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ANNEX 1

ANNEX

to the

Commission Decision

**approving the Annual Work Programme 2016 of the European Research Council
Executive Agency**



Annual Work Programme 2016

European Research Council

Executive Agency

Contents

PART 1.	Message from the Director	4
PART 2.	Mission Statement	6
PART 3.	Overview of outputs for the year.....	7
3.1	Management of FP7 and Horizon 2020 programmes	7
3.1.1	ERC's Specific Objectives and result indicators	7
3.1.2	ERC funding instruments and Calls for Proposals	7
3.1.3	Support to the ERC Scientific Council	10
PART 4.	Organisational management	12
4.1	Relevant objectives and indicators	12
4.1.1	Human Resource Management	12
4.1.2	Financial Management, Internal control and Risk Management	13
4.1.3	IT	16
4.1.4	External Communication.....	17
4.2	Operating budget, staff and operational appropriations	19
4.2.1	Operating budget	19
4.2.2	Human resources	20
4.2.3	Delegated operational appropriations.....	20
4.3	Evaluations and studies	21
ANNEX	Critical risks for the ERCEA in 2016.....	22

PART 1. Message from the Director

The European Research Council, composed of an independent Scientific Council and a dedicated implementation structure in the form of an Executive Agency (ERCEA), created under the previous Framework Programme (FP7) and extended by the current Horizon 2020 (H2020) Framework Programme, has widely gained recognition as world-class research funding agency and has attained a significant reputation within the scientific community across Europe and worldwide. Inspiring other institutions and having established itself as an essential component of the Union's research funding landscape, its label of excellence has raised the level of science across Europe. Supporting best researchers in any field of research on the sole criterion of excellence is expected to have a direct impact through advances at the frontier of knowledge, opening the way to creating new scientific and technological results, which ultimately can lead to innovation.

In 2016, as established in the ERC Work Programme 2016 adopted by the Commission on 28 July 2015¹, the ERCEA will continue managing, both the legacy of the Specific Programme Ideas and the Horizon 2020 specific objective "Strengthening frontier research through the activities of European Research Council" of part I "Excellent Science" of the Horizon 2020 Specific Programme², as well as continue supporting the ERC Scientific Council in its tasks³ with an effective, efficient and cost-effective structure while keeping its administrative expenditures below 3% of the operational one.

The ERCEA will therefore launch calls for proposals under the Starting, Consolidator and Advanced grant schemes⁴, as well as offer opportunity for supplementary funding by means of the Proof of Concept instrument, aiming at bridging the gap between research and societal or commercial innovation. For that purpose, the 2016 operational budget will be split in a two-third/one-third basis between young scientists on the one hand (with an equal number of Starting and Consolidators Grants) and established research leaders on the other hand (Advanced Grant). In addition, the budget allocated to the Proof of Concept grant will be kept at last year's level and continue to support the innovation potential as well as the economic and/or societal impact of the growing number of mature ERC funded projects.

In 2016, the ERCEA's main challenges will be, for the granting department, to continue managing in parallel two framework programmes with two set of rules, processes, procedures and IT applications and efficiently manage a foreseen increase of 24% interim and final payments related to FP7 legacy while maintaining the same level of implementation of Key Performance Indicators (KPIs). Besides, by the end of 2016, it is expected that more than 5589 funded projects (representing an increase of 11% compared

¹ Cf. Commission Implementing Decision C(2015)5086 of 28/07/2015 adopting the 2016 Work Programme in the framework of the specific programme implementing Horizon 2020 – the Framework Programme for Research and Innovation (2014-2020) in relation to the specific objective "Strengthening frontier research, through the activities of the European Research Council".

² Cf. Council Decision 2013/743/EU of 3/12/2013 establishing the specific programme implementing Horizon 2020 – The Framework Programme for Research and Innovation (2014-2020) (OJ L347, 20/12/2013).

³ More details about the tasks under the remit of the ERC Scientific Council are provided in Art. 7 of Council Decision 2013/743/EU/ of 3/12/2013 (OJ L347, 20/12/2013).

⁴ More information on the type of calls and funding instruments can be found in the 2016 ERC Work Programme (cf. C(2015)5086).

to 2015) will be on-going, 64% funded under FP7 and 36% under H2020. The ERCEA also expects to receive 1691 scientific reports from Principal Investigators, including 779 final scientific reports (representing respectively an increase of 9,4% of total reports and of 37,9% final reports compared to last year), which will give further insight on the impact of the "Ideas" Specific Programme for Research in Europe. The achievement of the operational objectives set in this Annual Work Programme for key processes will be measured by related performance indicators. The five Key Performance Indicators selected by the Agency, namely "time to inform", "time to sign from invitation letter to signature of grants", "budget execution" (commitment and payments), "time to pay" and "ex-post control error rate", are highlighted in bold in the related tables⁵.

