and produce benefits for the community.</li> <li>- The estimation is established for the grant process</li> </ul> <p>a.Estimation of cost of staff involved in the ex-ante checks</p>

	<p>accordance with the financial circuits;</p> <ul style="list-style-type: none"> <li>- Operation authorisation by the AO;</li> <li>- For riskier operations, reinforced monitoring;</li> <li>- Selection and appointment of experts for scientific reviews of intermediate and/or final reporting;</li> <li>- Application of suspension/interruption of payments;</li> <li>- Referring grant/beneficiary to OLAF/ EPP0.</li> </ul>		<ul style="list-style-type: none"> <li>-Programme management and monitoring</li> <li>-Financial management</li> <li>-Budget and accounting</li> <li>-General Coordination incl. Strategic Programming and Planning, internal control, assurance and quality management</li> <li>-Anti-fraud</li> <li>-Development and support of IT systems linked to managing funding programmes</li> </ul> <p>b. Estimation of other costs linked to ex-ante checks</p> <p>Cost of experts and costs of experts' management</p> <p>Costs of IT external contracts of CIC</p>
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## Stage 4 – Ex-post controls

### Audits

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

Main risks It may happen (again) that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
<ul style="list-style-type: none"> <li>- Erroneous payment declarations have been accepted at ex-ante level.</li> <li>- Attempted fraud has not been prevented and/ or detected.</li> </ul>	<ul style="list-style-type: none"> <li>- HaDEA's ex-post controls are subject to a multiannual audit strategy. The strategy is implemented through annual audit plans.</li> <li>- Carry out audits on a sample of operations to measure the level of error in the population after ex-ante controls have been performed.</li> <li>- Validate audit results with the beneficiary.</li> <li>- The audits are carried out independently by external contractors (i.e.</li> </ul>	<ul style="list-style-type: none"> <li>- Coverage and frequency are determined according to a multiannual HADEA ex-post control strategy</li> <li>- Detailed review and testing of supporting documents and sampled transactions related to the cost claims submitted by the audited beneficiary.</li> </ul>	<p><b>Effectiveness:</b> multiannual residual error rates per programme.</p> <p><b>Efficiency:</b> multiannual audit coverage, number of audits closed.</p> <p><b>Economy:</b> cost per ex-post audit.</p>

	<p>absence of conflict of interest).</p> <ul style="list-style-type: none"> <li>- HADEA's external audit team is not involved in the ex-ante operational or financial circuits. This is expected to increase the degree of independence and reliability of the ex-post controls.</li> <li>- For Horizon, ex-post controls are performed by the Common Implementation Centre, in accordance with the Horizon ex-post audit strategy.</li> </ul>		
<p><b>Horizon Europe</b></p> <ul style="list-style-type: none"> <li>- The ex-ante controls (as such) do not prevent, detect and correct erroneous payments or attempted fraud to an extent going beyond a tolerable rate of error.</li> <li>- Lack of consistency in the audit strategy within the family.</li> <li>- Lack of efficiency for absence of coordination: multiple audits on the same beneficiary, same programme: reputational risk and high administrative burden on the beneficiaries' side.</li> </ul>	<ul style="list-style-type: none"> <li>- Common Ex-post control strategy for the Research and Innovation family (Horizon 2020 and Horizon Europe), with ex-post financial audits performed by a central service (Common Audit Service (CAS), part of the Common Implementation Centre, DG Research and Innovation); and with ex post technical reviews performed by the implementing bodies;</li> <li>- At intervals carries out audits and reviews of a representative sample of operations to measure the level of error in the population after ex-ante controls have been performed;</li> <li>- Calculates the representative cumulative error rate for the R&amp;I programme;</li> <li>- Additional sample to address specific risks;</li> <li>- When relevant, participation in joint audits with the Court of Auditors;</li> </ul>	<ul style="list-style-type: none"> <li>- Common Representative audit Sample (CRS) for actual costs and lump sum strata: MUS sample across the programme to draw valid management conclusions on the error rate in the population.</li> <li>- Research and Innovation risk-based sample, determined in accordance with the selected risk criteria aimed to maximise deterrent effect and prevention of fraud or serious irregularities.</li> </ul>	<p><b>Effectiveness:</b></p> <ul style="list-style-type: none"> <li>- Representative and residual error rate identified;</li> <li>- Number of audits and technical reviews finalised;</li> <li>- Audit direct coverage;</li> <li>- Monitoring of audit burden and burden from technical reviews on beneficiaries;</li> <li>- % of beneficiaries &amp; value coverage.</li> </ul> <p><b>Efficiency:</b></p> <ul style="list-style-type: none"> <li>- Percentage of implementation of CAS audit plan (to be brought as closely as possible to 100%)</li> </ul>

	<ul style="list-style-type: none"> <li>- Multi-annual basis (programme's lifecycle) and coordination with other AOs concerned</li> <li>- Validate audit results with beneficiary.</li> <li>- In case of systemic error detected, extrapolation to all the ongoing projects run by the audited beneficiary (or closed within two years).</li> </ul>		
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### **Implementing results from ex-post audits/controls**

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

Main risks It may happen (again) that	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
<ul style="list-style-type: none"> <li>- The financial recommendations stemming from the ex-post financial audits and/or from the ex-post technical reviews are not implemented.</li> <li>- Errors, irregularities and causes of fraud are detected too late to take remedial measures.</li> </ul>	<ul style="list-style-type: none"> <li>- Procedures and guidance are in place to address this objective.</li> <li>- The Agency proceeds to the systematic registration of audit/control results to be implemented and tracks its actual implementation.</li> <li>- Validation of recovery in accordance with financial circuits.</li> <li>- Authorisation by AOSD.</li> <li>- If circumstances justify so, the Agency will notify suspicious cases to OLAF and ensure regular follow up of detected fraud.</li> <li>- Reinforced monitoring implemented on ongoing projects.</li> </ul> <p><u>For Horizon 2020 and Horizon Europe:</u></p>	<ul style="list-style-type: none"> <li>- Coverage: 100% of final audit results with a financial impact.</li> <li>- Depth: all audit results which lead to a recovery are examined in-depth in making the final recoveries. Systemic errors are taken into account when assessing new grant payments of the same beneficiary.</li> <li>- For Horizon: systemic errors are extended to all the ongoing non-audited projects of the same beneficiary (or closed within two years).</li> </ul>	<p><b>Effectiveness:</b></p> <ul style="list-style-type: none"> <li>- Amounts being recovered and offset.</li> </ul> <p><b>Efficiency:</b></p> <ul style="list-style-type: none"> <li>- Number/value/% of audit and technical review results pending implementation;</li> <li>- Number/value/% of audit and technical review results implemented.</li> </ul> <p><b>Economy:</b></p> <p><u>For Horizon 2020 and Horizon Europe:</u></p> <ul style="list-style-type: none"> <li>- The estimation is established for the grant process;</li> <li>- Estimation of cost of staff involved in the coordination and execution of the ex-post audit strategies and in the implementation of audits and technical reviews;</li> <li>- Costs of the appointment of audit firms and missions;</li> </ul>

	<ul style="list-style-type: none"> <li>- Coordination at the level of the R&amp;I family: FAIR committee.</li> </ul>		<ul style="list-style-type: none"> <li>- Costs of external experts and possible on-site visits for technical reviews;</li> <li>- Details of the estimated cost of controls related to shared/pooled control activities hosted by DG R&amp;I (Common Implementation Centre including Common Audit Service) for the Research and Innovation family are reported in the Annual activity reports of DG R&amp;I.</li> </ul>
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## 2. Procurement

An indicative list of control objectives, inherent risks and mitigating control measures applicable to all procurement activities managed by the Agency is detailed hereunder.

### Stage 1 – Planning

**Main control objectives:** ensuring that the Agency selects the proposals/tenders that contribute the most towards the achievement of the policy or programme objectives (effectiveness); compliance (legality & regularity); prevention of fraud (anti-fraud strategy).

**Specific control objective:** contribution to the (annual) work programmes, including the preparation, adoption and publication of calls for tenders.

Main risks It may happen (again) that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
<p>There is a risk that:</p> <ul style="list-style-type: none"> <li>- Work programmes and the subsequent calls for tenders do not adequately reflect the policy objectives, priorities.</li> <li>- Topics/ activities are incoherent.</li> <li>- Essential eligibility, selection and award criteria are not adequate to ensure effective, efficient and economic evaluations of the tenders.</li> </ul>	<p>The mitigating controls for these risks are mostly the ownership of the parent DGs. This said, in accordance with agency's Annual Work Programmes:</p> <ul style="list-style-type: none"> <li>- HaDEA provides its contribution to the content of the work programmes (as per the MoUs and agreed working arrangements) in line with the policy objectives and priorities.</li> <li>- While doing so, the Agency builds on its know-how from managing the projects, to benefit the coherency of the topics.</li> <li>- The Agency prepares, adopts and publishes the tenders, while ensuring that the work programmes are translated into eligibility, selection and award criteria that are adequate to ensure effective, efficient and economic evaluations of the tenders.</li> <li>- Controls are implemented in collaboration with the relevant services, and foresee appropriate hierarchical validation (including consultation of parent DG).</li> </ul>	<p><b>Coverage/Frequency:</b></p> <ul style="list-style-type: none"> <li>- 100% of work programmes</li> <li>- 100% of calls</li> </ul> <p><b>Depth:</b></p> <ul style="list-style-type: none"> <li>- Work programme contributions and calls for tender preparation, adoption and publication are thoroughly reviewed at all levels, including for operational and legal aspects.</li> <li>- For each tender, the checklist requires to check if the procurement need can be met by using exiting or planned contracts or studies or using an inter-institutional procurement procedure.</li> </ul>	<p><b>Effectiveness:</b></p> <ul style="list-style-type: none"> <li>- The work programme is adopted by the Commission.</li> <li>- Number of tenders procedures launched and contracts awarded.</li> </ul> <p><b>Efficiency:</b></p> <ul style="list-style-type: none"> <li>- Estimation of cost of staff involved in the preparation and validation of the contribution to the Work Programme and preparation, adoption and publication of Calls for tenders / Value of Contracted procurement (%).</li> </ul> <p><b>Economy:</b></p> <ul style="list-style-type: none"> <li>- Good work programme and well-publicised calls should generate a large number of good quality proposals, from which only the best ones, meeting the policy objectives, are selected. This results in a real competition for funds.</li> </ul>

## Stage 2 – Evaluation, award of contracts

### Main control objectives:

- Ensuring timely provision of quality services/goods that meet HaDEA's needs or operational objectives as defined in work programmes while ensuring the "best value for money" (effectiveness, efficiency and economy);
- Compliance with relevant legislation and procurement rules/principles (legality and regularity);
- Fraud prevention and detection.

