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2018

Annual Activity Report

Education, Audiovisual and Culture Executive Agency (EACEA)

FOREWORD FROM THE DIRECTOR

It is my very great pleasure to welcome you to EACEA's 2018 Annual Activity Report. The document that you are now reading is a summary of the exemplary efforts of the Agency's staff and management throughout 2018. It serves as a transparent account of our work over the past year.

Under the guidance of our partners in the Commission, the main task of EACEA is to implement projects in the fields of education, culture, audiovisual media, sport, youth, citizenship and humanitarian aid. These are some of the most visible of the Commission's policies within the European Union, and each of our programmes has a direct and tangible impact on the lives of Europe's citizens. Ensuring excellence in the management of these programmes is at the heart of our mission.

Overall, 2018 has been a year of transition. We find ourselves coming to the end of the present Multiannual Financial Framework, and the next one will arrive soon, bringing great ambitions for the programmes managed by EACEA. For this reason, EACEA must continue to strive for excellent service.

However, while the Annual Activity Report is an opportunity to illustrate our work over the past year, it is also a moment for reflection. Internal audits and reinforced supervision by the parent DGs last year identified a number of areas for improvement in EACEA. The Agency has taken this seriously and has launched an in-depth revision of its internal control system, aiming to assure our partners that we are the best custodian of these flagship EU funding programmes.

Solving these issues requires much work, yet I know it can be done. I have already been impressed by the resilience of the Agency's staff and the strength of EACEA's team spirit. The actions carried out under the former acting Director are a concrete first step towards putting the Agency on a firmer footing towards sound management of the tasks and duties of the next Multiannual Financial Framework. A more structured plan for EACEA transformation will follow under my responsibility.

Finally, though it is me who signs this report as Director, it is of course the dedication and diligence of all colleagues across EACEA that make the Agency's work possible.

I look forward to a year of fresh and concrete achievements in 2019.

[signature]

Roberto CARLINI

Director

EACEA IN BRIEF

EACEA's mission is to support European projects that connect people and cultures, reach out to the world and make a difference.

Working together in education, culture, audio-visual, sport, youth, citizenship and humanitarian aid, we foster innovation through the exchange of knowledge, ideas and skills in a spirit of cross-border cooperation and mutual respect.

We strive to provide excellent programme management and high quality service through transparent and objective procedures, showing Europe at its best.

Executive Agencies are established by the Commission in accordance with Council Regulation (EC) No 58/2003 with the purpose of delegating certain tasks relating to the management of Union programmes, including budget implementation.

This enables the Commission to focus on its core activities while profiting from the Agencies' technical expertise in the management of such programmes, with the goal to achieving greater efficiency.

The Education, Audiovisual and Culture Executive Agency (EACEA) is a multi-programme Agency contributing mainly to the Commission's priorities[1] for growth, jobs and investment under the leadership of the Commissioner responsible for Education, Culture, Youth and Sport throughout the Erasmus+ programme.

The Creative Europe programme, on the other hand, is specifically linked both to the priority 'A connected Digital Single Market', and, together with the Europe for Citizens programme, to 'A Union of Democratic Change'. The Agency is also responsible for implementing the EU Aid Volunteers initiative (EUAV) and for awarding grants through external instruments[2] - as such the Agency is reinforcing Europe's role as 'A Stronger Global Actor' in close cooperation with the four relevant Directorate-Generals (also termed 'parent DGs') of the Commission (DG EAC, DG CNECT, DG ECHO and DG HOME).

The Commission, and in particular EACEA's four parent DGs, define the policy, strategy, objectives and priorities of the programmes and are responsible for the supervision and monitoring of the Agency. For its part, EACEA is responsible[3] for managing the projects under its delegated programmes throughout the grant management cycle (from call publications to closure of the contracts) and the procurement procedures. EACEA reports on the performance of these tasks to the parent DGs and the Steering Committee of the Agency.

The Agency has its own legal identity and is entrusted with its own operating budget for its running costs (staff expenditure, office-related costs, IT and other services) for which it receives an annual subsidy from the EU (in 2018: EUR 49.69 million[4]).

The Director of EACEA is the Authorising officer (AO) for this budget and has overall responsibility for implementing EACEA's revenues and expenditures. This responsibility is carried out in accordance with the principles of sound financial management as defined in the Financial Regulation applicable to the general budget of the European Union.

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1   https://ec.europa.eu/priorities/sites/beta-political/files/juncker-political-guidelines_en.pdf
2   European Neighbourhood Instrument (ENI), Development Cooperation Instrument (DCI), Partnership Instrument for cooperation with third countries (PI)
3   EACEA's tasks are detailed in the Delegation Act C(2013)9189 and its subsequent amendments

4   Commitment appropriations

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

- **Enhancing the visibility** of the funding provided through communication support;
- **Feedback** on policy via cluster meetings, workshops, reports, direct input and statistical data;
- Cooperation and **exchange** of knowledge with different stakeholders;
- **Support** to potential applicants.

2018 was also a year of transition for EACEA. The Agency set about improving its internal business processes related to internal control and management supervision, and a new Director was appointed on 16 February 2019.

By the end of 2018, EACEA numbered 441[5] staff members representing 25 EU nationalities, managing over 6 278 running projects with an operational budget of EUR 641.8 million[6]. The Agency is located in Brussels.

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5 See further details in section 2.2.1 Human resource management

6 As indicated in the 2018 EACEA Annual Work Programme C (2018)4732

EXECUTIVE SUMMARY

The Annual Activity Report is a management report from the Director of EACEA to the College of Commissioners. Annual Activity Reports are the main instrument of management accountability within the Commission and constitute the basis on which the College takes political responsibility for its decisions, as well as for the coordinating, executive and management functions it exercises, as laid down in the Treaties[7].

Key results and progress towards the achievement of general and specific objectives of the EACEA – highlights of the year

In implementing the delegated programmes throughout 2018, the Agency contributed to the General Objectives of its four parent DGs (DG EAC, DG CNECT, DG ECHO and DG HOME) as defined in their Strategic Plans 2016-2020 and the 2018 Management Plans. The internal priorities of EACEA collectively contribute to making the Agency an efficient and effective competence centre for EU programme management. The priorities are as follows:

- **Reinforce compliance and assurance** within the Agency through continuous improvements identified either internally and/or in response to external recommendations (IAS, ECA, Accountant, Steering Committee etc.);

- Further **improve performance in programme management** and enhance the added value of the Agency;

- **Reinforce knowledge management**, the sharing of good practices and organisational learning.

Overall, 2018 has been a year of transition for the Agency. Auditing by the Internal Audit Service (IAS) early in the year identified the need to review the Agency's evaluation process and streamline internal business processes, as well as to launch a reflection on the Agency's internal control system and assurance building (see corresponding section in Part II of this report). The ambitious action plan which was subsequently drawn up has been carried out by staff in parallel with the already demanding tasks related to programme implementation. The departure of the Director mid-year and the consequent need to appoint an acting Director were not conducive to the necessary structural changes. The year concluded with a second IAS audit on project management, confirming the weaknesses that had been previously identified. Consequently the Agency has continued to strengthen its internal procedures related to internal control and assurance, thereby setting the necessary cultural changes in motion (see corresponding section 2.1.2 in Part II of this report).

It should be noted that both the IAS and the outcome of the 4th evaluation of the Agency confirmed that the quality of the core activity of the Agency – programme implementation – was not questioned.

The 4th evaluation concluded the following:

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

> *The overall conclusion on the effectiveness of the EACEA is that during the 2015-2017 period the Agency was effective in the implementation of its operational priorities. The Agency effectively implemented the programmes delegated to it and executed other tasks outlined in its legal framework ensuring high satisfaction of its key stakeholders, including applicants and beneficiaries of the Agency.*

Positive outcomes were achieved during the reporting year. Target attainment, progress on priorities, positive output from project management and inspiring success stories have all been possible thanks to the continuous effort, commitment and engagement of all staff members. However, these achievements came at a cost, as reflected in the staff satisfaction survey. These matters shall be addressed in 2019 to ensure that the Agency is fit in good time for the delegation of the new programmes under the new Multiannual Financial Framework (MFF).

Highlights of the year

- EACEA contributed to the preparation and implementation of the European Year of Cultural Heritage (EYCH) 2018. A specific call for cooperation projects focusing on cultural heritage was launched and a kick-off meeting was held in Berlin during the European Heritage Summit, which brought together representatives of the selected projects. The Agency also provided regular feedback during meetings and events organised by the national coordinators of the EYCH and stakeholders, and produced relevant information material.

- Several MEDIA projects were showcased at major European events such as the Berlinale and the Cannes Film Festival. Many of the films received nominations and awards at European and international level. Five MEDIA-supported films competed in the 91st Academy Awards with 16 nominations in several categories, including best film. The ceremony was held on 24 February 2019 and the MEDIA funded film 'The Favourite' received the Academy Award for Best Actress. These five films received over EUR 1.9 million in support towards their development, promotion or distribution.

- The Europe for Citizens Programme facilitated dialogue between beneficiaries of Operating Grants, Think-Tanks, Pan-European Platforms and European Networks working on citizens' issues. This was particularly important in view of the upcoming European Parliament elections in 2019. While many proposals received by the Agency aimed to give voice to citizens in the run-up to the elections, many other projects addressed the cultural dimension of the EYCH priorities.

- In line with President Juncker's push to empower youth across Europe, the Agency has since mid-November been entrusted with managing a number of the European Solidarity Corps's actions and supporting measures. The Agency successfully carried out the evaluation and awarding of the first ESC Quality Label in December.

- On 24 October 2018, the Commission launched the first Erasmus+ call for proposals for the *European Universities* initiative. The European Universities initiative is a flagship of the European Education Area by 2025[8], which will support the creation of bottom up networks of universities across the EU which will enable students to obtain a degree by combining studies in several EU countries and contribute to the international competitiveness of European universities.

- The Agency was entrusted with the implementation of this action and worked extensively with DG EAC to draft the first call for proposals and prepare the application package.

  The first call which attracted interest within the higher education community across Europe is aimed to test different models of cooperation before fully rolling out the European Universities initiatives under the next programming period.

Focus on priorities

1. Reinforce compliance and assurance

- The Commission Implementing Decision to establish the Agency[9] was amended on 13 November 2018 to include the European Solidarity Corps programme[10]. In addition, the delegation Decision of the Agency was amended to confer management of a new action under Erasmus+ - European Youth Together[11]. A further amendment[12] was concluded, aligning the current tasks with the delegation Decision on 19 February 2019.

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[8] COM(2017)673 final

[9] 2013/776/EU

[10] 2018/1716/EU

[11] C(2018)5011 dated 1/08/2018

[12] C(2019)1299

- Many of the Agency's processes have been revised following the IAS audit and the delivery of work programme objectives and implementation of the budget have been successfully managed.
- Parent and partner DGs of the central services closely monitored the Agency's full compliance with the revised procedures throughout the year, leading to an increased involvement in the selection process. Notably DG EAC, in close collaboration with other parent DGs, was responsible for the reinforced supervision of the Agency. As such, colleagues from DG EAC participated systematically in EACEA's weekly management meetings and were closely involved in all managerial decisions of the Agency.
- Platforms (namely EPALE, eTwinning, Online Linguistic Support (OLS) and Erasmus+ Virtual Exchanges) are managed through Steering Committees, involving Commission services and chaired by the Agency, thereby allowing for regular discussions on the Commission's political priorities and how best to implement them. Such discussions also reinforce the supervisory framework by allowing the Agency to report regularly on its monitoring. This in turn improves planning capacity and risk management, as all aspects (Political, IT and contract management) are considered in one single forum*.

The Erasmus+ Online Linguistic Support platform recently reached 1 million users.

2. Improve Performance in programme management and policy feedback

The Agency continued to focus on improving efficiency throughout the full project life cycle. Examples include the following:

- The Agency expanded its efforts to train the Creative Europe Desk network, who are contacted by 90 % of applicants prior to applying.

- Evaluations of proposals are now almost entirely paperless. eForms and e-reports are also being increasingly used in all programmes.