In addition, in accordance with its establishment plan the Agency will continue growing in 2016 and the years to come. The smooth accommodation of new staff members might prove difficult since the office space in COV2 building is limited and plans to free some extra space are being delayed, with the risk of delaying recruitments and a clear impact on the achievement of planned targets.

The Agency will continue using its acquired experience to monitor and maintain the effectiveness of its internal control framework and seek efficiency gains wherever possible within the given resources. As in previous years, the 2016 budgets entrusted to the ERCEA will be implemented in accordance with the principles of sound financial management, based on an effective, efficient and cost-effective internal control system, commensurate to risks of the multi-annual character of FP7, as well as of Horizon 2020 framework programme.

With this work programme the ERCEA will continue to fund investigator-driven research of the highest quality and favour innovative ideas and inter-disciplinary research which is unique at EU level making thereby an important contribution in achieving the objectives of Europe 2020 Flagship Initiative⁶. I would like to express my thanks to the ERC President, to the members of the Scientific Council and to the parent DG for their continuous support to the ERCEA.

Pablo Amor

⁵ Cf. tables 3.1.2 and 4.2.1 pp.8-9 and 12.

⁶ COM(2010) 546 final. Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on "Europe 2020 Flagship initiative – Innovation Union.

PART 2. Mission Statement

The aim of the European Research Council (ERC) established by the Horizon 2020 Specific Programme⁷ for the implementation of the specific objective 1 of its part I "Excellent science" and succeeding to the ERC set up under the previous Framework Programme⁸ for the implementation of the Specific Programme "Ideas" is to provide attractive and flexible funding to enable talented and creative individual researchers and their teams to pursue ground-breaking, high-gain/high-risk research in any field at the frontier of science. Such EU-funded research responds to the need of increase the research attractiveness of Europe and strengthening the EU ability to generate new knowledge. Both the "Ideas" and H2020 objectives are fully in line with the aims of the Europe 2020 strategy designed to deliver smart, sustainable and inclusive growth through the strengthening of every link in the innovation chain, from 'blue sky' research to commercialization and contribute to the Commission general objective *A new boost for Jobs, Growth and Investment*.

For that purpose, the ERC is composed on the one hand of an independent Scientific Council of 22 scientists, scholars and engineers of the highest repute who establishes the overall ERC's scientific strategy and has full authority over decisions on the type of research to be funded, and, on the other hand, of a dedicated implementation structure in the form of an executive agency (ERCEA⁹) of the European Commission responsible for the administrative implementation and programme execution¹⁰ of the Specific Programme IDEAS of the 7th Framework Programme and specific Objective 1 of Part I "Excellent Science" of H2020. The ERC, supported by the ERCEA, is committed to fund cutting-edge research aiming at bringing major scientific breakthroughs and provide the Commission and more specifically its parent DG, DG RTD, with valuable input for its policy objectives.

The mission statement of the ERCEA is "Dedicated to selecting and funding the excellent ideas that have not happened yet and the scientists that are dreaming them up".

⁷ Article 6 of Council Decision 2013/743/EU of 3/12/2013 establishing the Specific Programme implementing Horizon 2020 – The Framework Programme for Research and Innovation (2014-2020) (OJ L 347, 20/12/2013).

⁸ OJ L 57, 24/2/2007.

⁹ The ERCEA established by Decision 2013/779/EU (OJ L346, 20/12/2013) replaced and succeeded the executive agency set up by Decision 2008/37/EC.

¹⁰ The ERCEA Delegation act (cf. Commission Decision C(2013)9428 of 20/12/2013 amended by Commission Decision C(2014)9437) specifies the tasks delegated by DG RTD to the Agency for the implementation of the above-mentioned H2020 specific objective and FP7 legacy.

PART 3. Overview of outputs for the year

3.1 Management of FP7 and Horizon 2020 programmes

The management of the specific objective entrusted to the ERC by the FP7 as well as Horizon 2020 programmes is achieved by the means of the annual ERC Work Programme. This Work Programme, which is established by the Scientific Council and adopted by the Commission, describes in detail the type of funding instruments aiming at reinforcing excellence, dynamism and creativity in European research by providing attractive long-term funding to support excellent investigators and their research teams.

3.1.1 ERC's Specific Objectives and result indicators

The specific objectives for the implementation of which the ERC has been set up are defined in the respective legal basis of the Ideas and H2020 Specific Programmes:

Ideas Specific Programme (FP7) SPECIFIC OBJECTIVE	To enhance the generation of excellent, innovative ideas in frontier research in Europe	
Result indicators	Latest known results (December 2015)	Target (result)
Number of international prizes and awards by grant holders	166	200 by 2020
Number of scientific publications by grant holders	95 000	~40-60.000 by 2020

H2020 SP 1. SPECIFIC OBJECTIVE	Excellent science – European Research Council (ERC) – Strengthening frontier research				
Indicator	Share of publications from ERC-funded projects which are among the top 1% highly cited per field of science				
Baseline	Milestones ¹¹				Target for Horizon 2020 ¹²
	2016	2017	2018	2019	
New approach			1.5%		1.8%

3.1.2 ERC funding instruments and Calls for Proposals

The Scientific Council establishes among other tasks the methods and procedures for the peer review and proposal evaluation on the basis of which the proposals to be funded are

¹¹ Since reliable citation data are available only three years after publication, the first expected result will be visible in 2018. However, data will be continuously available (real-time) and collected automatically from specialized bibliometric databases. The measurement will take place according to reporting requirements from the fourth year of Horizon 2020 onwards. In addition, the indicator will be updated and reported periodically, at least on a yearly basis.