Main risks	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators
<ul style="list-style-type: none"> <li>- Poor planning of procurement procedures.</li> <li>- Procurement needs are not well defined.</li> <li>- Operational objectives defined in work programmes are not met.</li> <li>- A contract with a similar scope exists.</li> <li>- Inappropriate choice of procedure or wrong calculation of the contract's value;</li> <li>- Inadequate tenders due to badly defined selection/award criteria, weightings and technical specifications;</li> <li>- Giving an advantage to certain tenderers (distorting competition) by defining biased selection/award criteria;</li> <li>- Non-compliance with legal and regulatory formalities, e.g. publication, transparency, time limits, opening of tenders, equal treatment in terms of access to additional information, evaluation, authorised signatures, standstill period etc.;</li> <li>- Conflict of interests;</li> <li>- Delayed and lengthy evaluation process;</li> <li>- Unequal treatment of tenderers, for example via biased selection criteria or partial evaluations;</li> <li>- Unprofessional evaluation of tenders due to lack of necessary skills, experience or suitable evaluation methodologies;</li> <li>- Discontinuation of the services provided due to a late contracting (poor planning and organisation of the procurement process).</li> </ul>	<ul style="list-style-type: none"> <li>- The call for tender is based on the annual work programme adopted by the Commission and elaborated in cooperation with the parent DG;</li> <li>- Formalised working arrangements between the operational/financial/procurement services (allocation of checks);</li> <li>- Formalised process of implementing procurement procedures: use of PPMT, eSubmission, and corporate templates;</li> <li>- Procedures, guidance, templates and checklists are in place (MoP or BUDGpedia);</li> <li>- AOSD supervision and approval of specifications.;</li> <li>- Use of Vademecum on Public Procurement, evaluation methodology, evaluation templates and checklists in eMoP.</li> <li>- Offers are evaluated for the exclusion, selection and award criteria published in the call for tenders;</li> <li>- Exclusion criteria are documented;</li> <li>- Signature of declaration of absence of conflict of interests by persons involved in tender opening and evaluation;</li> <li>- The award decision is taken by the Head of Department;</li> <li>- Ex-post publication (possible reaction from tenderer/ potential tenderer such as whistle blowing);</li> <li>- Publication of intended procurements/work programme;</li> <li>- In case of technical tenders, the Agency consults experts for</li> </ul>	<p><b>Coverage/ Frequency:</b> 100%</p> <p><b>Depth:</b> All tenders are thoroughly reviewed at all levels, including for operational and legal aspects.</p>	<p><b>Effectiveness:</b> Number of 'valid' complaints or litigation filed.</p> <p><b>Qualitative Benefits:</b> A good procurement plan and well publicised calls for tender should generate a large number of good quality bids, from which the best can be chosen. There will therefore be a real competition.</p>

	drafting the tender specification; - Explicit allocation of responsibilities, approval of the text by the Responsible Authorising Officer (RAO).		
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### Stage 3 – Monitoring the execution: monitoring of the operational and reporting aspects related to the contract

#### Main control objectives:

- Ensuring adequate contracting arrangements for monitoring the contractor’s performance and results (effectiveness & efficiency);
- Ensuring that the operational results (reports and other deliverables) meet the objectives and conditions agreed in the tender and in the contract (effectiveness & efficiency);
- Ensuring compliance with the legal and regulatory requirements (e.g., time limits, authorised signatures) (legality & regularity);
- Preventing fraud (anti-fraud strategy).

Main risks	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators
<ul style="list-style-type: none"> <li>- Poor contract performance;</li> <li>- Unjustified or erroneous payments;</li> <li>- Poorly adapted payment/other type of arrangements;</li> <li>- Insufficient contractual provisions regarding contractor’s performance (no monitoring arrangements or liquidated damages foreseen in the contract, no use of standard contracts).</li> </ul>	<ul style="list-style-type: none"> <li>- Use of model contracts recommended by the Commission, adapted to the programmes;</li> <li>- Application of the four-eyes principle;</li> <li>- Explicit allocation of responsibilities;</li> <li>- Operational and financial ex-ante checks in accordance with the financial circuits and using templates/checklists published in Manual of Procedures; authorisation by AOSD;</li> <li>- Regular contacts with service providers to ensure implementation in compliance with contractual provisions;</li> <li>- Application of suspension, interruption and deduction of payments on a case-by-case basis where there exists bad faith or gross negligence, while respecting the principle of proportionality;</li> <li>- Referring justified cases to OLAF, flagging the legal entity in EDES;</li> <li>- Recovery of paid amounts.</li> </ul>	<p><b>Coverage, frequency:</b> 100% of the contracts are controlled.</p> <p><b>Depth:</b> The depth depends on risk criteria. For high-risk operations, reinforced monitoring on deliverables timing.</p>	<p><b>Effectiveness:</b> Number of payments suspension/ interruption</p> <p><b>Efficiency:</b> Late interest payment and damages paid</p> <p><b>Qualitative Benefits:</b> Procurements are executed and produce benefits for the Agency.</p>

## Stage 4 – Supervisory measures

**Main control objectives:** Ensuring that any weakness in the procedures (tender and financial transactions) is detected and corrected.

Main risks	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators
<p>An error or lack of compliance with regulatory and contractual provisions, including technical specifications or fraud is not prevented, detected or corrected by ex-ante control, prior to payment.</p>	<ul style="list-style-type: none"> <li>- Operational and financial ex-ante desk checks by the Agency's staff in accordance with the financial circuits, Manual of Procedures, and internal guidelines; four-eyes principle is applied.</li> <li>- Monitoring visits or meetings to check technical progress and deliverables.</li> <li>- Fraud awareness, trainings and information sessions are organized.</li> <li>- Detailed checking of reports and deliverables against the contract requirements to detect deviations timely and redirect the project on track.</li> <li>- Application of suspension, interruption and deduction of payments in cases of bad faith or gross negligence, respecting the principle of proportionality.</li> <li>- Submitting cases to OLAF in case of suspicion of irregularities/fraud; flagging in Early Detection and Exclusion System (EDES).</li> <li>- Ex-post publication.</li> <li>- Whistleblowing procedures in place.</li> </ul>	<ul style="list-style-type: none"> <li>- 100% of the contracts are controlled.</li> <li>- The depth depends on risk criteria.</li> <li>- High-risk operations identified by risk criteria.</li> <li>- Red flags: suspicions raised by staff, audit results, EDES, individual or "population" risk assessment.</li> </ul>	<p><b>Effectiveness:</b> Number of suspension/interruption/rejection of payments.</p> <p><b>Efficiency:</b> - Number of cases referred to OLAF; - Number of fraud awareness trainings.</p> <p><b>Benefits:</b> Amounts detected associated with fraud and error.</p>

## **ANNEX 7: Specific annexes related to "financial management"**

### **1. Reports and documentation considered for the assessment of the DG's functioning in view of the AOD's assurance:**

Assurance is provided on the basis of information on the efficiency and effectiveness of internal control systems and governance processes. The management monitors the functioning of the internal control systems on a continuous basis and carries out an objective examination with internal and external auditors. The results are explicitly documented and reported to the Director. The following reports/documentation have been considered:

- The declarations from the authorising officers by sub-delegation;
- The results of the annual risk assessment exercise;
- The reports on recorded exceptions, non-compliance events, and any cases of 'confirmation of instructions' (Art 92.3 FR);
- The outcome of ex-post audit results and anti-fraud activities;
- 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 recommendations reported by the European Court of Auditors (ECA);
- The report on the annual assessment of the internal control systems of HaDEA;
- The results of the corporate indicators reported in the Annex 4.

The systematic analysis of the available evidence provides sufficient guarantees as to the completeness and reliability of the information reported and results in the full coverage of the budget delegated to the Director of HaDEA.

### **2. Financial Regulation: Additional reporting requirements resulting from the 2018 and 2024 revisions**

In line with the requirements of the Financial Regulation, HaDEA reports for the year 2024:

- 1)** Cases of any in-kind donation made to the Union, for the purposes of humanitarian aid, emergency support, civil protection or crisis management aid (FR art 25.3): no such cases for the department;
- 2)** Cases of "confirmation of instructions" (FR art 92.3): no such cases for the department;
- 3)** Cases of financing not linked to costs (FR art 125.3): no such cases for the department;
- 4)** Financial Framework Partnerships >4 years (FR art 131.4): no such cases for the department;
- 5)** Cases of flat-rates >7% for funding indirect costs (FR art 184.6): HaDEA manages grants under Horizon 2020 and Horizon Europe. The basic acts of these programmes

provide for a 25% flat rate for indirect costs, by derogation to the Financial Regulation <sup>(43)</sup>.

**6) 185** derogations from the principle of non-retroactivity pursuant to Article 196 of the Financial Regulation <sup>(44)</sup>.

Each beneficiary requesting a retroactive starting date has to duly justify such request, which is then assessed by the AOSD.

— **48 cases under EU4Health;**

- i) 18 grants under the call EU4H-2024-OG. For these grants, the call text mentions “A retroactive starting date can be granted exceptionally for duly justified reasons — but never earlier than the proposal submission date and not before the beginning of the financial year.”
- ii) 4 grants under the call EU4H-2023-PJ (grants for conferences).
- iii) 21 grants under the call EU4H-2023-ERN2-IBA
- iv) 1 grant under the call EU4H-2023-PRES2-IBA; 2 grants under the call EU4H-2024-JA-3-IBA; 2 grants under the call EU4H-2023-DGA-MS3-IBA. These are direct grants to Member States. Here again, a start date before the signature of the grant agreement was assessed by the AOSD separately on the merits of each request.

— **107 cases under SMP Food** - The signature of these grants follows the timeline foreseen in the SMP Regulation and/or the SMP Food annual work programme timeline for these specific actions for designated beneficiaries. Their start is always retroactive to ensure that the continuity of these annual compulsory actions is ensured.

— **4 cases under Horizon Europe Cluster 1 – Health.**

- i) 2 grants under the call HORIZON-HTLTH-2024-DISEASE-03-two-stage (04/24)
- ii) 1 grant under the call HORIZON-HLTH-2024-TOOL-11
- iii) 1 grant under the call HROIZON-HLTH-2024-DISEASE-08

These grants choose a “fixed” starting date during the grant agreement preparation, but not all beneficiaries were able to sign in time the grant agreement before the designated date, and this resulted in a retroactive starting date. In such cases, costs incurred prior to the date of submission of the grant application are not eligible and therefore the retroactivity had no impact on the project management of these grants.

— **4 cases under Horizon Europe Cluster 4 – Digital, Industry and Space**

- i) 1 grant under the call HORIZON-CL4-2023-DATA-01. The project was part of a batch of three reserve list projects, which were only approved by the Commission on the 30th of May 2024. Since the GAP of this project was already

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<sup>(43)</sup> Regulation (EU) 2021/695 on Horizon Europe: [Regulation - 2021/695 - EN - EUR-Lex](#)  
Regulation (EU) 1291/2013 on Horizon 2020: [Regulation - 1291/2013 - EN - EUR-Lex](#)

<sup>(44)</sup> Some of these cases involved retroactive eligibility of costs prior to the submission of the relevant proposal.

finalised, it was not possible to postpone the starting date, which therefore became retroactive.

- ii) 1 grant under the call HORIZON-CL4-2023-PRESIDENCY-EVENT-2024-IBA. The grants related to Presidency events typically have retroactive dates, as the Call deadline is often too late with regards to the actual start of the work to organise the conference.
- iii) 1 grant under the call HORIZON-CL4-2023-SPACE-01. The signature of the grant for the project was delayed to complete the assessment of the ownership and control of the beneficiary as required by Article 22.5 of the Horizon Europe Regulation 2021/695.
- iv) 1 grant under the call HORIZON-CL4-2023-SPACE-PARTNERSHIP-IBA. The signature of the grant for the project GLOCS3 was delayed since Q4/2023 to wait for the establishment of the SPACE Partnership association for the competitiveness of Europe. This was a prerequisite as the SPACE Partnership was identified as the legal entity that will implement the Identified Beneficiary Action. The SPACE Partnership's MoU was signed in September 2024. After that, the finalisation and the signature of the Grant Agreement took some weeks; it was done on 19.11.2024. The derogation was approved considering that, for several months prior to the signature of the GA, the consortium had started its work and had already been actively contributing to the preparation of the WP2025. It was therefore deemed acceptable that beneficiaries could start being reimbursed for this activity at least as of 1.10.2024.

— **4 cases under CEF-Digital:**

- i) 1 grant under the call CEF-DIG-2023-5GSMARTCOM-EDGE
- ii) 3 grants under the call CEF-DIG-2023-GATEWAYS

Article 4(6) of the CEF Regulation 2021/1153 allows retroactivity back to 1 January 2021. The call texts allow retroactivity back to the date of proposal submission. Such a retroactivity may be justified for CEF-Digital projects, since they concern digital infrastructure: an earlier start of operations provides evidence of a higher degree of maturity, which is one of the evaluation criteria. All cases mentioned above have been subject to a note to the file approved by the AOSD.