- The Agency's Online Linguistic Support (OLS) team conducted a set of large scale surveys that targeted 400 000 stakeholders. The team focused particularly on users' language-learning needs, preferences and attitudes towards online language learning, and feedback on the current Erasmus+ Online Linguistic Support (OLS) platform and its licence allocation process.

Through its funding of relevant projects, the Agency was also instrumental in supporting the policy priorities of its parent/partner DGs[13]. Examples include the following:

- In 2018, Creative Europe contributed to the EU 2020 goals on growth and employment by supporting small and medium-sized companies, non-profit organisations and public bodies as beneficiaries. The programme was thus highly relevant to the strategies pursued by the Member States and to EU policy priorities.

3. Reinforce knowledge management, good practices and organisational learning

- Agency colleagues regularly shared their knowledge with and provided feedback to the parent DGs. Along with DG EAC, the Agency has been fully involved in the implementation of the European Year of Cultural Heritage 2018, as well as in supporting the Music Moves Europe initiative launched by the European Parliament.

- In line with the Europe for Citizens programme's multiannual priorities, the Agency participated in events with DG HOME, with presentations focusing on topics such as the integration of migrants and the year of cultural heritage in Europe.

- In order to increase awareness on this important study, a Lunchtime conference was organised: "The survey of adult skills (PIAAC): Insights on automation, skills mismatches, inequality and training". Speakers from EACEA, DG EMPL, DG EAC, DG ECFIN and OECD delivered a coordinated presentation taking stock of the results from the precious cycle of PIAAC survey, co-financed by EACEA. The event was web-streamed. In total, more than 400 participants followed the event.

- Extended use of knowledge management and sharing of good practices has provided encouraging results: 100 % of the actions managed by the Agency now use collaborative platforms to communicate with external or internal stakeholders.

Collecting and sharing stakeholders' feedback – an example

- In 2018, the Europe for Citizens programme published a brochure titled "Participatory spaces for Europe's citizens". This publication gives an overview of activities undertaken by beneficiaries of Operating Grants awarded in 2014-2017. It highlights the results and outcomes which organisations were able to achieve thanks to their grant, and describes the activities that they implemented within the Europe for Citizens programme. The brochure contains a foreword by Commissioner Avramopoulos and contributions from 34 organisations, including think-tanks, pan-European organisations, and European networks on remembrance and citizenship.

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[13] In addition to the parent DGs, EACEA interacts with other DGs, namely DG EMPL, DG DEVCO, DG NEAR and PFI.

Europe for Citizens
Participatory spaces
for Europe's citizens

- The Europe for Citizens programme also worked with DG COMM to promote President Juncker's call for "permanent dialogue with citizens". The final event of the Networks of Towns project "Se souvenir de l'Avenir" was attended by the Deputy Director-General for Communication Sixtine Bouygues, who took part in a Citizens' Dialogue involving 237 young people from 27 countries. The debate allowed young people to ask Mrs Bouygues questions, reflect on how EU policies affect them, and share their vision and expectations for the future. The debates served to promote dialogue between young people, their municipalities and the EU.

Additionally, the 4th external evaluation of the Agency concludes that programme implementation has been working well, a statement corroborated by the findings of the programme management audit carried out by the IAS.

In 2018 EACEA launched 28 calls for proposals and one call for tenders, and sent 24 invitations-to-apply to groups of designated beneficiaries (Work Programme 2018 calls) for a total value of EUR 717.9 million (commitment appropriations). The Agency's payment appropriations amount to EUR 641.8 million. For both kinds of appropriation EACEA's execution rate reaches 100 %. At the time of reporting, EACEA has evaluated over 11 700 proposals out of which 3 899 proposals were selected for a maximum total grants of EUR 720 926 703. The overall Agency's "time to grant" for the four programmes is 7.0 months – similar to the result for 2017 (7.1). The Agency received 188 requests for review emanating from applicants contesting the Agency's Decision at selection stage. It represents 1.6% of the total number of applications received (2017: 0,9%). None of them led to a change of the Agency's decision.
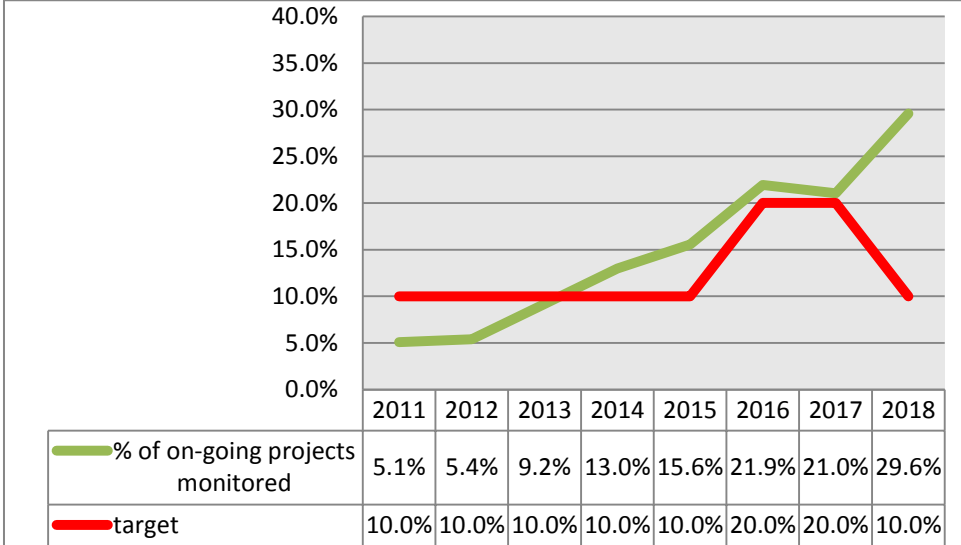
Key performance indicators

In its 2018 Annual Work Programmes, EACEA chose five key performance indicators (KPIs) to measure performance in its mandated tasks, and to ensure efficient delivery and successful achievement of the goals set by the Agency's parent DGs.

The aggregated results for each of the five indicators are presented below and are detailed by programme sector in Annex 12.

KPI 1 : Respect of the total time to grant (TTG) – less than 9 months

in months

	Time to grant all programmes	Erasmus+	Creative Europe	Europe for Citizens	EU Aid Volunteers	Pan-Africa
Target	9	9	9	9	9	9
2016	7.0	6.6	7.9	7.1	5.4	5.5
2017	7.1	7.3	7.2	5.4	5.8	7.1
2018	7.0	6.8	7.6	6.5	7.2	0.0

KPI 2: Respect of the Time to Pay (Payments are completed in line with the set deadlines[14])

	2011	2012	2013	2014	2015	2016	2017	2018
% of payments	93	96	96	92	95	92	96	98
target	90	90	90	90	90	90	90	90

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[14] Payments related to legacy programmes falling under the Financial Regulation 2007 are not considered

KPI 3 Maximise the success of the projects by ensuring support and timely monitoring	*· 29.6 % of projects recently selected that receive guidance and advice from the Agency on sound EU project management (i.e. informative events)* % of open projects that are monitored through targeted actions[15] *Chart data:* |	2011	2012	2013	2014	2015	2016	2017	2018
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% of on-going projects monitored	5.1%	5.4%	9.2%	13.0%	15.6%	21.9%	21.0%	29.6%
target	10.0%	10.0%	10.0%	10.0%	10.0%	20.0%	20.0%	10.0%	

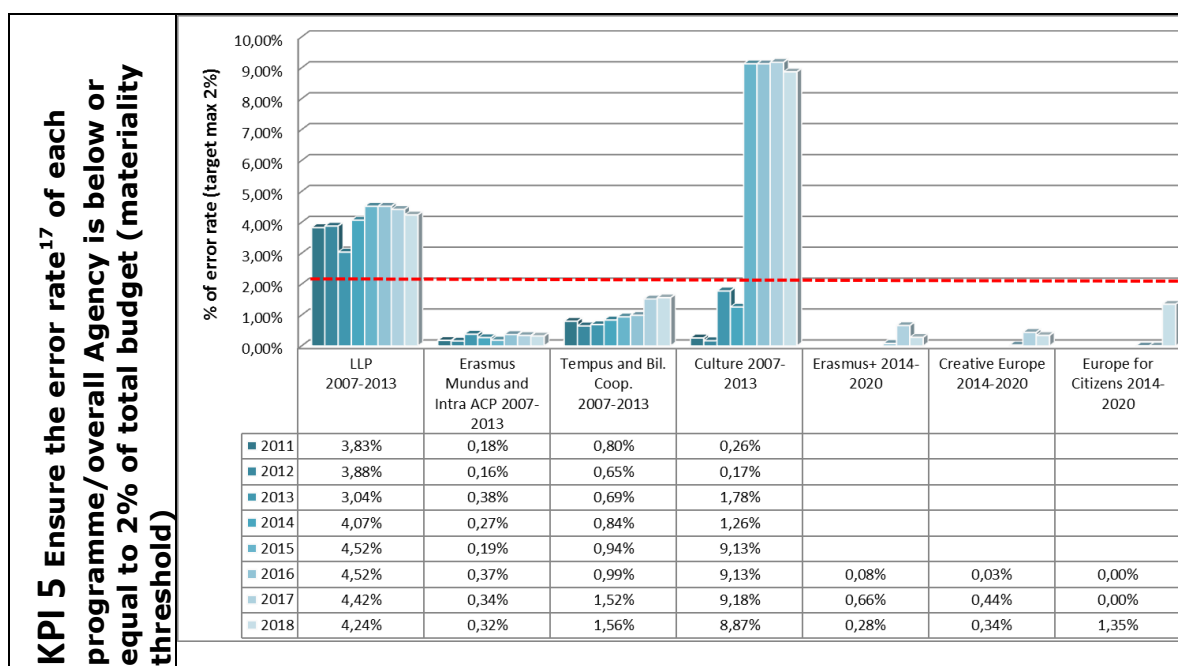|	
KPI 4 Provision of programme information to Commission services and support for linking policy and programmes	The Agency produced and presented the 2018 Bologna Process Implementation Report at the May Conference of Higher Education Ministers of the European Higher Education Area countries. The report was well received by European Ministers, Ministries, stakeholder organisations and DG EAC. It currently provides the basis for Bologna Process initiatives aimed at ensuring that the necessary conditions are in place both for the European Higher Education Area to function effectively, and for more innovative ideas – such as European Universities – to be developed. The Agency also produced the Commission staff working paper on the "Situation of young people in the European Union". This is a supporting document for the new Youth Strategy 2018-27 and was later published as a standalone report. In addition to specific (thematic) reports, the Agency has provided the Commission with synthesis reports analysing the implementation and results of the various programmes/actions. The Agency has, for each selection process, provided information on the success of each call for proposals with recommendations for future improvements. The Agency reached its target in this. **Target:** 100 % of award decision files contained a qualitative note. Satisfaction rate from participants attending events (programme-related kick-off meetings, various thematic/cluster meetings) organised by the Agency. **Target:** 80 % positive[16] feedback was achieved overall and the satisfaction rate frequently exceeded the target.

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[15] Be it via a mission or in Brussels or online, with individual projects or in a cluster.
[16] Satisfied and very satisfied.

KPI 5 Ensure the error rate[17] of each programme/overall Agency is below or equal to 2% of total budget (materiality threshold)

	LLP 2007-2013	Erasmus Mundus and Intra ACP 2007-2013	Tempus and Bil. Coop. 2007-2013	Culture 2007-2013	Erasmus+ 2014-2020	Creative Europe 2014-2020	Europe for Citizens 2014-2020
2011	3,83%	0,18%	0,80%	0,26%			
2012	3,88%	0,16%	0,65%	0,17%			
2013	3,04%	0,38%	0,69%	1,78%			
2014	4,07%	0,27%	0,84%	1,26%			
2015	4,52%	0,19%	0,94%	9,13%			
2016	4,52%	0,37%	0,99%	9,13%	0,08%	0,03%	0,00%
2017	4,42%	0,34%	1,52%	9,18%	0,66%	0,44%	0,00%
2018	4,24%	0,32%	1,56%	8,87%	0,28%	0,34%	1,35%

This data is gathered through the IT systems used by the Agency such as PEGASUS, APPFIN, ABAC and MIPS and has been subject to a data quality control.