¹² The reference for this target is the year when the last actions financed under Horizon 2020 will be finished *i.e.* several years after the formal end of the programme in 2020.

determined, while the ERCEA ensures the administrative implementation and programme execution¹³.

All the information regarding the research activities which are implemented through calls for proposals, as well as through other types of activities allowing the ERC to carry out its duties and mandate are provided by the ERC Work Programme 2016¹⁴.

In 2016, the four following funding instruments will be implemented. A single deadline is set for each type of calls except for the Proof of Concept call which has 3 closing dates spread over the year as shown in the table below

Call identifier	Opening date	Closing date
ERC-2016-StG – Starting Grant	29/07/2015	17/11/2015
ERC-2016-CoG – Consolidator Grant	15/10/2015	02/02/2016
ERC-2016-AdG – Advanced Grant	24/05/2016	01/09/2016
ERC-2016-PoC – Proof of Concept	22/10/2015	1) 16/02/2016 2) 26/05/2016 3) 04/10/2016

Relevant general objective : A new boost for Jobs, Growth and Investment			
Specific objective: "Excellent science – European Research Council (ERC) – Strengthening frontier research" ¹⁵		Related to spending programme Horizon 2020 SP	
Main outputs in 2016:			
EXPENDITURE-RELATED OUTPUTS		INPUTS: Operational expenditure	
Description	Number of outputs	Budget line	EUR million ¹⁶
Main calls			
Starting Grant 2016 (StG)	335	08 02 01 01	485
Consolidator Grant 2016 (CoG)	335	08 02 01 01	605
Advanced Grant 2016 (AdG)	235	08 02 01 01	540
Proof of Concept 2016 (PoC)	130	08 02 01 01	20
Other Actions¹⁷			
a) Experts	4	08 02 01 01	15.12
b) Grants to identified beneficiaries	1	08 02 01 01	0.3
c) Other calls for proposals	1	08 02 01 01	0.85
d) Public Procurements	2	08 02 01 01	0.75
Estimated total budget¹⁸			1 667.02

¹³ Art. 7(2)(c) and 8(1) of Council Decision 2013/743/EU of 3/12/2013 (OJ L347, 20/12/2013).

¹⁴ Cf. C(2015)5068 of 28/07/2015 adopting the 2016 ERC Work Programme.

¹⁵ The ERCEA Specific objective (provided by Article 3 of Council Decision 2013/743/EU of 3/12/2013) has been included by DG RTD, the parent DG, into the following global specific objective: *To ensure an effective and efficient implementation of Horizon 2020 and other RTD programmes and maximise synergies* whilst the relevant general objective is: *A new Boost for Jobs, Growth and Investment*.

¹⁶ The figures come from the indicative budget presented in the ERC Work Programme 2016 adopted by the European Commission on 28/07/2015 (C(2015)5086).

¹⁷ Detailed information related to these actions can be found in the ERC Work Programme 2016 (pp. 43 sqq).

¹⁸ The Budget figures given in this table are rounded to two decimal points.

The implementation of the ERC WP by the ERCEA covers various processes from the management of calls, the evaluation of proposals received, the granting process¹⁹ as well as the financial and scientific follow up. Below are listed their related operational objectives together with indicators and targets enabling to measure their achievement.