— **18 cases under DIGITAL:**

- i) 14 grants under the call DIGITAL-2023-DEPLOY-04. The Safer Internet and EDMO projects selected under call DIGITAL-2023-DEPLOY-04 are a continuation of previously EU funded projects. They are all hubs part of European networks. To achieve their objectives, it is important that all the hubs are operative and functioning at the same time.
- ii) 1 grant under the call DIGITAL-2023-CLOUD-DATA-04. A fixed start date was requested to secure continuity of the work and to minimise the gap in between grant agreements.
- iii) 1 grant under the call DIGITAL-2023-CLOUD-DATA-AI-05. A fixed start date on 01/10/2024 was requested to allow the consortium to start in full capacity.

- iv) 2 grants under the call DIGITAL-2023-SKILLS-05. For both projects, the coordinators requested a fixed start date which considered the complexity of the projects and allowed to minimise the risk of overlaps and potential interruptions in the delivery of the courses with end-of-year activities (e.g. financial year closure and other institutional activities).
- 7)** 9 cases of financial support to third parties (FTSP) >EUR 60 000 (FR art 207). The financial support to third parties was foreseen in the work programmes or call texts of the calls under which these 9 projects were funded, and reflect the specificities of the calls.
- 6 grants under Horizon Europe – Cluster 4 (Digital):
    - AID4SME (101189562), ROB4GREEN (101189665), COSMIC (101189676), AMALTEA (101189678), AEROSUB (101189723), iBot4CRMs (101189783). All these projects stem from the same topic in the [2023-2024 Horizon Europe work Programme](#) (HORIZON-CL4-2024-DIGITAL-EMERGING-01-04). The call text states that projects should use FSTP to leverage novel technical advantage to address the operation of the pilot and to thereby support end users and service providers in addressing the challenges of the green deal. The maximum amount to be granted to a third party is EUR 200 000. This is justified by the fact that third parties' grants may include robotics components, requiring high equipment investment and/or important effort to integrate in a use-case to address robotics challenges.
    - 2 grants under Horizon Europe – Cluster 1 (Health): in both cases, the FSTP is foreseen by [2023-24 Horizon Europe work programme](#), which states that FSTP is one of the primary objectives of the action to be able to achieve its objectives.
      - FILOFAX (101167138): The maximum amount to be granted to a third party is EUR 35 million. This is justified by the high cost of development for new vaccines.
      - ERDERA (101156595): The maximum amount to be granted to each third party is EUR 10 million. This is justified by the pooling of proposers' in-kind contributions and in-house activities and by the nature of activities to be performed.
  - 1 grant under Digital Europe Programme:
    - C4DD (101195051): the support to third parties was foreseen and allowed in the [call text](#). The maximum amount per third party is set to EUR 150 000. It is justified by the actions under this call, whose objectives would otherwise be impossible or overly difficult to achieve.
- 8)** Cases of non-financial donations provided in the form of services, supplies or works (FR art 244.3): no such cases for the department.

### 3. Control benefits

HaDEA portfolio encompasses both grants and procurement, with the expenditure categorised into directly managed grants (representing 92% of payments in 2024),

procurement, and expert services. Consequently, the analysis of control efficiency indicators is focused primarily on grants.

## Grants

### *Stage 1 – Programming, evaluation and selection of proposals*

The benefits of the stage 1 – programming, evaluation and selection of proposals are difficult to identify in quantitative or monetary terms. Nevertheless, **the Agency has estimated the benefits to more than EUR 24 million.**

<b>Benefits Stage 1</b>	<b>EU4Health</b>	<b>SMP Food</b>	<b>Horizon Cluster 1</b>	<b>CEF-2</b>	<b>DIGITAL</b>	<b>HE Cluster 4 – Digital</b>	<b>HE Cluster 4 – Industry</b>	<b>HE Cluster 4 – Space</b>	<b>Total</b>
% success rate: number of selected (funded) vs. eligible proposals	59%	100%	19%	76%	20%	8%	12%	39%	<b>28%</b>
Requested funding ineligible proposals (EUR million)	1,19	1,11	33,31	0,00	53,73	13,67	33,16	0,00	<b>136,18</b>
Benefit (requested funding ineligible proposals * success rate) (EUR million)	0,70	1,11	6,45	0,00	10,84	1,12	4,06	0,00	<b>24,27</b>

In qualitative terms, the benefit of the evaluation and selection stage is the identification of proposals that best address the objectives and priorities of the work programmes which, thanks to their high maturity, have the best chances for successful completion within the eligibility period, and which provide the highest EU added value for the completion of the respective policy targets <sup>(45)</sup>.

<b>Control effectiveness ratios - proposals</b>	<b>EU4Health</b>	<b>SMP Food</b>	<b>Horizon Cluster 1</b>	<b>CEF-2</b>	<b>DIGITAL</b>	<b>HE Cluster 4 – Digital</b>	<b>HE Cluster 4 – Industry</b>	<b>HE Cluster 4 – Space</b>	<b>Total</b>
Number of submitted proposals	247	196	488	74	174	385	548	28	<b>2140</b>
Number of inadmissible proposals	41	0	11	4	20	2	15	0	<b>93</b>
Number of ineligible proposals	2	4	15	0	35	5	10	0	<b>71</b>
Number of withdrawn/duplicate proposals	0	0	1	0	0	0	0	0	<b>1</b>
Number of eligible proposals	203	140	460	70	119	378	523	28	<b>1921</b>
Number of proposals selected for funding – “main” list	117	140	89	140	21	30	59	11	<b>607</b>

<sup>(45)</sup> Some ‘discrepancy’ in the tables can be explained by the fact that proposals were evaluated and grants signed in 2025, thus not falling into the reporting period. For instance: for SMP Food, 196 proposals were submitted; however 52 eligible EURLs/EURCs proposals were signed in 2025, so not counted for 2024.

Number of proposals selected for funding – “reserve” list	2	0	0	0	3	1	5	0	<b>11</b>
Number of total proposals selected for funding	119	140	89	53	24	31	64	11	<b>531</b>
% success rate: number of selected (funded) vs. eligible proposals	59%	100%	19%	76%	20%	8%	12%	39%	<b>28%</b>

<b>Control effectiveness ratios - evaluation review requests</b>	<b>EU4Health</b>	<b>SMP Food</b>	<b>Horizon Cluster 1</b>	<b>CEF-2</b>	<b>DIGITAL</b>	<b>HE Cluster 4 - Digital</b>	<b>HE Cluster 4 - Industry</b>	<b>HE Cluster 4 - Space</b>	<b>Total</b>
Number of proposals evaluated	203	140	1280	70	75	378	523	28	<b>2697</b>
Number of evaluation review requests received	6	0	30	1	4	3	15	0	<b>59</b>
Number of evaluation review requests leading to a re-evaluation	0	0	0	0	0	0	2	0	<b>2</b>
% of evaluation review requests vs proposals evaluated	2,96%	0,00%	2,34%	1,43%	5,33%	0,79%	2,87%	0,00%	<b>2,19%</b>
% of review requests leading to re-evaluation vs proposals evaluated	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,38%	0,00%	<b>0,07%</b>

## **Stage 2 – Grant preparation and contracting**

The financial impact of the adjustment process is defined as the reduction, expressed as a percentage, of the EC contribution to the grant agreements as a result of the adjustment process itself. Detailed figures are shown below:

<b>Financial impact of the adjustment process</b>	<b>EU4Health</b>	<b>SMP Food</b>	<b>Horizon Cluster 1</b>	<b>CEF-2</b>	<b>DIGITAL</b>	<b>HE Cluster 4 - Digital</b>	<b>HE Cluster 4 - Industry</b>	<b>HE Cluster 4 - Space</b>	<b>Total</b>
Number of GA signed	148	118	81	52	60	33	70	13	<b>575</b>
EC funding requested in proposals (EUR million)	388,23	503,95	608,26	397,19	134,13	221,40	4 013,96	40,84	<b>6 307,95</b>
EC funding granted through signed GA (EUR million)	390,33	91,98	605,09	270,54	123,53	220,82	4 013,96	40,84	<b>5 757,09</b>
Difference EC funding requested/granted	2,10	-411,97	-3,16	-126,65	-10,60	-0,58	0,00	0,00	<b>-550,87</b>
Reduction rate (%)	-0,5%	81,7%	0,5%	31,9%	7,9%	0,3%	0,0%	0,0%	<b>8,73%</b>

During the grant preparation phase, a total of EUR 550,87 million was reduced from the requested funding. This can be considered as a quantifiable benefit of the contracting phase in 2024.

From a qualitative perspective, the whole committed budget is checked for appropriateness (actions not directly related to the achievement of programme objectives are thus excluded), as well as enhancing the prevention of future errors and leading to a higher assurance on the achievement of the project objectives and results.

### **Stage 3 – Monitoring the execution**

<b>Detected errors ex-ante controls</b>	<b>EU4Health</b>	<b>3rd Health Programme</b>	<b>SMP Food</b>	<b>Horizon Cluster 1</b>	<b>H2020 (SC1)</b>	<b>CEF-2</b>	<b>DIGITAL</b>	<b>CEF-Telecom (DSI)</b>	<b>HE Cluster 4 – Digital, Industry and Space</b>	<b>H2020 – SC5, LEIT</b>	<b>Total</b>
Value of cost claims controlled ex-ante	55,20	22,80	37,71	298,48	529,41	13,24	59,15	13,24	533,96	803,44	<b>2 366,62</b>
Value rejected costs	0,50	0,09	1,13	0,85	3,83	0,18	0,23	1,47	1,67	1,62	<b>11,58</b>
% detected error during ex-ante controls	0,91%	0,39%	2,99%	0,29%	0,72%	1,37%	0,38%	11,09%	0,31%	0,20%	<b>0,49%</b>

The ex-ante controls aim to identify and prevent irregularities, allowing for immediate correction and avoid time-consuming recovery actions. As can be concluded from the table, the ex-ante controls result in a considerable amount of detected errors and rejected costs in the cost claims submitted by the beneficiaries for a total value of **more than EUR 11.58 million** for programmes managed by the Agency. This can be considered as a quantifiable benefit of the monitoring phase in 2024.

The qualitative benefits of this stage are the following: monitoring, processing amendments and scrutinising costs claimed by beneficiaries contribute to the legality and regularity of the transactions. While the benefits of this stage materialise mainly in financial terms, the qualitative benefits generated by these controls are prevention of errors and deterrent effect of controls leading to an overall improvement of the financial efforts carried out by the Agency.

### **Stage 4 – Ex post controls/audits**

The **qualitative benefits** of this stage are as follows:

- An audit has a preventive and deterrent effect in the fight against fraud, corruption, conflict of interests and double funding;

- An audit has learning effect for beneficiaries, helping to reduce errors in the current and future cost declarations;
- It enhances the beneficiaries' awareness for correctly reporting eligible costs by demonstrating that their probability to be audited is not negligible;
- It also contributes to the improvement of ex-ante controls and clarification of rules and guidance by providing results and findings from ex-post audits to the actors responsible for the stages 1 to 3.

In addition, the HaDEA ex-post team provides feedback on audit findings to the Agency management and responsible staff, which aims to improve the internal controls and reduce of future error rates.

The **quantitative benefits** of Stage 4 correspond to the detected errors during the ex-post controls. In 2024, the detected errors for the programmes audited amounted to EUR 2.40 million (i.e. EUR 0.68 million for CEF Telecom, EUR 0.69 million for the Third Health Programme, EUR 0.01 million for the EU4Health, EUR 0.02 million for SMP Food and EUR 1.00 million for H2020).