KPI 1 (Respect of the total time to grant (TTG) beneficiaries as laid down in the Financial Regulation) decreased slightly by 0.1 compared to the previous year, with an average of 7.0 months for the five programmes managed by the Agency[18]. The target included in the Agency's Annual Work Programme (AWP) was increased by one month, reaching the 9-month target of the Financial Regulation. The Agency exceeded both its own target and the requirements of the Financial Regulations (max. nine months). The calculation takes into account the renewal of Framework Partnership Agreements as well as the grants awarded to designated bodies[19]. The methodology of calculation of the Time-to-Grant was adapted following a recommendation from the IAS [20]. As shown in the AAR 2017[21], the TTG of 2016 was recalculated following the updated methodology for the sake of comparison.

KPI 2 (Payments completed in line with the set deadlines): compliance with the payment deadlines with 98 % of all payments processed in time (96 % in 2017).

KPI 3 (Maximise the success of the projects by ensuring support and timely monitoring): 29.6 % of the on-going projects have been monitored alongside the Agency's day-to-day project management activities. This increase compared to 2017 is

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[17] RER: Multi-annual residual error rate.

[18] There is no data display for the Pan-Africa programme as there was no selection of projects in 2018.

[19] For the sake of transparency, the global Agency TTG would reach 7.3 months if FPAs and the designated bodies were excluded from the calculation. Results by programme are available in Annex 12.

[20] Calculation of the Time-to-Grant follows the methodology specified in DG BUDG's vademecum for Grant Management. This follows the recommendation of the IAS audit on Erasmus+ and Creative Europe – Grant Management Phase 1 (from the call to the signature of contracts) in EACEA (recommendation N°9).

[21] Page 14 of EACEA AAR 2017

due to the dual focus of monitoring activities aiming at ensuring a qualitative project management while keeping reasonable costs associated. Indeed, the Agency invested in efficiency gains through web-conferences, increased visits to projects in Brussels as well as combining project on site visits located in the same area. To complement these monitoring activities, the Agency also organised over 10 dedicated kick-off events addressing the specific needs of projects newly funded in 2018. All in all, more than 1 800 projects were monitored in 2018 throughout the above mentioned means. The target of on-going projects to be monitored was re-aligned to its initial level (10 %) in the AWP 2018 in agreement with central services.

KPI 4[22] covers policy support to the Commission: through the Work Programmes for Education (Eurydice) and for Youth (Youth Wiki) the Agency provided policy support to the Commission. The Youth Wiki platform is a comprehensive database of national structures, policies and actions supporting young people, and covers the eight main fields of action identified in the 2010-2018 EU Youth Strategy. The Youth Wiki tool provided substantial support to the European Commission in terms of drafting the new Youth Strategy 2018-27. Moreover, the Agency drafted the staff working paper "Situation of young people in the European Union", which was a supporting document for the Commission's communication on the new Youth Strategy. Thematic reports such as "Teaching Careers in Europe", the brief on "Citizenship Education" and the "Bologna process implementation report" also fed the policy agenda and supported key Commission policy initiatives. The Agency systematically provided information on the success of calls, with recommendations for the future. The Agency routinely collected feedback from participants, who in turn indicated a high satisfaction rate.

KPI 5 (Residual error rate): this is the third year that error rates were issued for the 2014-20 generation of programmes and the results are stable and positive (EACEA 2014-2020 detected error rate at 31 December 2018 being equal to 0.57 %). Three programmes from the legacy 2007-13 generation are above the 2 % threshold[23]. These are the Lifelong Learning Programme (LLP), Tempus, and the Culture programmes. Results for the Youth in Action, MEDIA and MEDIA Mundus, and the Europe for Citizens programmes (2007-2013) are no longer disclosed as they are completely phased out.

Key conclusions on financial management and internal control

In accordance with the governance arrangements of the European Commission, the staff of EACEA carry out their tasks in compliance with the applicable laws and regulations, working in an open and transparent manner and meeting the expected high level of professional and ethical standards.

The Commission has adopted a set of internal control components/principles based on international good practice, to ensure the achievement of policy and operational objectives. The financial regulation requires that the organisational structure and the internal control systems used for the implementation of the budget are set up in accordance with these principles. EACEA has assessed the internal control systems during

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[22] KPI 4 has been enlarged and renamed in the EACEA WP 2017 to cover not only the Work Programme for Unit A7 in the fields of Education (Eurydice) and Youth (Youth Wiki) but all policy-related activities of the Agency.

[23] For information linked to the "reservation" for these programmes, see corresponding section 2.1.5

the reporting year and has concluded that the internal control principles are implemented and function as intended with the exception of internal control component (ICC) III, "Control Activities" and internal control principle 16 (ICC V "Monitoring Activities"). Please refer to AAR section 2.1.3 for further details.

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

In conclusion (and based on the improvements in internal control management and supervision demonstrated from the second half of 2018 onward), management has reasonable insurance that, although areas of concern remain as shown by the IAS, overall, suitable controls are in place and working as intended (this includes a number of mitigating measures intended to support the Agency in providing stable and solid assurance for the next reporting period); risks are being appropriately monitored and mitigated; and necessary improvements and reinforcements are being implemented in close collaboration with the parent DGs, central services and the IAS.

The Director, in his capacity as Authorising Officer by Delegation, has signed the Declaration of Assurance albeit qualified with reservations concerning the above-mentioned internal control system and the 2007-2013 legacy programmes LLP, Tempus and Culture.

Provision of information to the Commissioners

The main elements of this report and the Declaration of Assurance, including the reservations, have been brought to the attention of the Agency's Steering Committee and to the Directors General of the parent DGs during regular meetings on management matters held throughout the year between the Director and the parent DGs. The Director has also taken these issues into consideration in his reporting to Commissioner Tibor Navracsics (responsible for Education, Culture, Youth and Sport), Commissioner Dimitris Avramopoulos (responsible for Migration, Home Affairs and Citizenship), Commissioner Mariya Gabriel (responsible for Digital Economy and Society), and Commissioner Christos Stylianides (responsible for Humanitarian Aid and Crisis Management).

1. IMPLEMENTATION OF THE AGENCY'S ANNUAL WORKPROGRAMME

The Agency supported the Commission in the achievement of its strategic priorities for 2018, notably concerning skills, education and training, social inclusion, citizenship, the Digital Single Market and humanitarian aid. The following priorities are interrelated and collectively contribute to the Agency being an efficient and effective competence centre for EU programme management.

2018 is the fifth year of the 2014-20 programmes described in sections 1.1 to 1.6.

    1.1.   Erasmus+

    1.2.   Creative Europe

    1.3.   Europe for Citizens

    1.4.   EU Aid Volunteers

    1.5.   Pan-African Programme

    1.6.   European Solidarity Corps

In addition to implementing these programmes, the Agency continued monitoring the open projects which were contracted under the previous generation of programmes in 2007-2013[24].

This section provides results of the key indicators relating to implementation of the Agency's Work Programme 2018. The results are listed by programme implementation tasks and specific objectives. Detailed information on the results of the indicators can be found in Annex 12.
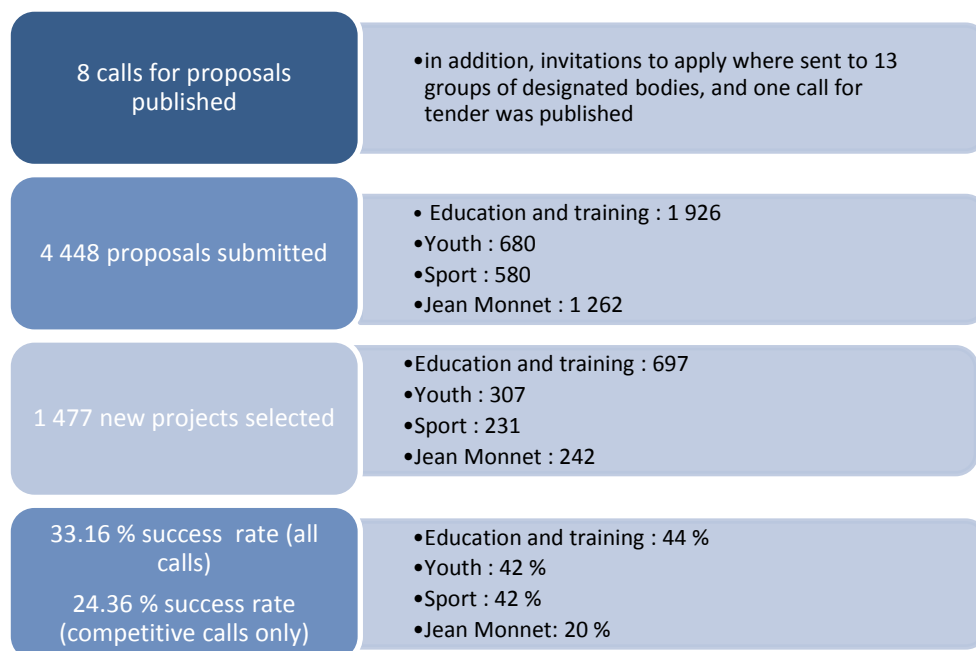

The European Solidarity Corps joined the Agency in 2018.

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[24] Full references for these programmes can be found in the Agency's Annual Work Programme 2013. https://eacea.ec.europa.eu/sites/eacea-site/files/eacea_awp2013.pdf

1.1 ERASMUS+

In implementing the Erasmus+ programme, the Agency contributes to the achievement of the specific objectives set by DG EAC[25] and listed in Annex 12.

8 calls for proposals published	• in addition, invitations to apply where sent to 13 groups of designated bodies, and one call for tender was published
4 448 proposals submitted	• Education and training : 1 926 • Youth : 680 • Sport : 580 • Jean Monnet : 1 262
1 477 new projects selected	• Education and training : 697 • Youth : 307 • Sport : 231 • Jean Monnet : 242
33.16 % success rate (all calls) 24.36 % success rate (competitive calls only)	• Education and training : 44 % • Youth : 42 % • Sport : 42 % • Jean Monnet: 20 %

Stakeholders interested in applying for Erasmus+ grants were invited to Brussels to participate in Information Days promoting the Erasmus+ calls for proposals managed by the Agency. To complement these onsite information events, the Agency also organised Internet-based information events. For the international part of Erasmus+, the Agency organised info days throughout the world in collaboration with EU delegations. Potential applicants from the European Union, third countries, including EU neighbouring countries, Africa and beyond sent representatives or followed the events via web-streaming. Agency staff also participated in several information activities in partner countries.

Besides promoting the calls, these events were an opportunity to communicate the aspirations of the programme in different fields, to present the essentials of the application and selection process, and to give information on project and financial management and, where relevant, the priorities. These promotional events were complemented by webinars and targeted communications. The Agency also actively participated in information activities organised by the Commission or other stakeholders.

The importance of transparency and clarity in terms of how the Agency manages the Erasmus+ grants has been at the core of the above activities. Additional support has been provided to applicants through dedicated helpdesks managed by project officers, via the call guidelines, lists of FAQs, and through other relevant support documentation published on the Agency website. Training activities on managing projects and grants have also been provided, particularly to key stakeholders outside the EU, in order to increase their ability to assist applicants in their country with project preparation and the application process.

The Erasmus+ actions managed by the Agency remain highly popular. Various ICT tools were used for collaboration and communication. The briefing sessions for external evaluators were mostly organised remotely.

In response to the feedback received from stakeholders, call guidelines were further simplified and ambiguous rules and criteria were clarified (e.g. eligibility criteria).

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[25] Ref. DG EAC Management Plan 2018

To facilitate the cooperation with external experts, the Agency also reviewed the Erasmus+ Guide for Experts on quality assessment and introduced relevant updates for the 2019 edition.

In the reporting period, the Agency had signed 1 477 grant agreements and grant decisions.

The Agency contributed to the dissemination of information and promotion of Erasmus+ actions and calls under its direct management by sharing relevant information with the network of Erasmus+ National Agencies (NAs) through the Commission's dedicated NAconnECt communication platform. In addition, the Agency organised a dedicated meeting with Erasmus+ National Agencies in close cooperation with DG EAC. The meeting provided a further communication platform for NAs to raise their questions, needs or concerns and improve their knowledge about the centrally-managed actions. The operational conclusions incorporate a number of follow-up actions which aim to further improve the communication technicalities of the NAConnECt platform, and to harmonise selection results tables across all actions, including a future workshop on synergies between centralised and decentralised actions. The Agency was also engaged and actively contributed to the various working groups (WGs) of DG EAC with the NAs (NA WG on programme management, NA WG on International Dimension).