Objectives	Performance indicators	2016 targets	Latest known results December 2015
<u>Call management:</u> Clear and stable guidance on the application procedures provided to applicants	a) % of ineligible proposals / total proposals submitted, per call	StG, CoG, AdG 2016 calls: 1,5% PoC2016: 4%	StG2015: 1.1% CoG 2015: 1.1% AdG2015: 0.8% PoC2015-1: 2.1% PoC2015-2: 4.7% PoC2015-3: 2.9%
	b) Maximum % increase /decrease of submitted proposals from previous year by call	StG2016: +10% CoG2016: +10% AdG2016: +10% PoC2016 : +10%	StG2015: -10.8% CoG2015: -18.9% AdG2015: -14.6% ²⁰
	c) % success rate per call ²¹	StG2016: 11% CoG2016: 14% AdG2016: 11% PoC2016 : 39%	StG2015: 12.1% CoG2015: 15.1% AdG2015: on-going PoC2015-1: 52.1% PoC2015-2: 57.8% PoC2015-3: 61.4%
<u>Evaluations:</u> Feedback to all applicants on the evaluation result is timely, unbiased and transparent	Time to inform²² all (average time in day) /successful applicants on the outcome of the evaluation of their application from the final date for submission of completed proposals	StG2016: 160/289 CoG2016: 150/303 AdG2016: 137/196 PoC2016-1: 90 PoC2016-2: 140 PoC2016-3: 105	StG2015: 142/248 CoG2015:164/276 AdG2015: on-going PoC2015-1: 106 PoC2015-2: 106 PoC2015-3: 78
	Overall average number of remote referee reviews per proposal	StG, CoG, & AdG 2016: 2	StG2015: 3.2 CoG2015: 3.2 AdG2015: on-going
	% of re-evaluations out of overall proposals submitted and following requests for redress	All calls: 0.5 %	StG2015: 0.03% CoG2015: 0.05% AdG2015: n/a PoC2015-1: 0% PoC2015-2: 0% PoC2015-3: n/a
<u>Ethical Review:</u> To monitor that selected ERC proposals receive timely ethical clearance from competent authorities	Time to ethics clearance (average) ²³	45 days	2014 calls: 27 days 2015 calls: n/a

¹⁹ Indicators related to the granting process and the financial management are shown under part 4.2.1

²⁰ Not relevant for PoC2015 since the number of deadlines has increased from 2 to 3 in 2015.

²¹ This indicator is calculated as follows: (Main+ Reserve)/Evaluated proposals.

²² According to Article 20.3 of the Rules for Participation and dissemination in H2020 (cf. OJ. L347 of 20/12/2013, p. 92), the ERCEA may exceed the period of 5 months from the final date for submission of complete proposals to inform all applicants of the outcome of the scientific evaluation of their application.

²³ Data relates to the pre-granting ethics review. This time span runs in parallel to the granting process.

Objectives	Performance indicators	2016 targets	Latest known results December 2015
<u>Time to grant:</u> ²⁴ To minimise the duration of the granting process aiming at ensuring a prompt implementation of the Grant Agreements through a simple and transparent grant preparation process.	Time to sign grant agreements from the date of informing successful applicants (average values)	StG, CoG, AdG: 130 days PoC: 120 days	StG2014: 135.7 CoG2014: 127.3 AdG2014: 101.9 PoC2014-1: 121.9 PoC2014-2: 83.1 PoC2015-1: 115
	Time to grant ²⁵ measured (average) from call deadline to signature of grants	StG2015: 400 CoG2015: 400 AdG2015: 400 PoC2015-2: 220 PoC2015-3: 220 PoC2016-1: 210	StG2014: 395.4 CoG2014:400.4 AdG2014: 312.6 PoC2014-1: 271.6 PoC2014-2: 218.4 PoC2015-1: 231
<u>Scientific follow-up</u> ²⁶ : Timely communicate the assessment of PI's mid-term and final scientific reports	% of final reports which exceeded 60 days	All calls: 5%	StG: 3% (641 reports) AdG : 3% (473 reports) PoC: 13% (30 reports)

3.1.3 Support to the ERC Scientific Council

The Scientific Council also monitors the effective implementation of the Horizon 2020 Specific Programme²⁷ and evaluates the impact of the ERC activities.

In response to relevant requests by the members of the Scientific Council, the Agency will continue to deliver strategic documents and advise them in their activities and thus enabling it to fulfil its mandate, as well as to refine the scientific strategy and methodology when deemed necessary, while also considering the needs and constraints of the ERCEA.

The Scientific Council's support activities therefore cover:

- Analysis and drafting of various documents, to reflect the Scientific Council's main orientation, including the ERC Annual Work Programme and its Annual Report;
- The support in preparation of Scientific Council 's contribution to the interim evaluation of Horizon 2020 and the review of the MFF. This will include the preparation of studies on the ERC funding activities and their impact to be commissioned to external resources, as well as design and execution of studies to be conducted with internal capacity;
- The support to the President and other members of the Scientific Council in terms of briefings (expected in 2016 to about approximately 30), presentations (about approximately 60), data analysis (about approximately 15) for their participation in various events worldwide such as World Economic Forum meetings in Davos, the AAAS in the USA, ESOF 2016 in Manchester;

²⁴ Main and reserve list.

²⁵ According to Article 20.3 of the Rules for Participation and dissemination in H2020 (cf. OJ. L347 of 20/12/2013, p. 92), the ERCEA may exceed the period of 8 months from the final date for submission of complete proposals to signature of grant agreements with applicants.

²⁶ In 2016, the majority of the scientific reports and follow-up will continue relating to FP7 projects. However the first final scientific reports for SyG and CoG projects are expected to be submitted in 2017 and 2019 respectively.

²⁷ Council Decision 2013/743/EU of 3/12/2013 (OJ, L 347, 20/12/2013).

- Public Procurement Actions²⁸, project follow-up or monitoring reports.