The Agency carries out ex-post audits to contribute to the assessment of the legality and regularity of transactions. The ex-post audits are performed by the Agency on the costs declared to the Agency except for Horizon 2020 and Horizon Europe. For Horizon 2020 and Horizon Europe, the Common Audit Service is responsible for ex-post controls for the whole Research and Innovation family.

#### a) Ex-post controls performed by the Agency

The programmes managed by Agency are implemented under the direct management scheme, which entails direct financial contributions through co-financed contracts signed with beneficiaries / partners. To have reasonable assurance that the payments authorised are legal, regular and compliant with the applicable contractual provisions, the Agency carries out ex-post controls. The ex-post controls complement the ex-ante controls embedded in Agency's programme management processes.

#### *Legacy programmes*

The Agency's ex-post control strategy, applicable to the 2014-2020 legacy programmes managed by the Agency – CEF Telecom, Food and Feed and the Third Health Programme, was adopted after these programmes were transferred under the responsibility of the Agency, i.e., on 13 July 2021. This strategy contributes on a multiannual basis to the assurance on the legality and regularity of payments by detecting and correcting errors made by beneficiaries.

## Results of the ex-post controls

Details on the multiannual residual error rates for CEF Telecom and Third Health programme by the end of 2024 <sup>(46)</sup> are:

Multiannual Residual Error Rate	CEF Telecom	Third Health
Total number of closed participations	118	66
1. Audited EU Contribution value-based sample (EUR)	44,549,640	18,149,741.34
2. Audited EU Contribution risk-based sample (EUR) <sup>(47)</sup>	5,046,020	1,395,193.63
3. Total audited EU Contribution (EUR) = (1) + (2)	49,595,660	19,544,934.97
4. Detected error value-based sample (EUR)	1,617,250	901,862.94
5. Detected error risk-based sample (EUR)	1,911,768	2,750.40
6. Detected error rate = (4)/(1)	3.63%	4.97%
7. Total errors corrected for value-based sample (recovery orders, or offsetting) (EUR)	1,050,788	211,703.99
8. Errors not corrected for value-based sample (EUR)	567,634	690,158.95
9. Total EU Contribution (EUR)	337,818,998	199,071,125.14
10. Audit coverage = (3)/(9)	14.68%	9.82%
11. Calculated residual error (EUR) = (8) + [(9)-(3)]*(6)	11,030,774	9,610,838.06
12. Calculated residual error rate = (11)/(9)	3.27%	4.83%

### CEF Telecom (excluding WiFi4EU <sup>(48)</sup>)

Audits of CEF Telecom started in 2017 at INEA, the predecessor of the Agency responsible for this segment. In 2021, following the administrative transfer of this programme to HaDEA, the segment did not fulfil the de-minimis criteria <sup>(49)</sup> and the Agency issued a reservation applicable to the segment CEF-Telecom (DSI).

To prevent, detect and correct the errors earlier in the project lifecycle, HaDEA continued the efforts started by INEA and adopted and implemented further remedial actions, both at ex-ante and ex-post levels. The risks are being regularly monitored and mitigated. Mitigating measures adopted and implemented include: 1) at-ex ante level: improved guidance to beneficiaries, raising awareness campaigns on frequent errors, strengthening ex-ante controls; 2) at-ex post level: increased audit coverage, close monitoring of the implementation of audit findings.

<sup>(46)</sup> For the Food and Feed programme, the audit strategy was fully implemented and closed in 2023

<sup>(47)</sup> More information about the risk-based selection is provided in Annex 5.

<sup>(48)</sup> As WiFi4EU is based on a fixed lump sums and payment are based on technical parameters, it is not covered by the Audit Strategy, as there are no 'financial statements' available for the ex-post controls.

<sup>(49)</sup> In 2019, a de minimis rule for financial reservations was introduced stipulating that quantified AAR reservations related to residual error rates above the 2% materiality threshold are deemed not substantial and are no longer needed for segments representing less than 5% of a DG's total payments and with a financial impact below EUR 5 million. In 2021, the financial exposure of the programme was below EUR 5 M EUR (EUR 2.38 M EUR), but its share in budget implementation represented 5.23% of the total payments of the Agency.

These remedial actions had led in the last years to a positive trend, reflected in the continuous decrease of the error rate. The rate increase in 2024 was caused mainly due to one audit report with a high detected error rate which was finalised in the last quarter of 2024 and for which the audit findings were not yet implemented by the end of the year.

**Error rate evolution (2018-2024)**

CEF Telecom programme – DSI	2018	2019	2020	2021	2022	2023	2024
<b>Detected error rate</b>	1.24%	5.37%	4.95%	4.11%	3.91%	2.82%	3.63%
<b>Residual error rate</b>	1.10%	5.26%	4.73%	3.84%	3.28%	2.46%	3.27%
<b>Reservation</b>	No	No	No	Yes	No	No	No

Given the fact that the main cost category for CEF projects is personnel costs, the audit findings with the largest financial impact for audits selected by value-based sampling are related to the incorrect calculation of personnel costs, either in terms of incorrect methodology for calculating hourly rates or number of productive hours, or deviations of hours claimed compared to timesheets or missing supporting documentation. However, findings were detected as well in other cost categories, related to costs not directly linked to the project or ineligible subcontracting.

At the end of 2022, even though the residual error rate remained above the 2% materiality threshold at 3.28% at the end of 2022, the reservation was lifted, as the cumulative conditions of the ‘de minimis’ rule were met <sup>(50)</sup>. In 2023, the residual error rate further decreased to 2.46% but remained above the 2% materiality threshold. As the ‘de minimis’ rule applied in this case, no reservation was issued.

Similarly, in 2024 based on the 118 audited participations closed up to now, the cumulative criteria for the ‘de minimis’ criteria are met. Therefore, there is no need to issue a reservation for CEF-Telecom (DSI) for the year 2024 <sup>(51)</sup>.

The Agency closely monitors the multi-annual residual error rate and will still carry out a few ex-post audits on CEF-Telecom (DSI) in 2025. Considering the gradual phasing out of the programme, HaDEA has implemented all possible suitable ex-ante and ex-post controls, to the extent that they remain cost-effective and do not affect the other policy/programme objectives. The identified residual weaknesses are not considered as significant in terms of monetary loss or possible reputational risks and are below the established exposure limits. As CEF-Telecom DSI falls within the ‘de minimis’ criteria for reporting, there is no reservation required for CEF-Telecom DSI in the current report <sup>(52)</sup>.

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<sup>(50)</sup> At the end of 2022, the share of the programme in budget implementation represented 0.79% of the total payments of the Agency and the financial exposure was below EUR 5 million (EUR 1.4 million).  
<sup>(51)</sup> At the end of 2024, the share of the programme in budget implementation represented 0.63% of the total payments of the Agency and the financial exposure was below EUR 5 million (EUR 1.4 million).  
<sup>(52)</sup> The ‘de minimis’ rule states that: quantified reservations, related to residual error rates above the materiality threshold, are deemed not substantial for segments representing less than 5% of the total payments made and with a financial impact below EUR 5 million. At the end of 2024, the share of the programme in budget implementation represented 0.63% of the total payments of the Agency and the financial exposure was below EUR 5 million (EUR 1.4 million).

## Third Health Programme

Audits of the Third Health programme started in 2018 at CHAFEA, the predecessor of the Agency.

The detected error rate based on 49 closed audit participations at the end of 2023 was 1.79%. By the end of 2024, based on 66 closed audit participations, it has risen to 4.83%.

This is mainly due to three audit reports closed in 2024 with a high error rate. It shows that with a limited population a few audits with a significant error rate can have a strong impact on the overall error rate calculation.

### Error rates evolution (2019 <sup>(53)</sup>-2024)

Third Health Programme	2019	2020	2021	2022	2023	2024
<b>Detected error rate</b>	0.82%	2.15%	2.15%	1.96%	1.86%	4.97%
<b>Residual error rate</b>	N/A	1.96%	1.96%	1.88%	1.79%	4.83%
<b>Reservation</b>	No	No	No	No	No	No

Given the fact that the main cost category for Third health programme is personnel costs, the audit findings with the largest financial impact in audits are related to the personnel costs category. They include miscalculation of hourly rates, unreliable time records or lack of supporting documents. A specific problem was detected as well in the design of some actions for instance in the ERN grants, which are established as mono-beneficiary grants and where affiliation of entities is not applicable. However, the nature of the implemented actions required the use of both scientific and academic expertise which led to inaccuracies in the methods of secondment and assignment of staff. Findings with high financial impact were detected also in other categories, where contributions in kind were claimed as actual costs, or for the subcontracting where no evidence that value for money was achieved was provided to the auditors, invoices were not issued by the subcontractors or there were no contracts in place with subcontractors.

As the residual error rate for the Third Health programme is above the materiality threshold of 2%, an assessment of the need to report a reservation in the AAR was made. The analysis showed that 'de minimis' thresholds for a quantified financial reservation are not exceeded and no financial reservation is required.

In 2024, the financial exposure of the programme was below EUR 5 M EUR (EUR 1.1 M EUR), and its share in budget implementation represented 0.21% of the total payments of the Agency.

HaDEA closely monitors the multiannual residual error rate and will still perform a few ex-post audits for the Third Health Programme, bearing in mind the programme's gradual phase-out

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<sup>(53)</sup> No audit results available in 2018 for this programme.

## *Programming period 2021-2027*

The multiannual HaDEA ex-post audit strategy related to the 2021-2027 programmes managed by the Agency was approved on 20 December 2023.

The strategy defines the audit approach, the audit principles and sets indicative targets in terms of number of financial audits of grants in relation to programmes EU4Health, Connecting Europe Facility Digital and SMP Food.

In addition, the Digital Europe Programme ex-post audit strategy drafted in close collaboration with DG CONNECT was approved on 5 July 2024.

HaDEA implements the audit strategy for the whole Digital Europe Programme (DEP), serving all Granting Authorities of the programme, in line with HaDEA Act of Delegation<sup>(54)</sup>. HaDEA is therefore acting as an audit centre of expertise for the whole DEP programme.

In 2024, approximately 86% of the payments performed in the Agency related to the programming period 2021-2027. The payments for the Horizon Europe programme represented 59% of the payments in the Agency. Pre-financings occurred in 2024 for grants representing almost 65% of all payments made for the 2021-2027 programming period. For details, please see Annex 9, table X.

At the end of 2023, the 2021-2027 programmes did not reach the corresponding level of maturity, with no or limited interim or final payments performed in 2023 (for Digital Europe Programme, CEF Digital), or due to e payments taking place in late 2023 (for EU4Health and SMP Food programme).

Considering the limited auditable population in the first half of 2024, the selection of the audit sample was split into two phases. In the **first phase of the Annual Audit Plan 2024**, 6 audits for EU4Health and 10 audits for SMP Food programme were performed.

In July 2024, a **second selection of the Annual Audit Plan 2024** was performed and covered 21 audits for Digital Europe programme and 6 audits for EU4Health.

Cumulatively, both selections performed in 2024 for **EU4 Health** resulted in 12 audits, corresponding to an audit coverage of 11,43% of the auditable population for all types of grants from the beginning of EU4Health programme. The current audit selection for **Digital Europe programme** of 21 audits, corresponded to an audit coverage of 37,70% of the auditable population from the beginning of the programme, with 16 selections made via the interval sampling procedure and 5 selections made via the risk targeted sampling selection.

For the **SMP Food** programme the interval selection (stratified approach per strand) covered the strands of European Reference Laboratories (6 selections, audit coverage at 12.47%) and Phytosanitary (3 selections, audit coverage at 47.08% due to one large participation – one

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<sup>(54)</sup> In accordance with Annex I of the Delegation act to HaDEA, Commission Decision C (2021)948 final – 12/02/2021.

of these audits performed in-house) <sup>(55)</sup>. In addition, HaDEA performed its first pilot audit regarding European Reference Laboratories in December 2023 and issued the audit report in 2024. Both strands were based on actual costs <sup>(56)</sup>. The audit selection for the SMP Food (i.e. for European Reference Laboratories and Phytosanitary programme strands), covered the total auditable population from the beginning of the programme.