In line with the revision of DG EAC Strategy for Dissemination and Exploitation of Programme results, the Agency analysed the revision proposal and provided constructive comments and suggestions for improvements. The Agency continued to be an active member of the Dissemination and Exploitation Steering Group.

To make use of the results, knowledge and experience generated by the Erasmus+ and legacy projects[26], and to extend monitoring beyond the individual project, the Agency organised Cluster Conferences bringing together (often) several generations of projects from a specific field, projects linked by a common theme or objectives, or projects with a common area of influence.

1.1.1 Education and Training

> **Specific objective 2.1:** The inherent objective of several Erasmus+ actions managed by the Agency is: *"Improving the level of key competences and skills, in particular through increased opportunities for learning mobility and strengthened cooperation with the world of work in education and training with particular regard to the relevance of these key competences and skills for the labour market and their contribution to a cohesive society".* Such actions include the Knowledge Alliances (KA), Sector Skills Alliances (SSA), and support measures for the eTwinning and EPALE[27] platforms.

The Agency continued to fund, support and supervise the work of Central Support Services, as well as networks of national support services (NSS) and partner support agencies active within the eTwinning and EPALE communities. The Agency also oversaw implementation of the activities of national coordinators in charge of the implementation of the European Agenda for Adult Learning.

The Agency evaluated the technical reports submitted by EPALE NSS, eTwinning NSS and PSA, and provided detailed feedback on progress made in the implementation to both DG EAC and DG EMPL, as well as to beneficiaries via feed-back sessions organised during

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[26] Projects funded by the legacy programmes: Lifelong learning programme, Erasmus Mundus, Tempus, Youth in Action.
27 Electronic Platform for Adult Learning in Europe

regular meetings with these networks. This feedback (summary) report prepared by the Agency covered both policy and grant management aspects.

With regards to progress in achieving the objectives of the Adult Learning Agenda, the Agency analysed the national achievements (as presented in the 2017 reports by the national coordinators) and discussed the draft analysis report with DG EMPL. The report, due to be finalised in early 2019, focuses primarily on the impact of the action, including transferable good practice examples and relevant recommendations.

For the VET specific calls for proposals, syntheses of projects, statistics, newsflashes and background notes were regularly prepared to keep the Commission informed.

On 24 October 2018, the Commission launched the first Erasmus+ call for proposals for the establishment of *European Universities*. The Agency was entrusted with its implementation and worked extensively with DG EAC on drafting the call for proposals text and preparing the necessary application package.

The European Universities will be *"bottom-up networks of universities across the EU which will enable students to obtain a degree by combining studies in several EU countries and contribute to the international competitiveness of European universities"* (European Council of 14/12/2017).

They will help shape answers to today's challenges by acting as role models and spreading their best practices. Innovative teaching and learning for enhancing creative and digital skills, and the ability to work in cross-disciplinary teams across borders will be at the heart of these European Universities. European Universities will bring together a new generation of young people from different parts of Europe, who are able to cooperate and work within different European and global cultures, in different languages, and across borders, sectors and academic disciplines. Through the first two Erasmus+ calls, the Commission is supporting the emergence of the first European Universities; with objective of seeing at least 20 of them by 2024. The full roll out of the European Universities initiative will be ensured under the next programming period 2021-2027.

Examples of EU added value of projects managed by EACEA

The projects managed by EACEA demonstrate EU added value in a diverse range of ways. As an example, the Sector Skills Strategy in Additive Manufacturing Projects (SAM) addresses the current European need to develop an effective system for identifying and anticipating the right skills needs for the Additive Manufacturing[28] sector. The project thus contributes to the smart, sustainable and inclusive growth of this sector. The main features of the project are:

- a Skills Strategy in Additive Manufacturing to support the growth, innovation and competitiveness of the sector;
- a methodology for a sustainable and continuous assessment of current and future skills needs;
- the capacity to design, review and deploy relevant qualifications in the sector, linked with EU Frameworks and Tools such as the EQF;
- promotion of the attractiveness of the sector as a career choice for primary, general education, VET and university students;
- an Online Qualifications catalogue to continuously update and enlarge the European Additive Manufacturing Qualification System, integrating all existing and future sectoral qualifications.

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[28] I.e. technologies that grow three-dimensional objects one superfine layer at a time. Each successive layer bonds to the preceding layer of melted or partially melted material. It is possible to use different substances for layering material, including metal powder, thermoplastics, ceramics, composites, glass and even edibles like chocolate.

As a further example, the project "Winemaker Specialist", selected under the 2018 VET call, based its approach on the fact that the EU is world-leading wine producer. The socio-economic dimension of the European wine sector is very relevant, employing over 3 million workers (about 20 % of all EU agricultural workers). In North Macedonia and the Umbria region (both with high unemployment rates, especially among young people), wine production is a key economic and labour-intensive activity, but lacks Vocational Education and Training (VET) opportunities to gain the skills required by the market. North Macedonian and Umbrian VET providers, qualification authorities, sectoral companies and organisations share these needs, and cooperate to prepare and set up the joint post-secondary VET qualification of Winemaker Specialist. This should increase both the employability of VET learners and the competitiveness of companies, and should also have a positive impact on joint developments in VET in Europe, and on overall VET quality, relevance and attractiveness.

Knowledge Alliances

Economic development and environmental protection and safeguarding frequently operate in parallel but separately, rather than in an integrated fashion. The Knowledge Alliance on Product-Service Development towards Circular Economy and Sustainability in Higher Education (KATCH_e) project promotes synergies between economic development and environmental protection in an industrial model that enshrines the principles of a circular economy. The involvement of higher education institutions (HEI) alongside companies operating in the non-academic sector is in alignment with the current Higher Education Modernisation Agenda, as well as with the ET2020. The project has already had success in introducing innovative course curricula (for example, at Aveiro University (P2), as reported in the Interim Report - and has been hailed as a 'pioneering initiative in Europe'.

Project website: http://www.katche.eu/

EACEA key achievements for 2018

The selection results were in line with the relevant outputs envisaged by the Work Programme.

A webstreamed Infoday for applicants of the Sector Skills Alliances (SSA) call was organised. The event was recorded on Commission premises without cost and was followed live by 300 participants from a large variety of countries. Aside from presenting the call, the event also provided precise information related to each sector covered by the Blueprint for sectoral cooperation on skills.

Several DGs were involved at different levels in the SSA selection process. DG EAC and DG EMPL were part of the Evaluation Committee. DG GROW, DG MOVE and DG RTD provided internal experts to assist the Evaluation Committee. As such this can be considered an example of good practices in terms of inter-services cooperation.

The success of the Sector Skills Alliances call is growing, with a 20 % increase in the number of applications submitted. The size of the consortia is also progressing, with a 30 % increase in the number of partner organisations actively involved. A total of 17 large

scale projects were selected for a total of EUR 26.2 million. These projects focused on improving skills intelligence and tackling skills shortages in economic sectors, and will thus contribute to the improvement, quality and relevance of Europe's vocational education and training systems.

The 2018 call for proposals "Joint Qualifications in Vocational Education and Training" selected 19 joint qualifications projects. The selected projects comprise strong work-based learning and mobility components, address learning outcomes, quality assurance and proper recognition while making use of relevant European tools and instruments. The projects have the potential to increase the employability of young people and to contribute to the development of a highly skilled and qualified workforce from which companies should also benefit. The kick-off meeting with the selected projects was organised in cooperation with the Commission.

Two invitations to submit a proposal were sent out in 2018 and evaluations were smoothly implemented, one for EPALE National Support Services and one for eTwinning National Support Services and Partner Support Agencies, both covering 2019-20. The quality of the proposals was overall very good, in line with the Commission's priorities, and the number of beneficiaries has increased, from 36 to 38 and 46 to 47 respectively, thus expanding the platforms to more users.

Flash action implementation reports are presented four times a year by the project consortia implementing the Blueprint for sectoral cooperation on skills. A review meeting of the Blueprint projects took place twice in 2018. Policy messages were delivered by the Commission and a useful debate took place on implementation challenges. Good practices were shared and synergies implemented. Parallel sessions supported the strategic role of the Blueprint projects in relation to EU policy, in collaboration with each relevant DG. The Agency plays an active part in the Blueprint Core Group piloted by DG EMPL.

The project monitoring was carried out through on-site monitoring visits (based on risk assessment), remote monitoring events, and bilateral meetings with beneficiaries during events for project coordinators. The reports from monitoring visits were shared with Commission colleagues and feedback letters were sent to all projects visited. Project beneficiaries appreciated the advice and support provided by the Agency.

For Knowledge Alliances, a cluster meeting was organised for projects selected in 2015 and 2016, together with a kick-off meeting for the 2017 projects to encourage dialogue between ongoing and new projects. The cluster meeting focused on university-business cooperation, dissemination, and project sustainability. It gave participants the chance to network and exchange good practices. The kick-off meeting brought the newly selected beneficiaries together in order to provide information about the relevant administrative and financial rules and procedures and to share experience among the participants.

> **Specific objectives 2.2 and 2.3:** *To foster quality improvements, innovation excellence and internationalisation, in particular through enhanced transnational cooperation at the level of institutions/organisations between education and training providers and other stakeholders;*
>
> *and to promote at policy level, in particular through enhanced* **policy cooperation, the dissemination of good practices and better use of Union transparency** *and recognition tools in education and training: the emergence of a European area of skills and qualifications, policy reforms at national level for the modernisation of education and training systems in a lifelong perspective, and digital learning*.

The Agency continued to support, oversee and monitor implementation of the Annual Work Programmes of the national authorities designated to participate in the PIAAC, EUROSTUDENT II and ICCS studies, as well as those designated to deliver the Bologna process implementation report.

The Agency has implemented the Work Programme in the field of Education, including the update of the Eurydice National Descriptions of systems to reflect policy reforms.

An Evaluation Synthesis report on European policy experimentations projects implemented between 2015 and 2018 was also shared with the Commission. The report presents a summary of the key findings and lessons from the experiences of policy experimentations and offers a set of recommendations, which could be taken into consideration for discussion and preparation of future calls of this type.

Examples of EU added value of projects managed by EACEA
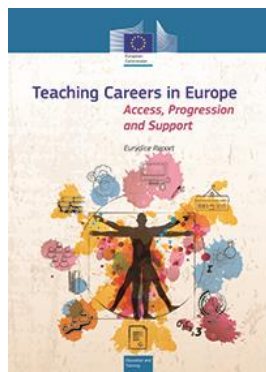
The data provided by Eurydice was used for drafting the Education and Training Monitor 2017. The Eurydice information on Structural Indicators provides an input to this report. Results from recent reports such as Citizenship education, Teaching careers in Europe, and the 2018 Bologna process implementation report are also being used as a valuable factual resource for EU policy making in the field of Education. The efforts to create common data collections with the OECD were mentioned in its recent communication on School Education. The main findings of the Eurydice reports are used for European Commission press releases. Eurydice reports provide the Commission with a sound evidence base on which to build its policy initiatives. The report on Teaching Careers in Europe is used in the ET2020 Working Group on Schools. Specifically, the chapters on Appraisal and Careers are being used to guide experts in framing Europe-led policy initiatives on the attractiveness of the teaching profession.

In the area of education policy experimentation, the project "ATS2020"[29] tested a comprehensive learning model "ATS2020 Transversal Skills Framework" to enhance student transversal skills within the curriculum, including provision of teachers with modern teaching and learning approaches and innovative tools for the assessment of learning. The project has successfully run the field trials in 10 countries reaching about 250 schools, 1 000 teachers and 10 000 students. Involvement of public authorities at national and European levels has also been positive.