In addition, in view of supporting the Scientific Council's effective decision making process, the Agency provides background information and documents aiming at providing advice and assistance to the work of the Scientific Council and its Standing Committees and other Working Groups according to the timetable decided by the Scientific Council in the plenary meetings. A performance indicator has been established in agreement with the Scientific Council; it corresponds to the % of documents necessary for a plenary meeting that are delivered a week in advance (the benchmark is set at 80% and it has always been met). The ERCEA will also plan and organise logistics, including the timely compensation and the coordination of the timely transmission to the Scientific Council and Board of necessary documents²⁹. The 2016 target is to pay all Scientific Council members (100%) their compensations within 30 days following ERC meetings (latest known results December 2015: 100%).

²⁸ In the course of 2016 there will be two running projects both launched via public procurement procedure: one on the impact of ERC funding on the researchers' careers and another one on open access research data management and sharing within ERC projects.

²⁹ In 2016 the Scientific Council is expected to meet five times in plenary session: February, April, June, October and December either in Brussels or in other ERA countries, upon invitation of national authorities. The Standing Committee on Conflict of Interest and Scientific Misconduct as well as the Committee on Panels will meet twice whereas the five working groups (Innovation and Relations with Industry, Gender Balance, Open Access, Widening participation and on KPIs) each will meet at least once. These meetings, involving various sub-groups of the Scientific Council, including the Board meetings could exceed 30 per year.

PART 4. Organisational management

4.1 Relevant objectives and indicators

4.1.1 Human Resource Management

The objective of the ERCEA HR Unit is to manage the Agency's human resources, internal communication activities and to provide logistics and infrastructure support. The unit acts as a strategic partner aligned with the Agency's objectives and priorities and actively supports management and staff in view of ensuring the smooth operations of the ERCEA.

In 2016, the main focus of the unit continues to be the selection and recruitment of new staff: 36 new posts are foreseen in the staff allocation while the average turnover of about 6% is expected to go up slightly due to the effects of the opening of the inter-Agency job market. The unit will therefore prepare itself to hire about 60 new staff members within the year, aiming at reaching an occupation rate of 98% and will seek improve further its ratio of female representation in middle management.

The unit will put additional efforts in the retention of its staff through a series of targeted actions: the strengthening of managers' leadership skills (e.g. training and coaching programme for Heads of Units and Heads of Sectors), the offer of broad learning and development opportunities for all staff (target: 6 training days / staff member) along with the promotion of internal mobility possibilities in view of providing professional development prospects. A new emphasis will be put on the Agency's well-being policy (e.g. 2nd roll-out of the staff "Vitality" programme as well as the broadening of the teleworking and part-time possibilities).

In addition, the following challenges are high on the unit's agenda for 2016: the simplification of HR processes through optimal use of the entire Sysper functionalities, the implementation of the digitalisation of personnel files as well as appropriate accommodation for the new staff members arriving in 2016 and negotiations of additional office space with OIB for the Agency for the coming years.

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

Indicator 1: Percentage of female representation in middle management	
Source of data: ERCEA	
Baseline 2015 (44.4%)	Target 2016 50%
Indicator 2: Percentage of staff who feel that the Agency cares about their well-being	
Source of data: Commission staff survey	
Baseline 2014 (47.6%)	Target 2016 55%. Ratio of satisfied staff is expected to rise due to reinforcement of wellbeing actions in 2016
Indicator 3: Staff engagement index	
Source of data: Commission staff survey	
Baseline 2014 (67%)	Target 2016 70%.

4.1.2 Financial Management, Internal control and Risk Management

4.1.2.1 Financial Management

Objectives	Performance indicators	2016 Targets		Latest known results December 2015	
		H2020	FP7	H2020	FP7
To maximise execution of the operational commitment credits delegated to ERCEA by the European Commission	% execution of L1 commitment	100%		100%	
	% execution of L2/L1 commitment (C8)	100%		99.92%	
To ensure full yearly execution of payments credits (operational budget) through careful planning and monitoring	% execution of payment credits (C1)	100%	100%	100%	100%
Minimise financial and legal transaction time for ERC beneficiaries	a) time to pay (% according to milestones & budget table specified in the Description of Work and processing payments ie economic target days)	Pre-financing: 85% within 20 days		99.6 %(average 6.9 days)	33.3% (average: 25 days)
		Interim payment:95% within 90 days	IP: 95% within 90 days	n/a	99.9% (average 26.6 days)
		Final payment: 95% within 90 days	FP: 95% within90 days	n/a	97.9% (average 47.1 days)
	b) time to invoice (% within 5 days)	95%	95%	92.03%	98.44%
	c) time to amend (% approved or rejected within 45 days upon receipt of valid request)	100%	100%	87.9% (average 23 days)	97.3% (average 17.2 days)
<u>Expert management:</u> To fully execute the yearly experts' operational budget by implementing efficient payment process	a) time to pay (average)	100% within 30 days		84% (average 21 days)	
	b) % of experts payments budget execution (C1)	100 %		100%	
To ensure legality and regularity of underlying transactions to support ERCEA's positive Declaration of Assurance	ERCEA specific error rate ³⁰		MUS residual error rate <2%		MUS residual error rate: 1.31%