## b) Horizon 2020 and Horizon Europe

The R&I Family operates on a common audit strategy intended to contribute to the legality and regularity of expenditure on a multi-annual basis, including detection and correction of non-systemic and systemic errors.

For Horizon 2020 (H2020) and Horizon Europe (HORIZON), the Common Audit Service (CAS) of the Common Implementation Centre (CIC) carries out all the financial audits ( ), including those concerning grants managed by the Executive Agencies and the Joint Undertakings. This is a major step towards ensuring efficiency gains, a harmonised approach, legal certainty, equality of treatment of beneficiaries and the least audit burden on beneficiaries.

The main indicators on legality and regularity of EU Framework Programmes for Research and Innovation are the cumulative representative detected error rate, and the cumulative residual error rate <sup>(57)</sup>.

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

- For Horizon 2020, to ensure that the cumulative detected error rate remains within a range of 2-5 %, aiming to be as close as possible to 2%.
- For Horizon Europe, to ensure that cumulative detected and residual error rates do not exceed 2% <sup>(58)</sup>.

### *Control results of the ex-post controls*

#### Horizon 2020 framework programme

The error rates based on the audit work for Horizon 2020 Framework Programme for Research and Innovation on 31 December 2024 are:

- Cumulative representative detected error rate for the Framework Programme: 3.55% <sup>(59)</sup>

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<sup>(55)</sup> In accordance with HaDEA Ex-post Audit Strategy related to the 2021-2027 programmes, a stratification of the population was considered and the SMP population was further divided into sub-populations per strand (separate strata).

<sup>(56)</sup> Since 2023 Phytosanitary programmes are implemented as lump sums grants. However, the present audits covered years 2021-2022 which were still declared as actual costs.

<sup>(57)</sup> DG Research and Innovation's assurance building, indicators and materiality criteria are outlined in annual activity report annex 5.

<sup>(58)</sup> No representative error rate for Horizon Europe is available in 2022, 2023 and 2024 as the ex-post audit campaign for the programme has been launched in the second half of 2024.

<sup>(59)</sup> Based on the 765 representative results out of the 944 expected in the six Common Representative Samples.

- Cumulative residual error rate for the Framework Programme: 1.79% (2.11% for HaDEA <sup>(60)</sup>).

The relatively high level of error in Horizon 2020 grants is linked to the applicable funding model, which is based on the reimbursement of eligible actual costs. Most of the errors relate to incorrect claims for personnel costs that are mainly due to beneficiaries' lack of thorough understanding of the complex rules. Newcomers and Small and Medium Enterprises (SMEs) are more prone to errors in comparison to more experienced/large size beneficiaries.

There is evidence that the simplifications introduced under Horizon 2020, along with the ever-increasing experience, help in reducing the number of errors made by the beneficiaries, especially when compared to the Seventh Framework Programme. Notwithstanding these efforts, beneficiaries still make errors. Actions carried out to address these weaknesses are reported below.

### Horizon Europe Framework Programme

2024 was the fourth year of implementation of the Horizon Europe Framework Programme. No representative error rate for Horizon Europe is available in 2024 as the ex-post audit campaign for the Programme was launched in the second half of 2024, once a meaningful number of payments was available for audit. Consequently, without elements allowing an assessment of the level of errors and taking into account the simplifications introduced for Horizon Europe that aim to reduce the error rate, a 2% <sup>(61)</sup> detected and residual error rate will be considered for DG Research and Innovation.

#### *Progress made on action plans to both reduce the error rate in Horizon 2020 and prevent a high error rate in Horizon Europe*

Following a limited review of the Internal Audit Service on the implementation of the action plans for the reduction of the Horizon 2020 error rate and for simplifications to reduce the Horizon Europe error rate, and based on the original action plans agreed with central services, DG RTD prepared in 2022 a reprioritized action plan to both reduce the error rate on Horizon 2020 and prevent a high error rate in Horizon Europe.

The highest priority has been set on **communication**, both external and internal. Dedicated webinars and training sessions addressed to beneficiaries have been organised all along the year for Horizon Europe. Besides, in the context of the Client Centricity Project (CCP), an error-rate reduction campaign has been launched and the most error-prone beneficiaries approaching their reporting deadlines received personalised notifications, with tips on how to avoid the most common errors. The Horizon Europe Learning Framework was implemented in early 2024 and a series of internal trainings were enforced in EU Learn. The aim of the learning framework is to empower users to make optimal use of IT tools and contribute to improving and streamlining controls.

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<sup>(60)</sup> Commission's proposal for the Regulation establishing the Horizon 2020 Framework Programme - COM(2011) 809/3 - '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 %.' - see point 2.2, pp 98-102.

<sup>(61)</sup> These rates correspond to the objective set for Horizon Europe.

Regarding the increased use of simplified cost options, the Commission has implemented the European Court of Auditors' recommendations on lump sum grants published in its 2022 annual report, in line with the expected target dates. In particular, the Commission has put in place an **ex-post control strategy for lump sum grants**, developing a methodology for ex-post technical reviews that goes beyond the previous project monitoring and checks the accuracy of projects against evidence in the technical supporting documents.

The Commission has also made further updates to the **expert briefing, internal training, and internal guidance for call coordinators and project officers** regarding terminology, acceptance of work packages, and documenting the budget assessment, as well as updating the guidance on how to describe activities in work packages in the Horizon standard proposal templates. All relevant support and guidance on lump sums are now available online in one place for internal and external users, respectively. This includes all internal and external events of the information campaign. Tools and guidance are continuously improved following the feedback received, for example the detailed budget table and FAQs.

In line with the action plan, DG RTD is proceeding with the roll-out of lump sums in Horizon Europe, with lump sums accounting for up to 27% of the total 2024 call budget. For 2025, DG RTD expects a further increase up to 40%, pending approval of the draft 'main' work programme 2025. The goal set by the Horizon Europe Steering Board for lump sums is to reach at least 50% of the call budget by 2027. The commitment to lump sums has been reconfirmed by Commissioner Zaharieva.

The Commission also published a new assessment of lump sum funding in September 2024, which covered the entire lifecycle of lump sum grants, including final payments. Its results will feed into the Horizon Europe mid-term evaluation, complemented by further data and analysis.

As an additional simplified cost option, the **personnel unit cost scheme** was launched on 1 May 2024. Despite a multi-channel communication campaign (including two dedicated webinars with over 15.000 views combined), the uptake of the new cost method remained limited in 2024. Therefore, the CIC is cooperating closely with Commission central services to increase the attractiveness of the measure. A large survey among nearly 14 000 beneficiaries was launched to collect the necessary evidence to design and justify these changes.

Finally, DG RTD is now part of a broader corporate initiative called **Corporate Arachne**, led by DG BUDG. This project aims to create a unified IT system for data analysis and risk assessment, which will integrate data from various internal systems and sources, including external databases like ORBIS and WorldCompliance. Corporate Arachne will utilise advanced data analytics and Artificial intelligence/Machine Learning to develop predictive algorithms for risk forecasting, such as identifying the likelihood of a company going bankrupt within 18 months or committing double financing.

As a participant in the Corporate Arachne working group, DG RTD is actively contributing to the technical development of the system, ensuring the successful integration of artificial intelligence. Starting in 2027, the use of Corporate Arachne will be mandatory for all

European Commission services. RTD users and data will be onboarded in Phase 4 of the project, scheduled to begin in mid-2026. Further details on this integration will be discussed and finalised as the project timeline approaches.

## Procurement

Procurement activities concern the launch of new calls for tenders, the use of framework contracts concluded by HaDEA or other institutions or low value contracts. Such activities can be funded by both the administrative and operational budget.

HaDEA has a dedicated sector composed of procurement experts. Since October 2024, and with the growing procurement expenditure in the Agency, the procurement team has been moved from the operational Department Health and Food to the Finance and Resources Department <sup>(62)</sup>, resulting in procedural adaptations to ensure alignment with the department's objectives and to clarify roles and responsibilities. The team continues to provide expert legal advice and procedural guidance on public procurement, adhering to the guidelines set by DG BUDG. In close collaboration with operational units, the sector ensures compliance with procurement regulations throughout all stages of the process, from planning and evaluation to award, monitoring, and supervision.

In 2024, HaDEA launched 40 procurement procedures. During this period, HaDEA signed 35 contracts. Each call received an average of four tenders. HaDEA is currently managing more than 80 contracts addressing various key Commission priorities, including for example, global health, crisis preparedness, cancer, and digital health initiatives such as eHealth data space.

HaDEA has managed low value contracts as well open procurement procedures. Regardless of their value, the use of the Corporate eProcurement solutions (e.g. PPMT) offer various automated checks and pre-filled corporate templates, which aims to reduce manual intervention.

Considering the Agency's portfolio, HaDEA made the decision to formulate and introduce an enhanced control systems specifically tailored for procurement. The relevant control system has been developed and it is comprehensively outlined in the Agency's Control Strategy, as detailed in Annex 6.

## 4. Efficiency of controls implemented

This section details ex-post audits carried out and closed.

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<sup>(62)</sup> Unit C2 Financial Support and Control.

# Ex-post controls performed by the Agency

## CEF Telecom

In line with the targets of its Annual Audit Plan 2024, in 2024, HaDEA closed 12 ongoing audits launched in its Annual Audit Programme 2023 and one stemming from the Annual Audit Programme 2021 <sup>(63)</sup>.

In addition, HaDEA launched six new audits in 2024, with closing target in 2025.

State of play of the audits launched and completion rate by the end of 2024:

	Audits launched	Final audit report issued by 31/12/2024	Preliminary audit report to be issued	Report under quality review	Contradictory procedure	Completion rate by 31/12/2024
Annual Audit plan 2021	19	19	0	0	0	100%
Annual Audit plan 2022	23	23	0	0	0	100%
Annual Audit plan 2023	14	14	0	0	0	100%
Annual Audit plan 2024	6	0	0	5	1	-

## Third Health Programme

In 2024, HaDEA closed the 11 audits launched in Annual Audit Programme 2023 as well as two audits stemming respectively from Annual Audit Programmes 2021 and 2022.

In addition, HaDEA launched 6 new audits in the course of 2024, of which 3 audits with closing target in 2025.

<sup>(63)</sup> The delays to finalise the audit were mainly caused by the complexity of the audit file.

State of play of the audits launched and completion rate by the end of 2024:

	Audits launched	Final audit report issued by 31/12/2024	Preliminary audit report to be issued	Report under quality review	Contradictory procedure	Completion rate by 31/12/2024
Annual Audit plan 2021	13	13	0	0	0	100%
Annual Audit plan 2022	13	13	0	0	0	100%
Annual Audit plan 2023	11	11	0	0	0	100%
Annual Audit plan 2024	6	3	0	3	0	50%

### **EU4Health**

HaDEA launched 12 audits in the course of 2024, of which 8 audits with closing target in 2025.

State of play of the audits launched and completion rate by the end of 2024:

	Audits launched 2024	Final audit report issued by 31/12/2024	Preliminary audit report to be issued	Report under quality review	Contradictory procedure	Completion rate by 31/12/2024
Annual Audit plan 2024	12	4	7	1	0	33%

HaDEA launched 10 audits <sup>(64)</sup> in the course of 2024, of which 6 audits with closing target in 2025.

### **SMP Food**

State of play of the audits launched and completion rate by the end of 2024:

	Audits launched	Final audit report issued by 31/12/2024	Preliminary audit report to be issued	Report under quality review	Contradictory procedure	Completion rate by 31/12/2024
Annual Audit plan 2024	10	4	1	4	1	40%

### **Digital Europe**

HaDEA launched 21 audits in the course of 2024, with closing target in 2025. Currently, the audits are ongoing except for one audit report which is in the quality review stage.