Forward looking cooperation project "CALOHEE"[30] goes one step further in Measuring and Comparing Achievements of Learning Outcomes in Higher Education in Europe

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[29] www.ats2020.eu

[30] www.calohee.eu/

(CALOHEE), by developing common standards for assessing student learning outcomes in a fair, sustainable and uniform way, thus contributing to the Bologna process of further harmonization and integration of the European Higher Education Area. In particular, the project developed assessment frameworks that could be the basis for testing Bachelor and Master students' performance Europe-wide in five academic domains: Engineering (Civil Engineering), Health Care (Nursing), Humanities (History), Natural Sciences (Physics) and Social Sciences (Teacher Education). This is of particular interest, as assessing learning outcomes for benchmarking is among one of six policy priorities set out in the Forward-Looking Cooperation Projects Call 2019.
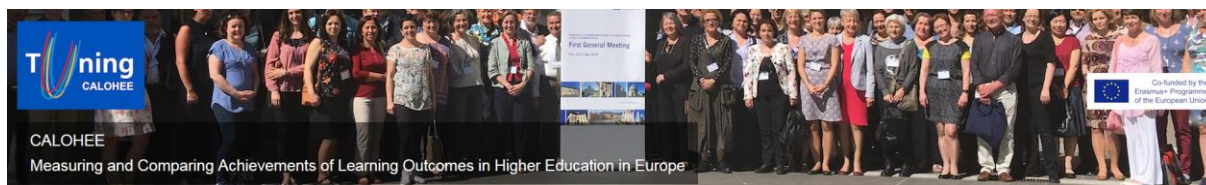
The Social Inclusion project CODINC[31] "Coding for Inclusion" aims to support the social inclusion of young students from disadvantaged areas through the implementation of collaborative educational activities based on peer learning methodology for STEM education. The project will adapt and upscale the "Capital Digital" project, an existing good practice on inclusive learning implemented at local level in some disadvantaged areas of Brussels. The seven project partners will directly address primary and secondary schools from disadvantaged areas. Young students from secondary schools will be first trained on how to engage primary school children in coding activities in a playful way. The young "e-facilitators" will run peer-learning coding weeks in primary school and will be supported by their teachers. This experience will increase and improve teachers' capacity to promote the STEM education of disadvantaged youth, as well as empower disadvantaged young people in the acquisition and development of science capital, collaborative competences, problem solving, enhancing their self-confidence and creativity. Moreover, the project will foster the development of a European "Coding for Inclusion" learning community among different actors and across different sectors able to sustain project results and amplify their impact. The ambition is to start a STEM education peer to peer movement that works inside the education system to maximise chances for underprivileged young people to get access to IT or STEM careers.

Among the most relevant Civil Society Networks is the Lifelong Learning Platform[32] (LLLP), an umbrella organisation that gathers 42 European organisations active in the field of education, training and youth, representing more than 50 000 educational institutions and associations covering all sectors of formal, non-formal and informal learning, being able through their members to reach several million beneficiaries. The Platform has proven to have a unique role in bringing together different actors in a constructive dialogue across sectors but also between them and decision-makers.

EACEA key achievements for 2018

The specific call for proposals Social Inclusion through Education, Training and Youth was adapted to the new policy needs through the addition of a new specific objective for Cultural Heritage. From the 144 proposals submitted 31 projects were selected. For the 2018 generation of social inclusion projects, the upscaling of good practises has been mapped out, examining their impact on the intended target groups and on policy support and development.

To promote the social inclusion calls, the Agency organized a web-streamed Info Day followed by more than 1 000 participants. The results of the feedback survey showed a satisfaction rate of almost 90 %.

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[31] http://www.all-digital.org
[32] http://lllplatform.eu/

The seven new projects selected under the **European Policy experimentations call** aim to promote the improvement of the effectiveness and efficiency of education and training systems through the collection and evaluation of evidence on the systemic impact of innovative policy measures using sound and widely recognised evaluation methods based on field trials (experimentation) led by high level authorities/ministries in several Member States.

The WP objectives targeting Civil Society Cooperation in Education and Training also support the activities of ENGOs and EU-wide Networks active at policy making level. The Agency selected 19 organisations who will benefit from a new framework partnership agreement (for the period 2018, 2019 and 2020). Most of their activities aim at enhancing transnational cooperation between education and training providers and other stakeholders. Their main strategies and actions focus on promoting inclusive education for all, enhancing the acquisition by all citizens of a wide set of key competences, supporting teachers, staff and leaders of education and training institutions and promoting excellence and innovation.

In line with the annual WP, the Agency sent out new invitations to submit proposals to participate in the TALIS 2018-2020, EUROSTUDENT VII 2018-2021 and ICCS studies and published the new call for tenders to prepare the Bologna implementation report 2020.

The new PIAAC cycle launched by the OECD and covered by the Erasmus+ Annual Work Programme 2018 was smoothly implemented. For the first time, the PIAAC designated bodies will benefit from a 2-year contractual period, allowing more flexibility in the implementation of the survey and sustainability in the financial management.

An Invitation to Submit Proposals was sent to the National Authorities after the Paris conference announcing a new approach of support to the ministerial commitments of the Bologna Process. Instead of supporting individual countries to work mainly in their national context National Authorities were requested to submit jointly collaborative projects where they support each other via peer review and peer support, and by involving stakeholders at national and European level to implementation the commitments made by ministers in the Paris Conference.

An Invitation to Submit Proposals was sent to the National Authorities after the Paris conference announcing a new approach for supporting the Bologna implementation. Instead of supporting individual countries with the implementation of the Bologna process, National Authorities were requested to jointly submit collaborative projects where countries help each other via peer review and peer support with the implementation of the Paris Conference conclusions.

The monitoring activities were carried out in accordance with the respective monitoring strategies. These were based on individual project risk analysis and prepared in collaboration with the Commission. The evaluation and follow up on the projects' regular reporting was complemented by desk based monitoring, monitoring visits and meetings with beneficiaries.

To complement the regular monitoring, for European Policy Experimentations, a cluster meeting for ongoing projects was organized. The meeting offered an opportunity for a dynamic and open exchange of good practice in the form of a participatory workshop. The engaged attitude of all participants including the Ministry representatives in the panel debate and world café discussion, and the numerous positive comments and feedback showed interest and need for continuation of such events.

Kick-off meetings were organised for the newly selected beneficiaries (Social inclusion and Forward looking cooperation projects) in order to provide information about the relevant administrative and financial rules and procedures and to facilitate networking and experience sharing amongst participants.

For civil society cooperation in the field of education and training a coordinator meeting

was held to raise awareness of the policy developments and discuss the expected policy impact of the activities, to discuss the challenges and the results of the activities' implementation, to provide information about the relevant administrative and financial rules and procedures, and to facilitate networking and experience sharing amongst participants. The feedback survey showed a very high satisfaction rate.

The 2018-19 Work Programme for Education is being implemented according to plan. Every three weeks, the State of Play of Eurydice Publications provides DG EAC and the National Units with information on deadlines, expected actions, and future developments. The Agency published 11 reports addressing the above objective, which include the following:

Teaching Careers in Europe: Access, Progression and Support. At a time when the importance of teachers is becoming increasingly apparent, what are the main challenges in the teaching profession related to supply and demand? How do education systems address these issues? How does one qualify to be a teacher? What support is available once qualified? What are the career opportunities in this profession? The comparative overview of national policies on teacher careers across Europe, which covers 43 European education systems, provides an analysis of different aspects of the teaching profession. The report focuses on primary and general secondary education. The main themes include: forward planning and main challenges in teacher supply and demand, entry to the teaching profession and teacher mobility, continuing professional development and support, career development, and teacher appraisal.

Eurydice Brief: Citizenship Education at School in Europe In an age where the importance of citizenship education is becoming apparent to deal with the current threats to fundamental European values, many countries are implementing changes in their national policies. The Eurydice brief on Citizenship Education at School in Europe – 2017 presents some of the main findings of the November 2017 report, highlighting the differences between countries' regulations and recommendations regarding citizenship education that can affect its implementation in schools. The main themes include: What is citizenship education about? Curriculum organisation; Learning citizenship in the classroom and beyond, the assessment of citizenship education; Training teachers and school heads.

The European Higher Education Area in 2018: Bologna Process Implementation Report This latest Bologna Process Implementation Report presents a wide-ranging and detailed picture on how the [European Higher Education Area](#) (EHEA) has been moving forward since the [Yerevan Conference](#) in 2015. It follows the two previous Bologna Process Implementation Reports ([2012](#) and [2015](#)). In particular, the report explores the evolution of the key policy areas identified by Higher Education Ministers in the Yerevan Communiqué of 2015. It does this through its seven chapters: The European Higher Education Area Landscape; Learning and Teaching; Degrees and Qualifications; Quality Assurance and Recognition; Opening Higher Education to a Diverse Student Population; Relevance of the Outcomes and Employability; Internationalisation and Mobility.

By using qualitative information and statistical data, the report outlines the current state of play of the Bologna Process from various stakeholders' perspectives. It also addresses the key commitments that underpin the EHEA: implementation of the three-cycle degree structure, recognition of qualifications and quality assurance. Moreover, the report outlines the Bologna Process's most recent priorities: learning and teaching, social inclusion and employability.

Produced for the European Ministerial Conference in Paris, which took place on 24-25 May 2018, this report is the result of close collaboration between the Bologna Follow-up Group (BFUG), Eurostat, Eurostudent and Eurydice. The report's preparation also involved the European University Association, the European Students Union and the European Quality Assurance Register for Higher Education.
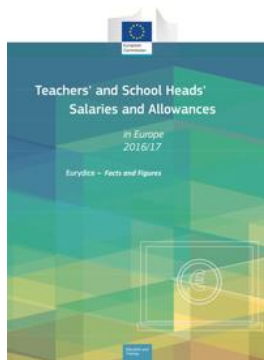
Teachers' and School Heads' Salaries and Allowances in Europe 2016 The report gives information on statutory salaries and allowances for teachers and school heads in pre-primary, primary and secondary public school. The comparative analyses, which includes 41 European education systems, shows an increase in teachers' pay but also differences in salary conditions and salary progression across Europe. Salaries have in fact increased by at least 3 % in 18 education systems. However, real salaries (i.e. discounting inflation) of beginning teachers are lower in nine European countries than in 2009/10 i.e. the years following the financial crisis. Differences between countries concern not only the level of basic salaries but also the number of years of service necessary to achieve the maximum, which can go from six to 42 years depending on the country. Data displayed on the national sheets is collected jointly by the Eurydice and the OECD/ NESLI networks.
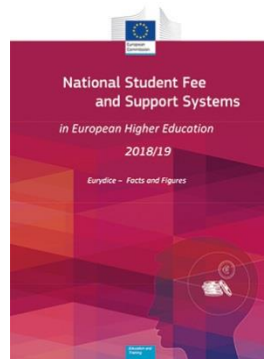
National Student Fee and Support Systems in European Higher Education 2018/19. Is there anywhere in Europe where students can study without paying fees? Which countries charge the highest fees? What kind of financial support is offered to students, and who actually receives it? When students plan for higher education, one important element to consider is how much it will cost and whether they can receive any financial support. Reliable information on the costs and available student support in higher education is essential. The report shows how fee and support systems, including grants and loans, interact in higher education in Europe. It describes the range of fees charged to students in publicly-funded higher education, specifying the categories of students that are required to pay and those who may be exempt. It also explains the types and amounts of public support available in the form of grants and loans, as well as tax benefits and family allowances, where applicable.

> **Specific objective 2.4 (and 2.2):** Implement actions which *aim at supporting the Union's external action, including its development objectives, through targeted capacity-building in partner countries, cooperation between Union and partner-country institutions or other stakeholders and the promotion of mobility, and by enhancing the international dimension of activities in education and training by increasing the attractiveness of European higher education institutions,"* and *"at fostering quality improvements, innovation excellence and internationalisation, in particular through enhanced transnational cooperation at the level of institutions/organisations between education and training providers and other stakeholders*.

In the context of the international dimension of the Erasmus+ programme, the Agency implemented actions which had the above objective. The Agency funded a new generation of projects which focused on Capacity Building in the field of Higher education (CBHE), implementing Erasmus Mundus joint Master Degrees (EMJMDs) as well as the annual activities of the National Erasmus+ Offices (NEOs) and Higher Education Reform Experts (HEREs).