The ERCEA manages the ex-post controls in line with the FP7 Common Audit Strategy and is part of the FP7 Common Representative audit Samples (CRaS 1 & 2). To conclude on the legality and regularity of transactions, the ERCEA does not rely however on the common approach of the CRaS, since the risk profile of the IDEAS beneficiaries is inherently lower compared to the rest of the FP7. Thus, while contributing to the Research Family common strategy by performing audits, the ERCEA has adopted an alternative assessment pattern as part of its audit strategy and implemented its own multi-annual ex-post controls indicators to provide assurance to the Authorising Officer by Delegation on the ERC specific population.

³⁰

i.e. MUS ERCEA residual error rate, computed on the basis of MUS detected error rates.

These control indicators reflect the multi-annual results of audits performed on a representative sample (“ERCEA MUS250”) and on a risk based sample of ERCEA expenditure.

The specific targets for 2016 in this area are:

- Launch of 60 audits
- Closure of 60 audits (latest known results December 2015: 60)
- Completion audit plan: 100% (latest known result – December 2015: 100%)
- 6% of audit coverage (latest known results December 2015: 8.14%)

4.1.2.2 Internal Control and Risk Management

Overarching objective: The Authorising Officer by Delegation should have reasonable assurance that resources have been used in accordance with the principles of sound financial management, and that the control procedures put in place give the necessary guarantees concerning the legality and regularity of the underlying transactions including prevention, detection, correction and follow-up of fraud and irregularities.

Objective 1: Effective and reliable internal control system giving the necessary guarantees concerning the legality and the regularity of the underlying transactions

Indicator 1: Estimated residual error rate	
Source of data: 2014 ERCEA AAR	
Baseline 2014	Target 2016
1.69%	Below 2%
Indicator 2: Estimated overall amount at risk for the year for the entire budget under the DGs responsibility.	
Source of data: 2014 ERCEA AAR	
Baseline 2014	Target 2016
amount: 16 987 642 €	none
Indicator 3: Estimated future corrections	
Source of data: 2014 ERCEA AAR	
Baseline 2014	Target
amount: 1 564 235 €	none

Objective 2: Effective and reliable internal control system in line with sound financial management.

Indicator 1: Conclusion reached on cost effectiveness of controls	
Source of data: 2014 ERCEA AAR	
Baseline 2014	Target 2016
Yes	Yes
Indicator 2: Cost of controls over operational expenditure (commitments)	
Baseline 2014	Target 2016
2.1%	Below 3% of the operational commitments made

The Agency is committed to continuously monitor and report on the compliance and effectiveness of its internal control system while being proportionate to its risks as to ensure that reasonable assurance can be given, that resources assigned are used in accordance with the principles of sound financial management (effectiveness, efficiency and economy), that risk of errors in operations is minimised and the control procedures put in place give the necessary guarantees concerning the legality and regularity of the underlying transactions.

The specific targets for 2016 in this area are:

- 90% of implementation within deadline of high and medium risk³¹ mitigating measures (latest known result December 2015: 61.5³²%);
- 100% of 2016 most significant risk being timely mitigated;
- No critical (IAS) or material (ECA) findings on supervisory control systems by auditors.

Moreover, as to ensure the continuous effectiveness of the internal control system, the Agency will closely monitor on a quarterly basis the effective implementation of risk mitigating measures, exception requests and non-compliance events, internal control weaknesses and audit recommendations (Court of Auditors, and Internal Audit Service) implementation by agreed deadlines in line with the action related plans. In 2016 the targets will be:

- 92% of accepted audit recommendations implemented by agreed deadlines (latest known results December: 100%);
- No critical/very important audit recommendations which are overdue for more than 6 months (latest known results December 2015: none).

Objective 3: Minimisation of the risk of fraud through application of effective anti-fraud measures, integrated in all activities of the Agency, based on the ERCEA's anti-fraud strategy (AFS) aimed at the prevention, detection and reparation of fraud.

Indicator 1: Updated anti-fraud strategy (AFS) of the ERCEA, elaborated on the basis of the methodology provided by OLAF

Source of data: ERCEA AFS

Baseline	Target
Date of the last update: 12/11/2015	The Strategy shall be updated in the event of important developments regarding the implementation of the Specific programmes entrusted to the ERCEA including significant evolution of a Research family common anti-fraud strategy and related tools for Horizon 2020.

Indicator 2 : Fraud awareness is increased for target population as identified in the ERCEA AFS

Source of data: ERCEA AFS

Baseline	Target 2016
- none	-80% of ERCEA Staff participation to ethics and integrity trainings

³¹ According to the risk assessment level: low (1-9), medium (10-18) and high (19-25).