<sup>(64)</sup> Seven audits covering European Reference Laboratories (1 out of these 7 audits performed as pilot in-house audit in December 2023, with one audit report issued in 2024) and 3 audits on phytosanitary programmes.

## Horizon 2020 and Horizon Europe

By the end of 2024, the Common Audit Service (CAS) in DG Research and Innovation audited 5 247 Horizon 2020 participations <sup>(65)</sup> of the Research and Innovation Family, covering 63.12% of total Horizon 2020 expenditure to date.

The percentage of Horizon 2020 expenditure covered by the audits (63.12%) refers to the value of the participations of the audited beneficiaries. It includes both fully audited participations (3.86%), also referred to as the 'direct' coverage, and the non-audited participations, also referred to as the 'indirect' coverage, which after the full treatment of audit results, are clean from systemic errors (59.26%).

### Completion rate of Horizon 2020 ex-post audits in 2024

The CAS managed to finalise audits on 540 participations corresponding to 101.9% of the 2024 target for Horizon 2020. As mentioned above, no audits have been completed for the Horizon Europe programme.

### Number of HaDEA implemented audit results (AURI)

Completion					
HaDEA	Audit results processed	% Audit results processed	Audit results pending	% Audit results pending	Total
<b>AURI</b>	146	76.44%	45	23.56%	191

Time to implement closed AURI in 2024					
HaDEA	0-6 months	% total (0-6 months)	above 6 months	% above 6 months	Total
<b>Closed Projects</b>	<b>77</b>	<b>90.59%</b>	<b>8</b>	<b>9.41%</b>	<b>85</b>
<b>Negative adjustments with recovery</b>	9		3		12
<b>Negative adjustments without recovery</b>	6		5		11
<b>Positive or zero Adjustment</b>	62		0		62
<b>On-going Projects</b>	<b>61</b>	<b>0.00%</b>	<b>0</b>	<b>0.00%</b>	<b>61</b>
<b>Negative adjustments</b>	22		0		22
<b>Positive or zero Adjustment</b>	39		0		39
<b>Total</b>	<b>138</b>	<b>94.52%</b>	<b>8</b>	<b>5.48%</b>	<b>146</b>

<sup>(65)</sup> The Horizon 2020 audit campaign started in 2016. At this stage, six Common Representative Samples with a total of 944 expected results have been selected. By the end of 2024, cost claims amounting to EUR 56.7 billion have been submitted by the beneficiaries to the services. In addition to the Common Representative Samples, Common Risk Samples and Additional Samples have also been selected. The audits of 5 247 participations were finalised by 31/12/2024 (of which 540 in 2024 representing 101.9% of the 2024 target).

## 5. Fraud prevention, detection and correction activities developed in 2024

**Objective:** The risk of fraud is minimised through the application of effective anti-fraud measures and the implementation of the commission Anti-Fraud Strategy (CAFS) <sup>(66)</sup> aimed at the prevention, detection and correction <sup>(67)</sup> of fraud.

**Indicator 1:** Implementation of the actions included in the Agency's anti-fraud strategy over the strategy's lifecycle

**Source of data:** HaDEA's annual activity report, HaDEA's anti-fraud

Baseline 2021	Interim milestone (2023)	Target (2024)	State of play (31/12/2024)
0% of action points implemented	80% of action points implemented in time	100% of action points implemented in time	All action points from the Action plan in HaDEA's antifraud strategy to be completed during the year have been implemented except for the two trainings activities, for which the participation rate is below the targets of 100%.

### Main outputs in 2024

Output	Indicator	Target	Latest known results
Training on fraud risk awareness for staff involved in grant management	Number of training sessions organised.	2 sessions per year	3 training sessions on fraud risk awareness. In addition, 2 training sessions on the use of the anti-plagiarism tools.
	Participation rate of the target staff in fraud awareness trainings	100% of newcomers within 6 months of joining HaDEA	99% of total target population (including newcomers).
Training on professional ethics and integrity for all staff	Number of training sessions organised per year	10 sessions	9 sessions organised in 2024
Update HaDEA's Anti-Fraud Strategy and revise the related Action Plan	New Anti-Fraud Strategy and Action Plan	By December 2024	The new anti-fraud strategy and action plan were adopted by HaDEA's Steering Committee on 10/12/24

<sup>(66)</sup> Communication from the Commission "Commission Anti-Fraud Strategy Action plan – revision 2023: COM 2023 405 of 11 July 2023 – 'the Communication on the 2023 revision' – and the accompanying revised action plan, SWD 2023 245– 'the revised Action Plan'.

<sup>(67)</sup> Correction of fraud is an umbrella term, which notably refers to the recovery of amounts unduly spent and to administrative sanctions.

## 6. Economy – the estimated costs of controls

In 2024, HaDEA's cost of controls was calculated based on the corporate methodology for the estimation, assessment and reporting on the cost-effectiveness of controls.

HaDEA costs of controls grant management	Costs (M€)			Operational Payments 2024 (M€)	Overall rate (total costs/total amount paid)
	Internal costs	External costs	Total		
<b>Stage 1 – programming and evaluation</b>	7.02	0.96	<b>7.98</b>	2,690.56	<b>0.30%</b>
<b>Stage 2 – contracting</b>	4.85	0.08	<b>4.93</b>	2,690.56	<b>0.18%</b>
<b>Stage 3 – monitoring the execution</b>	30.79	4.53	<b>35.32</b>	2,690.56	<b>1.31%</b>
<b>Stage 4 – ex-post controls and recoveries</b>	1.38	0.39	<b>1.77</b>	2,690.56	<b>0.07%</b>
<b>TOTAL</b>	44.04	5.95	<b>49.99</b>	<b>2,690.56</b>	<b>1.86%</b>

For calculating the estimated cost of controls, the following costs were considered:

- 1) Internal costs:** Costs of staff in control posts – The number of control posts as identified in ATLAS were multiplied by the average staff costs per staff category (as communicated by DG BUDG). These control posts were distributed between the different control stages either directly (for control posts that are associated to only one control stage) or by applying a share according to the estimated time of work spent for each of the control stages in 2024.
- 2) External costs:** Programme Support costs – Additionally to staff costs, the different programmes and control stages are supported by expenditure on HaDEA's administrative budget and operational budget. The following payments are included:
  - a. Payments for outsourced ex-post audits made
  - b. Payments for Interim staff made
  - c. Payments for external evaluation experts made

The increase of the overall rate in 2024 is mainly linked to the increase of the average cost for full-time equivalents (FTEs) and a slight increase of the FTEs from 376.40 in 2023 to 379.55 in 2024.

HaDEA costs of controls grant management	Overall rate 2024	Overall rate 2022	Overall rate 2022	Overall rate 2021
<b>Stage 1 – programming and evaluation</b>	0.30%	0.28%	0.23%	0.36%
<b>Stage 2 – contracting</b>	0.18%	0.17%	0.14%	0.21%
<b>Stage 3 – monitoring the execution</b>	1.31%	1.19%	0.99%	1.31%
<b>Stage 4 – ex-post controls and recoveries</b>	0.07%	0.07%	0.05%	0.07%
<b>TOTAL</b>	<b>1.86%</b>	<b>1.71%</b>	<b>1.41%</b>	<b>1.94%</b>

## 7. Table Y on the estimated “cost of controls” at Commission level

### Overview of department ’s estimated cost of controls at Commission (EC) level <sup>(68)</sup>:

The absolute values are presented in EUR.

HADEA	Ex ante controls***			Ex post controls			Total	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Relevant Control System (RCS) / Other as defined in Annex 6 of the AAR*	EC total costs	related payments Made	Ratio (%)** (a)/(b)	EC total costs	total value verified and/or audited	Ratio (%) (d)/(e)	EC total estimated cost of controls (a)+(d)	Ratio (%)** (g)/(b)
Grant management	48.225.445,80 €	2.690.564.954,48 €	1,79%	1.767.333,25 €	55.691.556,94 €	3,17%	49.992.779,05 €	1,86%
	- €	- €	0,00%	- €	- €	0,00%	- €	0,00%
	- €	- €	0,00%	- €	- €	0,00%	- €	0,00%
<b>OVERALL total estimated cost of control at EC level for expenditure</b>	<b>48.225.445,80 €</b>	<b>2.690.564.954,48 €</b>	<b>1,79%</b>	<b>1.767.333,25 €</b>	<b>55.691.556,94 €</b>	<b>3,17%</b>	<b>49.992.779,05 €</b>	<b>1,86%</b>

<sup>(68)</sup> Details of the estimated cost of controls related to shared/pooled control activities carried out by REA and hosted by DG RTD (Common Implementation Centre including Common Audit Service) for the Research and Innovation family are reported in the Annual activity reports of REA and RTD.

## **ANNEX 8: Reporting on the internal and external audits and assessing the effectiveness of Internal control systems**

The Agency's Internal Control Framework, similarly to that of other Commission services, is composed of 17 Principles. The Agency's framework also includes a set of Internal Control Monitoring Criteria (ICMCs), which is revised every year to translate HaDEA's risk and control environment.

HaDEA's 2024 assessment of the effectiveness of its internal control system (self-assessment) takes into account the following elements (but not exclusively): risk management activities, deviation reporting activities reported during the year, relevant audit results, the checks on the Internal Control Monitoring Criteria, results of an internal control survey for staff and managers, declarations of assurance by the Authorising Officers by Sub-delegation, results of the monitoring of the anti-fraud action plan. The self-assessment identified areas that present a robust system of controls. The analysis also highlighted a limited number of weaknesses that have no impact on the effectiveness of the overall control systems of the Agency. Overall, taking into consideration all elements, the Agency concluded that the internal control principles are present and functioning well. Nevertheless, improving the effectiveness and efficiency of the ICF is a constant process, which remains high on the Agency's agenda. Stemming from the different assessment sources, the proposed actions are drafted for 2025 and their implementation will be closely monitored.

The improvements and/or remedial measures implemented or envisaged are to:

- Implement a systematic process for continuously reviewing and refining procedures, with a focus on enhancing expert and financial management practices to drive efficiency and effectiveness.
- Maintain a regular biannual reporting schedule to the management team, highlighting exceptions and non-compliance cases, and strengthen follow-up actions to prevent recurrence and promote a culture of accountability.
- Sustain and expand awareness-raising initiatives for staff on ethics, anti-fraud policies and harassment, including training sessions, to foster a culture of integrity and compliance, and ensure that all employees are equipped to identify and report potential issues.

Deliver targeted coaching and development programs to middle management, focusing on key topics outlined in the management charter, to enhance their leadership skills, reinforce their understanding of organisational expectations, and ensure alignment with the Agency's values and principles.

## 1. Risk management activities

HaDEA's risk management activities include the annual risk management exercise and a mid-term review. As for 2024, none of the identified significant risks in the HaDEA risk register have materialised. The mitigating measures were implemented in due time.

At the end of 2024, the Agency undertook a comprehensive risk management exercise, which identified seven significant risks and no critical risks. Its findings highlight that certain risks identified during the period are linked to the implementation of programmes delegated to the Agency, as well as the rollout of the new EU economic security strategy. Proactively addressing these risks, the Agency has developed and will implement targeted mitigation measures to minimise their potential impact and ensure the achievement of its objectives. The effectiveness of these measures will be closely monitored through a dedicated action plan, enabling the Agency to respond promptly to any emerging issues and maintain its capacity to deliver on its mandate.