To gain a better overview of the development of HEIs capacities, the Agency carried out institutional visits in the partner countries. The visits confirmed the impact of the CBHE projects at institution level and at the same time revealed a number of challenges to be addressed. In the new regions, such as Asia, these visits showed that in some cases the participation in CBHE projects does not seem to be part of the University's strategy but thanks to the CBHE projects the University has increased the number of partnerships with other institutions in Europe and in the region.

Further to an ad hoc analysis of the participating institutions carried out by the Agency and taking as a reference the Shanghai and Times Higher Education World University rankings, it is confirmed that the Erasmus Mundus Joint Master Programmes fulfil their objective of institutional excellence by attracting the best universities in Europe. Two thirds of the 50 top-ranked European universities and 50 % of the 150 top-ranked are currently involved in EMJMDs.

Although Erasmus Mundus is targeting excellence it also manages to be institutionally inclusive as more than 55 % of the participating European universities are beyond the 500 top-ranked universities worldwide.

Examples of EU added value of projects managed by EACEA

Sustainable territorial development - **STEDE** is a two-year Erasmus Mundus Joint Master Degree programme whereby researchers and professionals are trained to support organisations acting in the territory and to draft sustainable development policies for economic, social, environmental, international and intercultural management. The Master relates to the economic competitiveness, social inclusion, environmental protection, international cooperation and intercultural relation challenges of territorial development, focussing not only on local communities, but also on enterprises, non-state actors and civil society organisations. Each student studies in at least 3 different countries. Seven universities join forces to deliver this programme: University of Padova, Italy, KU Leuven, Belgium, Université Paris 1 Panthéon Sorbonne, France, Universidade Catolica Dom Bosco, Brazil, Université OUAGA I Professor Joseph KI-ZERBO, Burkina Faso, University of Johannesburg, South Africa, and are completed by 3 professional partner organisations.

Both programmes offer EU-funded scholarships to the best students worldwide. Graduates hold multiple Master degrees or a joint degree, depending on the institutions they attended during their studies.

"Social Inclusion and Energy Management for Informal Urban Settlements in Ethiopia" is a capacity building project that responds to challenges that the fast urbanisation of African cities poses in highly populated African countries. It contributes to the shift of the contemporary planning and design towards new paradigms of enabling increased resilience, quality of life and wellbeing, especially in poor, underserviced and often informal urban communities and immigrant and refugee settlements. Affected poor urban communities in selected case study areas are benefitting from pilot interventions (improvements in housing stock, infrastructure, social work and economic situation). The participation of HEIs serves as a catalyst for constructive interaction between authorities, companies and local communities. It is being achieved through a holistic approach in Ethiopian existing academic programs for future urban developers and energy managers and through educating key personnel in local authorities by developing new courses for architects, planners and engineers.

EACEA key achievements for 2018

For Erasmus Mundus Joint Master Degrees (EMJMDs), the number of submitted

applications (110[33]) remained stable compared to 2017 (116). The average size of applying consortia in terms of participating organisations in general and of the involvement of HEIs in particular, increased significantly by 20 % and 23 % respectively. The involvement of associated partners per project is on average 12.6, which for the second consecutive year is the highest ever participation ratio achieved in Erasmus Mundus calls. These figures reflect the objectives of the EMJMD consortia, on the one hand through the involvement of a larger number of HEIs to create appropriate synergies in their study programmes, and on the other, their interest to link their joint programmes to the socio-economic environment and provide their students with practice oriented learning (through internships and placements).

The selection threshold was set at 78/100 allowing the funding of 44 EMJMD proposals. Considering that the number of proposals evaluated as "highly recommended" (≥ 80 points) are proportionally higher than in the previous calls, it can be concluded that the quality of proposals is constantly improving. This becomes even more striking when looking at the ratio of newly formed EMJMD consortia: these represent one in three of the top-ranked proposals this year, compared to one in four in the 2017 selection round.

The proposals selected for funding demonstrated solid grounds for achieving the objectives of the EMJMD action. In particular, they have exploited academic excellence through attractive student mobility tracks embedded in their study programmes. They have also convincingly demonstrated appropriate internationalisation policy strategies. 27 EMJMD (61 %) courses intend to award a joint master degree, either exclusively (14 proposals) or in combination with multiple/double degrees (13 proposals).

In terms of scholarships, 3 183 scholarships were awarded to the newly selected EMJMDs for a total budget of EUR 143 555 540.

Concerning the Capacity Building Higher Education (CBHE) action the Agency received 887 applications were received (6.5 % more compared to 2017). Out of the 179 eligible countries, 135 are present (32 out of the 33 Programme Countries, and 103 of the 146 eligible Partner Countries) in the applications. In total, 308 applications were submitted by Partner Countries (19 % more than under the previous Call). The highest increase in the number of applications is noted for Iran-Iraq-Yemen (58 %), followed by Asia (30 %), thanks to intensive and targeted promotion carried out in the field and by web-streaming events. Good progress can also be observed in the Western Balkans (14 %) and the South Mediterranean Countries (23 %), whilst in the other regions, the situation remains largely comparable with previous years. A slight decrease is observed in South Africa (11 down from 12) and for the ACP countries (43 applications down from 50), which can be explained by the small budgets for these regions. The quality of applications has increased compared to previous years notably in some regions such as Asia. To be noted that although there is an increase in the participation of institutions from 'Less Developed Countries', this still remains low and the quality of applications involving these countries is rather weak. It can be observed that a high number of applications are written by "experienced" applicants and they get high scores, which leads to renewed funding for the same strong organisations. On the other hand highly relevant projects with slightly lower scores are not funded. Keeping in mind the development objectives, the access to grants of the smaller organisations and/or organisations that have never participated in capacity-building type of projects is important but remains a challenge for the coming years.

The Time to Grant linked to the two last selections of CBHE reveals that the selection process as well as the contracting phase are lengthy. Reflexions will take place in order to see how this period could be reduced.

Regarding the implementation of Erasmus Mundus students' selections for the academic year 2018/2019, the ongoing EMJMD master courses allocated 1 670 scholarships to students from all over the world representing 131 different nationalities, i.e. 27 from Programme Countries and 104 from Partner Countries (allocation of scholarships for the

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[33] 112 applications were submitted out of which two were declared ineligible.

academic year 2018/2019). With more than 23 500 scholarship applications submitted (181 different nationalities) the success rate of the scholarship holders is 7.1 % attesting to the high selectivity of students in a very competitive process, thus confirming the excellence of students as one of the key features of Erasmus Mundus.

32 EMJMD monitoring missions were carried out, through which 55 projects were visited. In addition, video-conferences, bilateral meetings in Brussels and meetings at the Agency's premises were organised with 110 project consortia. Thereby the Agency staff met representatives of over 50 % of its 325 running projects in 2018.

Monitoring activities provided convincing evidence that the vast majority of the projects are delivering in accordance with their project plans and are in line with the relevant Programme objectives. The EM joint masters (and remaining EM joint doctorates) add value to the internationalisation and reputation of the institutions involved. Excellent students from all over the world are attracted by the Erasmus Mundus reputation and its attractive scholarship scheme it offers. The monitoring confirmed the trend of past years, that Joint programmes also encourage participants to review their institutional and national practices with the partners and harmonise them where possible.

The Agency supported the Commission in its cooperation with the Erasmus Mundus Students and Alumni Association (EMA), in particular by contributing to events either in Brussels or elsewhere via remote communication channels. The Agency also supported the Commission in the preparation and follow-up of its annual Graduate Impact Study for students and alumni. The study confirmed the high quality of the joint master programmes.

In October, the coordinators of all ongoing Erasmus Mundus Joint Master Degrees (EMJMDs) selected between 2014 and 2018 were invited to the EMJMD Cluster Meeting on the European Approach for Quality Assurance of Joint Programmes[34]. The main objective of the event was to provide participants with more information on the European Approach for Quality Assurance of Joint Programmes (EA) and offer a forum for knowledge sharing, exchange of experiences and good practices.

In order to prepare the event, a survey on the European Approach for Quality Assurance of Joint Programmes was launched to all the running EMJMDs in order to gather more information about their knowledge, their interest and their state of play in relation to the EA. The interest was very high, and the event brought together around 170 participants from EMJMD consortia, representatives from Quality Assurance and Accreditation Agencies and other practitioners, International Contact Points from Erasmus+ National Agencies, Erasmus Mundus Alumni (EMA) representatives and colleagues from DG EAC and EACEA. The Cluster Meeting demonstrated a clear importance of the European Approach in Higher Education area and the need for further exchanges of knowledge and experience in this field. The feedback received after the conference was positive

Regarding the monitoring of Capacity Building in Higher Education (CBHE) projects, the Agency has carried out 27 missions mainly in the partner countries. These covered 33 project monitoring, 12 cluster meetings, 10 information days, eight institutional visits. The monitoring of projects in the "new" regions, for example in Asia, showed that the higher education institutions have still some difficulties in understanding the financial rules and providing the necessary documentation. Otherwise in terms of implementation the visits confirmed that the projects are well implemented and already having an impact at individual and institutional level. The mobility of academic staff and the introduction of the new curricula are seen as key elements for the modernisation of the higher education institutions. The visits confirmed that the partner countries institutions are using CBHE as a tool for developing their internalisation strategy and to expand their cooperation internationally.

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[34] This is an official document of the Bologna process, adopted in the Yerevan Communiqué in 2015.

The cluster meetings held in Partner Countries (Asia, Latin America) have confirmed the need of beneficiaries to exchange experience and ideas and to learn from each other. The results and outcomes of thematic cluster meetings are encouraging in terms of the CBHE impact at all levels, in building local capacity of universities (students and staff) and the private sector, and in bridging the gap between industry and academia.

25 projects meetings in EACEA premises were organised mainly for the projects that were assessed as weak and fair at interim report stage proved to be an effective monitoring tool, appreciated by the projects. The meetings resulted on actions to be taken from the project in order to improve their implementation and reach the results promised at application level.

The Agency also organised the CBHE Grantholders' meeting with a participation of 370 projects' representatives, National Erasmus+ Offices, International Contact Points, EU Delegations, European Commission (DGs EAC and DEVCO) and EACEA. In total, 73 nationalities have been represented. The participative approach proved to be successful and highly appreciated by the beneficiaries. More than 90 % of the participants were satisfied with the event.

The new monitoring strategy put in place for the NEO (National Erasmus offices) identified a number of areas where further improvement is needed. Therefore the Agency organised a two days event (on 10 and 11 October 2018) mainly directed towards staff that recently joined a NEO (both coordinators and/or collaborators) and focusses on the update of knowledge and skills for the management of the NEOs activities. Staff was trained on the three main pillars of the NEO activities, namely (a) Promotion and Communication with applicants and the wider public and (b) monitoring of actual beneficiaries and the implementation of projects (c) management of the NEO offices. Furthermore the two days were used to familiarise the NEO with the concept of quantitative and qualitative success indicators of their work.

The one day NEO/ICP Meeting on 12 October 2018 encouraged networking between the different actors in order to foster and facilitate the cooperation between HEIs from programme and partner countries in the framework of the international dimension of the Erasmus+ Programme. Furthermore, this event served to inform both the NEOs and the ICPs about the novelties of the upcoming call and general trends in the Higher Education policies of the European Union. The core of the event was dedicated to address horizontal themes of importance for all actions within the international dimension such as mainstreaming results, involving decision makers and enlarging the group of applicants which are potential interested and interesting for the Erasmus+ programme.

The six monitoring visits in the NEOs revealed that these offices are overall working well but also showed the need for improving further various management issues. The NEOs work is appreciated by the beneficiaries and in general by the national stakeholders and EU delegations in the neighbouring countries.

The Cluster meeting on stakeholders' involvement in Erasmus+: "How to ensure wider and vaster cooperation with many more stakeholders under the Erasmus+ programme" organised by National Contact office in Jordan in cooperation with EACEA, is an example demonstrating that the engagement of different stakeholders in the projects is of paramount importance. The meeting offered networking opportunities among professionals, information about the benefits of Erasmus+ projects and their impact, provided update about current projects, and enabled participants to share information about future plans and opportunities. Strengthening contacts between workers in the field, getting to know people from different fields, and understanding national market needs, are crucial to developing good and successful projects. Stakeholders' involvement in CBHE projects is needed to bridge the gap between students and market needs. Such networking event gives participants the chance to find partners, and encourage multiple stakeholders and marginalized groups to work together.