³² Out of 13 actions, 8 were implemented on time, 3 were implemented after the agreed deadline and 2 will be implemented in 2016.

	-75% of ERCEA staff participation to the survey on anti-fraud policy, ethics and integrity - 75% of correct answers to the survey
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The Agency performed during 2015 the revision of the ERCEA's Anti-Fraud Strategy under the coordination of the newly created Anti-Fraud Sector. The revision entailed an update of the anti-fraud action plan following the results of the fraud risk assessment, which is integrated in the overall risk management exercise of the Agency carried out in September 2015.

During 2016 the implementation of the anti-fraud action plan will continue to be monitored by the Anti-Fraud Sector and it will require, inter alia, maintaining an adequate level of interaction and coordination with the anti-fraud networks of the Research Family and OLAF.

The training titled "*Be Aware! Identifying and mitigating fraud risks in ERC funded projects*" will be again organised twice during 2016 by the Anti-Fraud Sector with the support of OLAF in order to increase awareness on fraud issues among Agency's staff and their ability to early identify fraud indicators in the course of the controls carried out. Other targeted activities aimed at promoting greater awareness during 2016 among Agency's staff on fraud risks and related control measures, will include a dedicated survey.

In addition, the Anti-Fraud Sector will ensure the coordination of reported cases of serious irregularities and potential fraud in line with the dedicated procedure "*Handling internally and reporting irregularities and potential fraud*" and will also perform the function of Warning contact person as regards the implementation of Commission Decision of 13 November 2014 on the Early Warning System.

4.1.3 IT

The IT support ensures customers satisfaction by setting up secure IT systems that are simple, reliable and user friendly, with good user interface and to facilitate the exchange of information between Principal Investigators, beneficiaries (Host Institutions) and experts. It is important to ensure at any time the continuous availability of the IT infrastructure and the related services by defining, planning, buying, building and maintaining them so that staff is adequately supported in their operations. Besides, IT service aims at delivering IT applications in order to increase the productivity of the business operations.

Furthermore, in the area of evaluation, expert and grant management, the agency's IT strategy is that of alignment and integration with the common H2020 systems offered by the Common Support Centre (CSC). This is foreseen in two ways: collaborate to make ERCEA-specific functionality available within the common H2020 systems, and, assess the replacement of existing local functionality whenever new appropriate common functionality becomes available.

The 2016 activities in this area are:

- Guarantee the continuation of FP7 activities using locally developed IT systems;
- Service the evaluations and expert management processes;

- Adapt local IT tools to make them compatible with H2020 and where necessary integrate with common H2020 systems;
- Maintain a local set of IT tools to manage the administration of the agency in the operational areas and those of the resources and support services;
- Develop and maintain IT systems on request of the Scientific Council;
- Deliver local IT operational support complementary to ITIC services.

4.1.4 External Communication

Objective	Performance indicators	2016 targets	Latest known results December 2015
To raise visibility and awareness of the European and worldwide scientific community and policy makers on ERC and its funding opportunities, key developments and project results	Number of ERC website visitors	530 000	557 285
	ERC Press coverage (number of articles/ interviews mentioning ERC published and print circulation)	6500 media items mentioning the ERC 78 million copies	7946 media items mentioning the ERC 97 939 529 copies

Many communication activities, targeted at the media, the research community, policy makers and the general public, are foreseen to increase ERC's visibility, to widen the participation to our calls and to strengthen its positive corporate image both in Europe and abroad. These activities will continue to be channelled via a wide-range of tools and supports, including ERC website, press releases, newsletters, events and social media. In 2016, the ERCEA communication unit will in particular inform and communicate about the Scientific Council's composition, the renewal of the members and the outcomes of the various working groups and will provide assistance and advice to the ERC President and Scientific Council members.

In line with the ERC external communication strategy 2016³³, its main areas of activities are:

- Inform and communicate on ERC funding opportunities under Horizon 2020 the scientific community, the national and international media, policy makers as well as the general public via the ERC website and its communication and via the NCP (National Contact Point) network. Special effort will be done for widening participation in Europe, and outside-ERA via autonomous communication actions, by joining parent DG campaigns and in the framework of a dedicated CSA aiming to strength competitiveness in ERC calls.
- Highlight ERC projects, researchers and calls results: the focus will continue to be on communicating the ERC's excellence, results and achievements. These activities are supported via the multiannual communication campaign funded by a CSA signed in 2015.

³³ cf. Ares(2015) 4946876.

- Consolidate the ERC image: actions will be carried out during the year to increase the public knowledge of the ERC and of its research projects and their impact among policy-makers, stakeholders and citizens at large.