## 2. Deviation reporting activities

In 2024, six deviations were documented throughout the year. Out of these reported cases, three refer to non-compliance events and three exception requests. It has been noted that targeted measures implemented within the Agency's operational and horizontal units have brought the positive results, with a decrease in the number of ENC compared to the previous year. In light of the positive results, the Agency continues implementation of established good practices, among them:

- Regularly reviewing and updating procedures in a timely manner, and publishing them in the Manual of Procedures, which is accessible to all staff members.
- Horizontal units, such as the Finance and Administrative Budget teams, should continue to provide seminars and training sessions to support staff in finance and budget matters.
- Sharing lessons learned from previous exercises with the operational units, and providing ongoing assistance through various channels,

## 3. Audits from the Internal Audit Service (IAS)

In 2024, the IAS issued one final audit report <sup>(69)</sup> with regards to HaDEA, in the framework of the following audits:

- Planning, programming, governance, and coordination of the Single Market Programme;

The IAS did not raise any critical nor very important recommendations to HaDEA. As for the limited number of "important" audit recommendations, HaDEA is currently implementing

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<sup>(69)</sup> The final report for the audit on "Horizon Europe – Grant management phase 1 (from publication of the calls until signature of the grant agreements) in HaDEA" was published in January 2024 but already mentioned in the 2023 Annual Activity Report.

them. In its limited conclusion on the state of internal control, the internal Auditor concludes that the internal controls systems in place for the audited processes are effective.

#### 4. Audits from the European Court of auditors (ECA) on the operational budget

##### A. Statement of assurance (DAS) 2023

In the context of the statement of assurance 2023, the ECA sampled 16 transactions <sup>(70)</sup>. ECA has finalised all 16 audits by the end of 2024, with the following findings.

- In 7 cases there were no findings detected;
- In 3 cases findings with no financial impact were detected;

Financial errors were detected in the remaining 6 cases <sup>(71)</sup>. For details, please see the table below.

CL Number	Error rates <sup>(72)</sup>	Cause of errors
CL 14320	5.3%	Ineligible personnel costs
CL 14324	38.18%	Ineligible personnel and travel costs
CL 14326	2.30%	Ineligible personnel costs - double ceiling exceeded
CL 14381	10.15%	Ineligible personnel and travel costs
CL 14385	25,32% dropped to 4,43%	Ineligible personnel costs
CL 14408	5.88%	Ineligible other direct costs

##### B. Status of implementation of DAS results

Year SoA	Total ARCL	No findings / findings without financial impact	Implemented findings	Ongoing	CL ref. of ongoing files
<b>2021</b>	16	9	7	0	
<b>2022</b>	18	6	12	0	
<b>2023</b>	16	10	5	1	CL 14326

<sup>(70)</sup> 15 transactions for H2020 and one transaction for Horizon Europe.

<sup>(71)</sup> All six sampled transactions were related to Horizon 2020.

<sup>(72)</sup> The cost items have been selected by the ECA using monetary unit sampling (MUS) to obtain a representative view of the legality and regularity of the entire audited population for MFF headings. Thus, the error percentages shown do not constitute an error rate for the audited project but contributes to the overall evaluation of EU expenditure.

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

### A. Annex related to "Control results" - Table X: Estimated risk at payment and at closure

Table X: Estimated risk at payment and at closure (amounts in EUR mios) - for Executive Agencies

EA HADEA	Payments made (2024;MEUR)	minus new prefinancing [plus retentions made] (in 2024;MEUR)	plus cleared prefinancing [minus retentions released and deductions of expenditure made by	Relevant expenditure (for 2024;MEUR)	Detected error rate or equivalent estimates	Estimated risk at payment (2024;MEUR)	Adjusted Average Recoveries and Corrections (adjusted ARC; %)	Estimated future corrections [and deductions] (for 2024;MEUR)	Estimated risk at Closure (2024;MEUR)
-1	-2	-3	-4	-5	-6	-7	-8	-9	-10
Horizon Europe (2021-2027)	1591.13	- 976.54	216.19	830.78	2.00%	16.62	0.00%	0.00	16.62
CEF Digital (2021-2027)	115.52	- 105.68	3.19	13.03	2.00%	0.26	0.00%	0.00	0.26
Digital Europe (2021-2027)	119.41	- 74.14	12.93	58.20	2.00%	1.16	0.00%	0.00	1.16
SMP Food (2021-2027)	58.59	- 20.81	0.37	38.16	2.00%	0.76	0.00%	0.00	0.76
EU4Health (2021-2027)	234.77	- 196.49	17.76	56.03	2.00%	1.12	0.00%	0.00	1.12
Horizon 2020 (2014-2020)	335.85	0.00	977.13	1312.98	3.55%	46.61	1.44%	18.91	27.70
CEF Telecom - DSI (2014-2020)	16.83	0.00	27.34	44.17	3.63%	1.60	0.97%	0.43	1.17
Third Health (2014-2020)	5.70	0.00	16.95	22.65	4.97%	1.13	0.14%	0.03	1.09
Procurements	208.01	0.00	0.30	208.31	0.50%	1.04	0.00%	0.00	1.04
Experts (2021-2027)	4.74	0.00	0.00	4.74	0.50%	0.02	0.00%	0.00	0.02
<b>Sub-total</b>	<b>2 690.56</b>	<b>-1 373.67</b>	<b>1 272.15</b>	<b>2 589.05</b>		<b>70.33</b>	<b>0.75%</b>	<b>19.37</b>	<b>50.96</b>
operating budget	53.74	0.00	0.00	53.74	0.50%	0.27	0.00%	0.00	0.27
<b>Total EA (operational + operating)</b>	<b>2 744.30</b>	<b>-1 373.67</b>	<b>1 272.15</b>	<b>2 642.79</b>		<b>70.60</b>	<b>0.73%</b>	<b>19.37</b>	<b>51.23</b>
					<b>Overall risk at payment in %</b>	<b>2.67%</b>		<b>Overall risk at closure in %</b>	<b>1.94%</b>
						(7) / (5)			(10) / (5)

#### Notes to the table X

(1) Relevant Control Systems differentiated per relevant portfolio segments and at a level which is lower than the total.

- (2) Payments made or equivalent, e.g., expenditure registered in the Commission's accounting system, accepted expenditure or cleared pre-financing. In any case, this means after the preventive (ex-ante) control measures have already been implemented earlier in the cycle.
- (3) New pre-financing actually paid by out by the department itself during the financial year (i.e. excluding any pre-financing received as a transfer from another department), as per note 2.5.1 to the Commission annual accounts thus excluding "Other advances to Member States" which are covered on a purely payment-made basis (note 2.5.2).
- (4) Pre-financing actually cleared during the financial year (i.e., their 'delta' in the Financial Year 'actuals', not their 'cut-off' based estimated 'consumption').
- (5) For the purpose of equivalence with the ECA's scope of the EC funds with potential exposure to legality & regularity errors (see the ECA's Annual Report methodological annex 1.1), our concept of "relevant expenditure" includes the payments made, subtracts the new pre-financing paid out [& adds the retentions made], and adds the pre-financing actually cleared during the FY. This is a separate and 'hybrid' concept, intentionally combining elements from the budgetary accounting and from the general ledger accounting.
- (6) In this column, we disclose the detected error rates or equivalent estimates. To calculate the weighted Average Error Rate (AER) for the relevant expenditure in the reporting year, the detected error rates have been used. In addition, for the EU4Health programme, Single Market Programme (veterinary eradication, laboratory, plan health and AMR), Digital Europe Programme and CEF Digital, as no audits are available yet on these programmes or the number of closed audits does not allow us to calculate reliable detected error rates, the detected error rates used is at 2%, in line with control objective, considering that there are no/limited audit results available allowing for an assessment of the level of errors. For Horizon Europe, in line with the approach taken at Research family level, the detected and residual error rates used is at 2%, in line with control objective, considering that there are no audit results available on Horizon Europe allowing for an assessment of the level of errors and taking into account the simplifications introduced for Horizon Europe that aim to reduce the error rate. For low-risk types of expenditure, where there are indications that the equivalent error rate might be close to 'zero' (e.g. administrative expenditure, operating contributions to agencies), the rate which should be used is 0.5% as a conservative estimate, following DG BUDG instructions.
- (7) The adjusted average recovery and corrections percentage was calculated as follows:
 

For Horizon 2020, in line with the research and Innovation family, HaDEA has adjusted this value for grant management expenditure and used as best estimation the difference between the family expected cumulative representative detected error rate for the full sample (3.55%) and the HaDEA H2020 residual error rate (2.11%). For Horizon Europe, the estimated detected and residual error rates are 2%, with 0% ARC. For the programmes Single Market Programme, CEF Digital, Digital Europe Programme and EU4Health, the same approach is applied.

For the legacy programmes CEF-Telecom, in line with the approach inherited by the predecessor Agency INEA, the Average Recoveries and Corrections (ARC) are determined by comparing the auditable expenditure on a multiannual basis with the total amount to be corrected (all material errors are or will be corrected). The percentage of audit corrections compared to the auditable expenditure is the ARC. For Third Health Programme, as best estimate the difference between the detected and residual error rate have been used taking into account its limited share in HaDEA's portfolio and as this programme is phasing out.

For other types of expenditures (procurement, experts, and operating budget), HaDEA assumed that the ex-post future corrections would be 0%, as a conservative estimate.

The average amount of the implemented corrections over the past 4 years (2021-2024) is 2.58 million euros (0.16% of the average amount of relevant expenditure of that period), compared to an average amount of estimated future corrections during the same period of 12.38 (million) euros (0.77% of the average amount of relevant expenditure of that period). The deviation of 0.61% between the two averages is mainly attributed to audit results becoming available at the end of 2024, for which implementation will take place in the coming months.

## B. Reservations

Since 2019 <sup>(73)</sup>, a 'de minimis' rule for financial reservations has been introduced. Quantified reservations related to residual error rates above the 2% materiality threshold are deemed not substantial for segments representing less than 5% of an Agency's total payments and with a financial impact below EUR 5 million. For the reporting year, HaDEA has identified two such cases:

- 1) For the CEF Telecom (DSI) segment**, the multi-annual residual error rate at the end of 2024 was at 3.27%, above the materiality threshold of 2% for financial reservations. However, the cumulative conditions for the application of 'de minimis rule are met, since the share of the segment decreased to 0.63% of the total payments of the Agency and also, the financial impact is low, at EUR 1.44 million. In addition, the weaknesses identified are not considered significant in terms of possible reputational risks as well as in terms of monetary loss. The 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. Considering all the above Agency has decided not to issue a quantified financial reservation.
- 2) For the Third Health segment**, the multi-annual residual error rate at the end of 2024 was at 4.83%, above the materiality threshold of 2% for financial reservations. However, the cumulative conditions for the application of 'de minimis rule are met, since the share of the segment represents to 0.21% of the total payments of the Agency and also, the financial impact is low, at EUR 1.09 million. In addition, the weaknesses identified are not considered significant in terms of possible reputational risks as well as in terms of monetary loss. The management has reasonable assurance that, overall, suitable controls are in place and working as intended; risks are being appropriately monitored. The multi-annual residual error rate is monitored closely but HaDEA does not consider that additional ex post audit measures are needed at this stage due to the programme's gradual phase-out and for cost-efficiency reasons. Considering all the above Agency has decided not to issue a quantified financial reservation.

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<sup>(73)</sup> Agreement of the Corporate Management Board of 30/4/2019.