Specific objective 2.5: *improving the teaching and learning of languages and promote the Union's broad linguistic diversity and intercultural awareness*.

Aiming *'at improving the teaching and learning of languages and promote the Union's broad linguistic diversity and intercultural awareness'*, the Online Linguistic Support (OLS[35]) has already reached out to over 1 000 000 mobility participants taking the first language assessment prior to their Erasmus+ mobility that is offered in 24 languages. Over 500 000 higher education students, vocational education and training learners, and young volunteers taking part in the Erasmus+ programme have been granted access to OLS language courses that are currently available in 22 languages. The current data available shows that most of the Erasmus+ mobility participants improve their language skills by at least one CEFR level during their mobility.

In June, the Agency (with the assistance of external experts) organised a workshop, which revealed the results of four large-scale OLS surveys and an extensive market research of online language learning tools conducted by EACEA. It was a successful event that brought together several services of the Commission. A remarkable feature of the OLS surveys was their scale, as they reached out to almost 400 000 OLS users, and data was collected from almost 100 000 of them, including 50 000 answers to open questions with valuable additional feedback to complement the analysis of the closed questions of the questionnaires.

EACEA provided DG EAC (August 2018) with an extensive analysis that could support the evidence-based decision-making on future EU linguistic support actions. While the current OLS model for online language learning support to Erasmus+ mobility participants is an important experiment, the EACEA analysis provides valuable options for the type of linguistic support provisions that could be introduced under the next programme.

Examples of EU added value of projects managed by EACEA

Linguistic competencies and skills are key to the integration of refugees and migrants in society. The objective of the OLS for Refugees initiative is to support the efforts of EU Member States to integrate refugees into Europe's education and training systems, and ensure their skills development. Up to 100 000 refugees could benefit from the "OLS for Refugees" feature over three years on a voluntary and free of charge basis. To mark the European Day of Languages, a [new video] showed how the Erasmus+ Online Linguistic Support platform (OLS) supports refugees in Germany with their language learning (link to 'Online Linguistic Support (OLS) for Refugees – Testimonies from Germany' video https://europa.eu/!XK44Db).

EACEA key achievements for 2018

Regular management meetings with the contractor were held, comprising of representatives from both EACEA and DG EAC for the purpose of reviewing progress, as well as making recommendations to improve the services. In addition, OLS entails a unique multilevel stakeholder management including 59 Erasmus+ National Agencies, over 9 000 beneficiary institutions/organisations and over 4 million potential mobility participants as well as refugees.

EACEA organised a dedicated workshop, which revealed the results of four large-scale OLS surveys and an extensive market research of online language learning tools. A remarkable feature of the OLS surveys was their scale, as they reached out to almost 400 000 OLS users, and a massive amount of data was collected from almost 100 000 users, including 50 000 answers to open questions with valuable additional feedback to complement the analysis.

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[35] https://erasmusplusols.eu/fr/ols4refugees/

Neither the initial provisions of Erasmus+ mobility participants (MPs) nor the obligation for MPs to complete the initial language assessment were met. A large part of Higher Education (HE) MPs have a sufficiently high language level (specifically in English) and thus do not need an online linguistic support.

Furthermore, in preparation for the online linguistic support beyond Erasmus+, the Agency also provided a package with four analytical reports to DG EAC's Directorate B in August 2018 to facilitate the evidence based decision-makings for future EU linguistic support.

1.1.2 Youth

Specific objective 2.7: *To contribute to the objective of improving the level of key competences and skills, in particular through increased opportunities for learning mobility and strengthened cooperation with the world of work in the field of youth including for young people with fewer opportunities, those active in youth work or youth organisations and youth leaders with particular regard to participation in democratic life in Europe and the labour market, active citizenship, intercultural dialogue, social inclusion and solidarity*.

EVE aims at linking young people, students, youth workers, youth organisations and academics from European and Southern Mediterranean countries through online learning tools. Virtual exchanges offer a complement to physical mobility, which is not always possible for everyone who would wish to take part in Erasmus+. This pilot action, with a budget of almost EUR 2 million in 2018,has reached almost 8 000 participants.

Examples of EU added value of projects managed by EACEA

Virtual Exchange is a concrete demonstration of modern technologies' power to bridge divides and build intercultural understanding. By launching the Erasmus+ Virtual Exchange project in 2018 as a means to expand and enrich its Erasmus+ programme, the European Union is piloting and testing the most effective approaches to Virtual Exchange to complement physical exchange actions. Erasmus+ Virtual Exchange offers an accessible, ground-breaking tool for young people to engage in intercultural learning, through online people-to-people interactions moderated by facilitators. These cross-cultural experiences have the potential to impact the way in which young people engage one another across lines of perceived or actual difference.

Story of Ana Maria, 26, Romanian, Participant in the Interactive Open Online Course 'European Refuge/es: Cultivating diversity together'. After finishing her formal education, Ana Maria was eager to learn more about current affairs surrounding refugees. She was looking for an opportunity to hear perspectives not necessarily represented in the media. During the ten-week Interactive Open Online Course, she watched inspiring bite-sized video lectures and met weekly with her peers from other countries for a two-hour online discussion on issues relating to migration.

Quote: "This experience was very different than learning things in university. You are in a different space, a virtual one, the informal atmosphere we are all in is a cosy place to make you feel relaxed and then have a conversation with people. It was striking for me when I understood that I could really change my opinion through people I have never met before."

EACEA key achievements for 2018

The implementation of this initiative was managed in close cooperation with DG EAC through the setting up of a Steering Committee. A close monitoring from the Agency was

ensured through regular review and "Keep-in-touch" meetings. The pilot enters its second year in 2019 and the Agency will continue its cooperation with DG EAC.

> **Specific objectives 2.8, 2.9 and 2.10:** *improving both the level of key skills and learning mobility amongst young people in the world of work; promoting, at policy level, the dissemination of good practices and better use of Union transparency and recognition tools in the field of youth; and supporting the Union's external action, including its development objectives, thereby enhancing the international dimension of activities in the field of youth*.

The Agency provided regular feedback to the Commission on implementation of five centralised Youth actions in 2018: Civil Society Co-operation Youth (operating grants), Structured Dialogue (National Working Groups; designated bodies), European Youth Together (action grants), Eurodesk Brussels Link (designated body) and Capacity Building Youth (action grants for four sub-actions: ACPALA i.e. covering co-operation of Erasmus+ programme countries with the rest of the world as well as three specific windows covering Tunisia, Western Balkan and Eastern Partnership countries).

The Agency also worked in close cooperation with the Commission on the service contract for the European Voluntary Service (EVS) Insurance to address the needs and issues encountered by the Volunteers in the field. In the preparatory work for launching the new European solidarity Corps, the Agency worked closely with the Commission to ensure the same insurance coverage also there. Feedback from ERASMUS+ National Agencies and from volunteers showed that the services provided by the contractor were good. The Agency followed up on several sensitive and complex insurance cases, resolving them with the service provider to the satisfaction of the volunteer

Concerning the action, "Support to better knowledge in youth policy" (Youth Wiki), the evidence and data provided to DG EAC for the ex-ante evaluation for the Solidarity Corps was greatly appreciated. The Youth Wiki website was positively received by stakeholders both at operational and political level.

The European Youth Together was implemented by the Agency as a new action in 2018.

Examples of EU added value of projects managed by EACEA

The Youth Wiki, launched in December 2017, is a comprehensive database on national structures, policies, and actions supporting young people. It aims to promote European cooperation in the field of youth and support evidence-based decision making. The Youth Wiki has proved its worth in the context of the European Solidarity Corps. The Agency was able to provide analysis of existing volunteering schemes at national level, thereby establishing an evidence base on which this new policy initiative could be supported. The presentations for the Youth Working Party and the Erasmus+ National Agencies resulted in very positive feedback on the platform and proved the need for further development of this tool. Moreover, in the context of the development of the new EU Youth Strategy, information from the Youth Wiki was used by DG EAC for assessing policy progress in the field of youth.

The report on the situation of young people in EU published as a staff working document as support to the new Youth Strategy also offered DG EAC useful evidence in support of developing the new Youth Strategy 2018-27.

Example of one of the first European Youth Together projects: RAYSE (Raising Awareness of Youth Europeans of Second Generation with migration background)

"The organisations involved in RAYSE believe it extremely important to draw attention to second generation European citizens – to improve general exposure to these peoples' backgrounds and the challenges they face. This is considering contemporary problems regarding European integration. RAYSE will champion storytelling as the primary method to achieve such exposure, using blogs to share subjects' narratives with media and Europeans. A special focus will be placed on why second generation citizens often feel distanced from the concept of Europe and its values. Second generation young people will be selected with the aim of creating robust contacts with local policymakers, specifically, through local events organised by each organisations as well as via an international workshop. Simultaneously, RAYSE will create a broad network of organisations that will support Youth Ambassadors by supplying them the tools they need to become Youth Ambassadors for active citizens of the second generation. The project will involve second generation youth in specific awareness raising and training activities and meetings with policy makers with the objective of having an impact on the future policies of the European Union".

Examples of success stories in Capacity Building in the field of Youth:

E+ supports youth projects all over the world which brings together youth and youth organisations to work through non-formal training methods. Mobility activities are also part of the activities suggested, providing an opportunity to learn from practices across borders through organisations working for example in the non-governmental sectors or working with volunteering. Such projects upgrade skills and competences of young people in relation to for example marketing, communication, entrepreneurship, financial literacy, environment and social skills.

The project "mYouth – Mobile, Young, Opportunity, Unity, Technology, Help" brought together young people in the different partner countries in national coding camps to develop mobile Apps aiming to solve local issues in their community. On the one hand, these young people developed the ability to code and on the other hand, 30 Apps have been developed which even competed at international event EYA and WSYA. The Association for Education – Mladiinfo International from Macedonia along with its 9 international project partners from Austria, Poland, Ghana, Senegal, Hong Kong, Spain, Italy, Bulgaria and Singapore brought mLearning closer to youth by creating a free access to education for everyone.

The project "HERBAL INITIATIVE FOR YOUTH – BRIDGING THE OCEAN" brought together partners from (Slovakia, Hungary, Spain) and South/Central America (Costa Rica, Brazil and Jamaica) to increase the capacities of entities for education, training and quality in working with young people in the field of the collection, cultivation and processing of medicinal and aromatic plants. Nature has been a source of medicinal agents for thousands of years, since healing with plants probably goes back to the evolution of Homo sapiens. Nowadays, apart from the pharmaceutical industry, medicinal and aromatic plants (MAPs) have become an important source of food and nutrition (food and feed additives) worldwide, in the production of cosmetics, mineral therapies and thermalism and in homeopathy. The partners developed e-learning modules, an experimental field monitoring system, curriculum and training kit which are available on the Herbal4Youth training platform.

EACEA key achievements for 2018

The 2018 results confirm continuing popularity of the capacity building activities for youth organisations and young people. 171 proposals were selected out of 468 applications during one selection round. A total of nearly EUR 19 million was spent on the four sub-actions as follows: EUR 9.98 million on CBY ACPALA (Africa, Caribbean, Pacific, Asia, Latin America) granting 76 projects (success rate 39 %), CBY Western Balkan EUR 3 million for 38 projects (23.5 % success rate), six projects spending EUR 0.48 million for CBY Tunisia (46 % success rate) and for CBY Eastern Partnership choosing 51 projects (success rate 56 %) for EUR 5.49 million.

To promote the 2019 call and introduce the application process the Agency organised, in December 2018, an online information event attracting more than 1 000 registered participants. The preparations for 2019 selection included, among other, bringing the launch of evaluation and selection process couple of months forward, anticipating greater efficiencies in the overall administrative process.

Both annual operating grants and framework partnerships for 3 years were concluded for Civil Society Cooperation in Youth in 2018. 15 annual operating grants were selected and 72 framework partnership agreements were done for a total budget of EUR 3.99 million. The main indicators for success rates and cost per proposal were comparable to those of 2017/2015 (success rates of 54 % for AOGs and 79 % for FPAs with costs for evaluating proposals around EUR 360 per proposal).