4.2 Operating budget, staff and operational appropriations

4.2.1 Operating budget

2016-Budget title (Budget line 08 01 06 01)		EU contribution	EFTA/EEA contribution	Third countries' Contributions	Total appropriations (€ million)
Title 1	Staff expenditure	30 455 210	831 427	368 508	31 655 145
Title 2	Infrastructure and operating expenditure	7 119 492	194 362	86 146	7 400 000
Title 3	Programme support expenditure	3 406 773	93 005	41 222	3 541 000
Total		40 981 475	1 118 794	495 876	42 596 145
<i>of which Management and Administrative Support</i>		<i>6 234 318</i>	<i>170 197</i>	<i>75 435</i>	<i>6 479 950</i>

Objective	Performance indicator	2016 Target	Latest known results December 2015	
			Budget 2015 (C1)	Budget 2014 (C1+C8)
To ensure sound financial management of ERCEA's administrative budget as well as the regularity and legality of its underlying transactions	% budget execution commitments	99%	99.28%	
	% budget execution payments	99%		98.92%
	% of error in transactions related to staff expenditure (salaries) detected through ex-ante checks	<2%	1.5% ³⁴	
	Time to pay	<15 days	10.6 days	
	Number (and % of total) of late payments for the administrative budget	<20 (<1%)	15 (0.8%)	
	No findings related to the sound financial management and legality and regularity of budget's underlying transactions in the financial report of the CoA	None		

³⁴

4.2.2 Human resources

The following figures are indicative.

Programmes	2016 - Staff (EU Budget)					
	TAs	Of which Seconded officials	CAs	SNEs	Total	Percentage
FP7						
FP7	38	7	103	6	147	32.9%
Management and administrative support	5	1	21	0	26	5.8%
Subtotal	43	8	124	6	173	38.7%
H2020						
H2020	61	10	161	10	232	51.9%
Management and Administrative Support	8	2	34	0	42	9.4%
Subtotal	69	12	195	10	274	61.3%
Total	112	(20)	319	16	447	100%

Staff financed by contributions from EFTA and/or third countries	
Staff allocated to operational activities	14
Staff allocated to management and administration	0
Total	14

4.2.3 Delegated operational appropriations

Budget lines		2016 - Commitment appropriations (million €)			2016 - Payment appropriations ³⁵ (million €)		
		EU Budget	EFTA/EEA	Total	EU Budget	EFTA/EEA ³⁶	Total
FP7							
Budget line	08.025100	/	/	/	706.9	19.3	726.2
H2020							
Budget line	08 02 01 01	1 622.72	44.3	1 667.02	591.9	16.2	608.1
Total of the operational budget managed by the Executive Agency:		1 622.72	44.3	1 667.02	1298.8	35.5	1334.3

³⁵ Payment appropriations may be subject to revision during the year.

³⁶ The third country contributions (R0) for H2020 - 2016 are estimated to amount to 93 million €. No third country contributions for FP7.

4.3 Evaluations and studies

For information relating to evaluations and studies on the ERCEA activities, please revert to Annex I of DG RTD 2016 Management Plan, as programme evaluations are not in the remit of the Agency.

ANNEX Critical risks for the ERCEA in 2016

Further to the results of the 2015 risk management exercise, which was performed using a bottom-up approach, encompassing the update of existing risks and the identification of events that may jeopardise ERCEA 2016 objectives, ERCEA management identified 3 critical risks³⁷. It has been assessed that the materialisation of these risks, which are not under the exclusive control of the ERCEA, may impact in 2016 the achievement of some ERCEA objectives:

Specific Objective: Excellent science – European Research Council (ERC) – Strengthening frontier research				
Brief risk description	Criticality	Mitigating actions	Risk type	Crosscutting
Due to H2020 common IT systems not fully and timely implementing the specificities of ERCEA processes (<i>ie</i> ethical review) ERCEA KPIs may adversely be impacted.	L: 5 I: 4	/	External environment	N
Risk of delays in receiving the outsourced audit reports, with potential adverse impact on achieving the 2016 audit targets and the execution of the administrative C8 payment credits Delays recorded already in delivering the reports for the audits launched in September 2014 (backlog mostly due to a bottleneck at the stage of the external audit firm's review in the coordination office). This may continue with the batch launched in February/March 2015 (32/50) and may impact the achievement of the EPC audit plans' targets for 2015 and 2016.	L: 4 I: 5	Closed contact will be maintained with Lubbock & Fine to ensure that ERCEA files become a priority and that the backlog is absorbed	External environment	N
Insufficient office space to absorb H2020 increase in staff (due to delay in the move of EASME out of COV2) may result in 2016 recruitments being delayed, thus impacting ERCEA KPIs.	L: 4 I: 5	Negotiations with OIB and DG RTD	External environment	N

The implementation of mitigating measures for these most significant risks will be closely monitored by management throughout 2016³⁸.

³⁷ The criteria used are from the DG BUDG "Risk Management in the Commission" Implementation Guide updated version October 2010.

³⁸ Further to the update of the risk register in December 2015 and the implementation of mitigating measures related to 2 out of 3 critical risks, their residual risk level have been downgraded to medium, leaving only the risk of H2020 common IT systems at a high level.