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

## A. Human resources

<b>Objective:</b> HaDEA employs a competent and engaged workforce and contributes to gender equality at all levels of management to effectively deliver on the agency's priorities and core business.			
<b>Indicator 1</b> <sup>(74)</sup> : Number and percentage of female representation in middle management <sup>(75)</sup>			
<b>Source of data:</b> Sysper [HaDEA C3.1]			
<b>Baseline</b> (31/12/2023)	<b>Target</b>	<b>Latest known results</b> (31/12/2024)	
46% (6 female managers out of 13)	50%	42% <sup>(76)</sup>	
<b>Indicator 2:</b> HaDEA staff engagement index			
<b>Source of data:</b> Commission staff or pulse survey [data to be provided by DG HR]			
<b>Baseline</b> (last European Commission staff survey and pulse surveys <sup>(77)</sup> )	<b>Target</b> (last European Commission staff survey or European Commission pulse survey)	<b>Latest known results</b> (31/12/2024)	
46% (6 female managers out of 13)	To maintain or increase	73%	
<b>Main outputs in 2024:</b>			
<b>Description</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results</b>
Occupation rate	Percentage of staff in place by 31 December 2024	97%	93.9% (including posts received during summer 2024) / 97% as per posts planned in the Annual work programme
inter-Executive Agency Career Guidance network	Establishment of the network and its related Memorandum of Understanding	31 December 2024	12 June 2024
Inter-Executive Agency BE WELL programme	Roll-out of the programme	31 December 2024	31 December 2024 <sup>(78)</sup>

<sup>(74)</sup> Seconded middle managers are part of the seconding DGs' staff: The responsibility for achieving the targets is at DG level. The Agency is responsible for providing with a regular overview to its parent DGs of the gender representation in middle management within the agency and coordinate between them.

<sup>(75)</sup> The functions of Head of unit and Head of department are hereby defined as middle management functions.

<sup>(76)</sup> Out of 13 middle management posts in HaDEA organisational chart, 12 posts are filled (5 by female colleagues - 42%, 7 by male colleagues – 58%). 1 post is vacant.

<sup>(77)</sup> Pulse surveys are in use if no staff survey is launched.

<sup>(78)</sup> The development was finalised by 31 December 2024. The launch of the programme is planned for June 2025.

<b>Description</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results</b>
HaDEA management charter	Roll-out of a communication campaign	30 June 2024	28 February 2024
First inter-Executive Agency joint selection procedure for Project Officers	Establishment of the reserve list for all 6 Executive Agencies	30 June 2024	2 September 2024 <sup>(79)</sup>
Guidelines regulating the secondment of Temporary Agents 2f	Availability of the draft guidelines (mid-term action 2024-2025)	31 December 2024	Draft available in November 2024

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<sup>(79)</sup> The establishment of the list was postponed to September due to the holiday period.

### BASED ON REAL STAFFING ON 31 12 2024

OPERATIONAL STAFF <sup>(2)</sup>	Staff (EU Budget, NGEU and other fund sources <sup>(1)</sup> (EFTA and third countries contribution))					
	TAs	Of which Seconded officials	CAs	Total in place	Total all staff	Filling rate
EU4HEALTH	27,0	7,0	92,0	119,0	130	92%
SMP	2,0	1,0	13,0	15,0	15	100%
HE: Cluster 1	15,0	7,0	50,0	65,0	67	97%
CEF	8,0	2,0	22,0	30,0	32	94%
DEP	6,0	1,0	36,0	42,0	43	98%
HE: Cluster 4	28,0	10,0	89,0	117,0	130	90%
<b>TOTAL OPERATIONAL</b>	<b>86,0</b>	<b>28,0</b>	<b>302,0</b>	<b>388,0</b>	<b>417</b>	<b>93%</b>
Management and Administrative Support	TAs	Of which Seconded officials	CAs	Total in place	Total all staff	Filling rate
<b>TOTAL MANAGEMENT AND SUPPORT</b>	<b>26,0</b>	<b>5,0</b>	<b>44,0</b>	<b>70,0</b>	<b>71</b>	<b>99%</b>
<b>TOTAL STAFF</b>	<b>112</b>	<b>33</b>	<b>346</b>	<b>458,0</b>	<b>488</b>	<b>93,9%</b>

(1) Includes 27 FTEs (3 temporary agents and 24 contract agents) financed from EFTA and third countries contributions allocated to the Agency between May 2022 - June 2024. 3 FTEs / contract agents are put on hold to efficiently manage the reduction in NGEU staff under HE: Cluster 1 in 2025. During the second half of the year HaDEA finalised the readjustment of resources following the allocation of additional FTEs financed by EFTA and third-country contributions.

(2) All operational staff (including operational finance). For financial sectors, the distribution of staff between programmes is indicative.

**Seconded Officials – Frozen posts in the Parent DGs**

Parent DG	Number of posts frozen in 2024	Number of posts filled by 31/12/2024
DG SANTE	10	10
DG CONNECT	8	7 <sup>(1)</sup>
DG DEFIS	4	3
DG GROW	3	2
DG RTD	16	11 <sup>(2)</sup>
<b>Total</b>	<b>41</b>	<b>33</b>

(1) In agreement with DG CONNECT and in line with the guidelines for the establishment and operation of executive agencies financed from the EU budget and other sources - one seconded official post has been filled by engaging an TA2f temporary member of staff.

(2) In agreement with DG RTD and in line with the guidelines for the establishment and operation of executive agencies financed from the EU budget and other sources - four seconded official posts have been filled by engaging a TA2f temporary member of staff. One post is vacant.

## B. Digital transformation and information management

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

**Indicator 1:** Degree of implementation of the digital strategy principles by the most important IT solutions <sup>(80)</sup>

**Source of data:** The principles in the Commission Digital Strategy

Baseline (2020)	Interim milestone (2023)	Target (2024)	Latest known results (31/12/2024)
50%	77%	90%	91% <sup>(81)</sup>

**Indicator 2:** Percentage of implementation of the corporate principles for data governance for HaDEA's key data assets

**Source of data:** HaDEA's data inventory [HaDEA C3.3]

Baseline (2021)	Interim milestone (2022)	Target (2024)	Latest known results (31/12/2024)
0%	50%	80% of the eligible HaDEA data assets are reported into the corporate data catalogue	100% of the eligible HaDEA data assets apply all principles to different degrees and are reported into the corporate data catalogue <sup>(82)</sup> .

**Indicator 2:** Percentage of staff attending awareness raising activities on data protection compliance

**Source of data:** EULearn, HaDEA C.2.3/C3.1

Baseline (April 2022)	Interim milestone (2023)	Target (2024)	Latest known results (31/12/2024)
22%	80% of staff in post for 9 months or longer	100% of staff in post for 9 months or longer	100%

<sup>(80)</sup> The European Commission Digital Strategy calls on Commission departments to digitally transform their business processes by developing new innovative digital solutions or make evolve the existing ones in line with the principles of the strategy. At the beginning of the year N+1, the Solution Owner and IT Investments Team will assess the progress made for the selected solutions. For each of the 3 solutions, a table will reflect – per principle - the progress achieved during the last year.

<sup>(81)</sup> HaDEA continued to improve the degree of implementation of the digital strategy principles for the most important IT system, BTSF Academy, reaching 91%. The last step was made possible by improving the openness principle via the usage of open standards, open-source software and by contributing to the open-source software community.

<sup>(82)</sup> The Health and Digital Executive Agency (HaDEA) has established a comprehensive matrix to assess its data assets against key corporate data governance criteria, including data protection, information security, data re-use conditions, access rights, data preservation and deletion, and data quality. This centralised framework, enables HaDEA to monitor its data assets, and determine their eligibility for publication in the corporate data catalogue, considering their varying levels of alignment with these data governance dimension.

<b>Main outputs in 2024:</b>			
<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results</b>
Increase IT literacy regarding collaborative tools	Percentage of staff using TEAMS as a communication or collaboration tool	55% of staff (based on survey outcomes)	55% of staff <sup>(83)</sup>
Increase awareness of Cybersecurity	Number of in-house events, info-sessions, awareness raising, or tailored training on Cybersecurity	2 training sessions	2 presentations to managers (February and November), 1 IT Security Roadshow, Units Tours (all Units visited) and 2 lunchtime Session (October and November)

## **C. Sound environmental management**

<b>Objective:</b> HaDEA is using innovative, trusted digital solutions for better information management and administrative processes to become a truly digitally transformed, user-focused and data-driven Agency			
<b>Main outputs in 2024:</b>			
<b>I. Reducing emissions from staff and expert's business travel and reducing CO<sub>2</sub> and other atmospheric emissions</b>			
<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results</b>
Reduced emissions from staff missions <sup>(84)</sup>	CO <sub>2</sub> emissions from executive agency's staff missions	Reduction <sup>(85)</sup> 50%	60%
<b>II. Reducing resource use in buildings and workspace (energy) More efficient use of resources (energy)</b>			
<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results</b>
Participation in corporate energy saving actions through building closure	Percentage of HaDEA's buildings participating in: - end of year energy saving action - summer energy saving action	100%	100%
<b>II. Organise sustainable events</b>			
<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results</b>
List actions taken to implement the EC guidelines for sustainable meetings and events	Number (or %) of green events	100%	100%

<sup>(83)</sup> Based on the latest Internal Control Survey results available from November 2023. DIGIT did not run a new survey in 2024 and new statistics were therefore not available for 2024.

<sup>(84)</sup> Data provided by PMO/MiPs.

<sup>(85)</sup> Overall reductions of CO<sub>2</sub> emissions from missions for executive agencies from 2019-2024 (%). Overall corporate target is 50 % under the Greening Communication.

## D. External communications

External communication			
Main outputs in 2024:			
Output	Indicator	Target	Latest known results
Promotion of funding activities	Website visits/ page views (Source of data: Web Statistics)	330,000 Baseline: 310,000	390,000
	Unique visitors (Source of data: Web Statistics)	220,000 Baseline: 210,000	270,000
	Average organic impressions on posts on X (Source of data: Emplifi)	680 Baseline: 725	380
	Average organic engagement rate on posts on X (Source of data: Emplifi)	0.18% Baseline: 0.24%	8.05% <sup>(86)</sup>
	Average organic impressions on LinkedIn posts (Source of data: Emplifi)	2000 Baseline: 1949	2704
	Average organic engagement rate on LinkedIn posts (Source of data: Emplifi)	0.2% Baseline: 0.25%	8.84% <sup>(87)</sup>
	Average impressions of paid campaigns on X	N/A (275 000) Baseline: 719 207	N/A
	Average link clicks on paid campaigns on X	N/A (550) Baseline: 1155	N/A
	Average impressions of paid campaigns on LinkedIn	45 800 Baseline: 45 747	145 454
	Average web visits on paid campaigns on LinkedIn	245 Baseline: 241	436
Engaging with beneficiaries and stakeholders	Number of followers on Twitter (Source of data: Twitter)	10000 Baseline: 8124	9665
	Number of followers on LinkedIn (Source of data: LinkedIn Statistics)	24000 Baseline: 19044	32065

<sup>(86)</sup> The result is higher than the baseline and the target because the engagement rate is now calculated in relation to the number of impressions, rather than the number of followers, as suggested in the communication monitoring indicators guide by DG COMM.

<sup>(87)</sup> See previous footnote.

## E. Internal communication

Internal communication			
Main outputs in 2024:			
Communications to staff			
Output	Indicator	Target	Latest known results
Promotion of information on the intranet	Number of visits on the intranet	140 000	301 600
	Unique page views	240 000	67 000 <sup>(88)</sup>
HaDEA Discovery Tour	Number of presentations to staff	5	2
Weekly staff newsletter	Number of newsletters	38	45
Communications to staff			
Output	Indicator	Target	Latest known results
Staff surveys	Number of surveys	8	9
	Participant/response rate	40%	70.09%
Events	Number of events	5	13
HaDEALife videos	Number of videos	8	4
	Number of views (total)	700	310
	Average time viewed (viewer retention)	90%	N/A This cannot be calculated with the new SharePoint Online intranet measurement tool.
Communications to staff			
Output	Indicator	Target	Latest known results
Management meeting videos	Number of videos	28	35
	Number of views	1380 views	2090 views
	Average time viewed	65% average time viewed	This cannot be calculated with the new SharePoint Online intranet measurement tool.

<sup>(88)</sup> This result is based on unique visitors and not unique pageviews as this is the only metric that can be measured since the transition to the new SPO intranet.