The youth actions were implemented according to the Work Programme with only minor changes (slight delays in signing contracts for Capacity Building).

For European Youth Together it was the first year of implementation. The action builds on

the experience from the 'New Narrative for Europe' initiative and other youth initiatives promoting young people's participation in European public life as well as cross-border exchanges and mobility activities. It aims to create networks encouraging regional partnerships and to bring together European youth from across Europe: East, West, North and South.

The call attracted higher number of applications than expected (63) and 14 good quality projects were selected involving 173 organisations from 32 countries (28 Member States, Norway and Iceland, and Northern Macedonia and Turkey). Duration of these new projects is maximum 24 months.

The Agency held information and kick-off meetings with the potential applicants and the chosen beneficiaries. Monitoring concentrated mainly on desk activities.

The designated bodies for the Structured Dialogue action handed in a progress report by end of June 2018 for the agreements covering 2017-2018. These progress reports show in general compliance with the work programme although a few national entities face difficulties with reporting requirements. The latter is also illustrated in the quality of the final reporting for the 2015 and 2016 periods where a significant part of the designated bodies face difficulties in providing the requested documentation (up to a third of the beneficiaries). Remedial actions are taken in relation to these beneficiaries which have problems in fulfilling contractual obligations.

The 2018 Work Programme of Eurodesk Brussels Link covered issues related to supporting and developing the Youth Portal, to support the Eurodesk centres plus to provide information about youth mobility, tools for training and in general information and communication management in relation to the Erasmus+ youth actions.

1.1.3 Sport

> **Specific objectives 2.11, 2.12 and 2.13:** *supporting good governance in sport and dual careers of athletes; tackling cross-border threats to the integrity of sport, such as doping, match-fixing and violence, as well as all kinds of intolerance and discrimination. This objective is relevant for the following actions and on promoting voluntary activities in sport, together with social inclusion, equal opportunities and health-enhancing physical activity through increased participation in, and equal access to sport.*

The Agency continued supporting the policy developments in the field of Sport through a well-established cooperation with the Council (Working Party on Sport) and the European Parliament (Sport Intergroup), and DG EAC.

The Agency organised the cluster meeting on the 'Integrity of Sport' on 4-5 December 2018 that gathered 110 participants – Erasmus+ project leaders, representatives from Member States, the Council of Europe, UNESCO and the World Anti-Doping Agency, and sports experts – to share experiences and good practices, discuss policy-relevant outcomes of EU funded projects, and identify areas for development. Commissioner Tibor Navracsics concluded the first day, which was devoted to two policy sessions on integrity and good governance with the participation of distinguished speakers, including from the Trio Presidency (Finland, Austria and Romania). The second day went deeper into field work through three workshops on good governance, match-fixing, and doping. The outcomes will be harvested in a final report, they will feed the policy work of the European Commission and the reflections on the future Erasmus programme for 2021-2027, and may form a fruitful ground for future initiatives for the participants.

The Agency published a Report on the results of the Erasmus+ Sport Cluster meeting on "Encouraging Participation in Sport and Physical Activities.

The report highlights the main discussions and ideas that emerged during the event, focusing on four physical activity areas and summarises answers to questions regarding trends and challenges in European funded projects on sport, good practices emerging in sport programmes and opportunities for cross sectorial synergies and development.

Examples of EU added value of projects managed by EACEA

Doping is a growing problem in amateur sport, with adolescents and young adults more likely to dope than other age groups. Unlike in professional sport, there is a lack of anti-doping education at non-professional level. The Erasmus+ Sport funded project, SAFE YOU, helped improve this situation by identifying factors that might encourage doping in amateur sports. It then developed an innovative web-based education tool (see http://safeyou.eu/). SAFE YOU also developed an App containing a searchable and constantly updated compendium of information on pharmaceuticals and nutritional supplements. The app is designed to be a reference point for potential users, outlining basic information about products which young people might encounter in gyms or advertising.

EACEA key achievements for 2018

Compared to 2017, the number of applications received increased by around 40 % (580 in 2018, 410 in 2017). To promote the call, the Agency organised the 5th edition of the ERASMUS+ Sport Info day in Brussels. The event is one of the major events in the field of sport and is highly appreciated by sport stakeholders. As in the past years, the EU Commissioner for Education, Culture, Youth and Sport joined the event. This year a record was reached with 598 participants registered. The audience was new to the programme with three-quarters of them never having participated in previous info days and never having received grants under the ERASMUS+ Sport programme. Feedback from this event has been very positive with increased networking taking place even before the event via the ConnexMe application. This application was very popular with 500 users and with more than 5000 private messages exchanged and comments posted. There was also success via the Sport dedicated Twitter account (@EUSport) and with the hashtag #SportInfoDay used 771 times. The reach of the hashtag was estimated at 7000 with audience of 1 million. The survey results confirmed that 91 % of survey respondents were satisfied (33 %) or very satisfied (58 %), while 86 % stated that they made useful (33 %) or very useful (53 %) contacts at the event.

A priority of monitoring projects in the field of HEPA (Health Enhancing Physically Activity) was established taking into account the policy relevance of the European Week of Sport launched by the Commission every year in September. In addition, as a cluster meeting in the area of the integrity of sport was organised in December 2018 some monitoring missions were organised involving projects dealing with this area (doping,

match-fixing, good governance and violence in sport). This allowed ERASMUS+ Sport projects selected in these fields to exchange ideas and best practices with EU Policy makers (Member States, International organisations and EU institutions).

Apart from carrying out on-site monitoring visits of projects and evaluating reports by beneficiaries, the Agency continued with organising kick off meetings for new beneficiaries. On 31 January 2018, 110 participants attended the Erasmus+ Sport project coordinators' meeting in Brussels. The event gathered organisations selected in the 2017 call for proposals for collaborative partnerships, small collaborative partnerships and Not-for-profit European sporting events. The meeting provided information about the latest policy development in the fields of sport, guidance on project management, and contractual obligations. Time was also dedicated to bilateral meetings of project coordinators with EACEA project officers. The event was highly appreciated by the participants and considered important for the successful launch of projects.

A seminar of the National Coordinating Bodies in charge of the implementation of the European Week of Sport at national level took place on 28 November 2018 in Brussels. The restricted call for proposals for these designated bodies is fully managed by the Agency in close cooperation with the Sport unit in DG EAC.

1.1.4 Jean Monnet

Specific objective 2.6: promoting excellence in teaching and research activities in European integration through the Jean Monnet activities (JMA) worldwide.

The objective of promoting excellence in teaching and research activities in European integration through the Jean Monnet activities (JMA) worldwide was reached by selecting the new generation of JMA projects, providing support to the seven designated Jean Monnet Institutions and continuously assisting the Commission and other stakeholders in promoting the European Integration. The Jean Monnet (on-line) Community hosted by the Agency, continued to grow. Funds were made available to the European University Institute to deploy a new Transnational Governance programme.

Examples of EU added value of projects managed by EACEA

The following example shows the European added value of projects receiving a small EU contribution (EUR 30 000):

Universidad de Cantabria: *European Economic Policy: A Citizen Perspective*

Since the onset of the 2008 crisis, many Spaniards perceive the EU as a remote policy actor, distanced from the big socio-economic problems plaguing the country.
This is particularly pertinent for Spanish youth, facing massive unemployment rates and prospects of slow economic growth.

This new module was created to bring European Economic Policy closer to students that had limited exposure to this topic through courses targeting 100 BA students per year in English and Spanish, including a study trip to the EU institutions (granted on a competitive basis to a small group of students), creation of a student-led virtual platform "EUCitizenLab" for students to upload their work on EU policies and seminars/webinars by guest speakers expert on EU topics in the classroom.

Moreover, the teaching was complemented with additional activities targeting scholars, civil society and policy-makers (more than 100 people per year) with innovative approaches such as simulation exercises of why understanding human decision making can help policy-makers with more than 150 school children in schools and institutions and at the Marie Curie Researchers' Night.

EACEA key achievements for 2018

As in the past years, the response to the JM call showed high levels of popularity in the Higher Education sector. The Agency managed to process 1 262 grant applications, and

successfully closed the selection and contractualisation phases. Out of the 235 projects selected, nearly 100 were from non-EU member state institutions. To support the newly selected projects, the Agency organised for the second time and provided an opportunity to bring together over 200 successful Jean Monnet beneficiaries from the 2018 call. The Agency provided support and guidance on project and contract management as well as guidance on activity implementation tips. The meeting gave participants the opportunity to network and exchange information on good practices

To support the sound implementation of actions by the designated JM institutions, the Agency organised a dedicated Information meeting. It gathered the representatives from all the Jean Monnet institutions and focused on the monitoring of the activities and the exchange of information. The meeting also served to consolidate the collaboration with the seven organisations[36].

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[36] i.e, the European University Institute, the College of Europe (Bruges and Natolin campuses), the European Institute of Public Administration, the Academy of European Law, the European Agency for Special Needs and Inclusive Education, and the International Centre for European training.

1.2 CREATIVE EUROPE

In cooperation with DG Education and Culture (DG EAC) and DG Communications Networks, Content and Technology (DG CNECT), the Agency contributes to the implementation of the Creative Europe Programme 2014-2020[37] and to its General Objectives. In particular for the MEDIA sub-programme DG CNECT and the Agency will work together on the implementation and further development of the "visibility roadmap" for MEDIA. This roadmap aims at enhancing the visibility of the MEDIA programme through an efficient collaboration between the Agency and DG CNECT whilst ensuring that all communication actions comply with copyright provisions. For the Culture sub-programme, the Agency will work closely with DG EAC to foster promotion of the performance results of Culture and publish key outcomes of its contribution across the cultural and creative sectors.

In accordance with its mandate, the Agency implements the actions of the Creative Europe work programme 2018[38]. It has been entrusted with activities under the following parts of the programme:

- Culture Sub-Programme
- MEDIA Sub-Programme
- Cross-sectoral strand (in particular support to the Creative Europe Desks)

20 calls for proposals published	• In addition, one invitation to apply was sent to the Creative Desks • Two invitations for FPA Renewals were sent for Platforms and Networks
5 382 proposals submitted	• Culture : 840 • MEDIA : 4 542 • cross sectoral strand : 38
1 924 new projects selected	• Culture : 277 • MEDIA : 1 647 • Cross sectoral strand : 38
36 % success rate	• Culture : 35 % • MEDIA : 39 % • Cross sectoral strand : 100 %

The work programme 2018 has been implemented according to plan. The WP 2018 (C(2017) 6002) adopted on 6 September 2017 was further amended (C(2018)2290) on 23 April 2018. The programme continued to be implemented according to its seven-year schedule, with more and more focus on evaluation of the finalised projects.

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[37] Regulation (EU) No 1295/2013 of the European Parliament and of the Council of 11 December 2013 establishing the Creative Europe Programme 2014 to 2020 and repealing Decisions No 1718/2006/EC, No 1855/2006/EC and No 1041/2009/EC

[38] C(2017)6002) adopted of 6 September 2017 amended by the decision (C(2018)2290)

Creative Europe remains relevant to the changes priorities of the sector, to the strategies pursued by the Member States and to EU policy priorities. In 2018, the Culture sub-programme focused on the European Year of Cultural Heritage 2018 (EYCH) and the MEDIA supported around 2 200 European projects, including some of the jewels of European cinema which encourage citizens to engage with culturally diverse films from across Europe.

The sustainability of Creative Europe support has been ensured in particular through the development of durable partnerships and networks that go beyond the lifecycle of the individual projects. Some of the beneficiaries under Culture have become major players in European cultural landscape. While the MEDIA Sub-programme has enabled the sustained activities of companies competing in tough international markets, many of which reported that they would have invested less in distribution of non-national films without MEDIA support.

The high level of response to calls for proposals for MEDIA and Culture made managing the selection challenging. All in all, the Creative Europe programme attracted approximately 5 400 applications. As a result of the selection process, more than 1 900 projects were selected (including Framework Partnership Agreements and Creative Desks) and beneficiaries signed their grant agreement/decision on average no later than 8 months after their submission of proposal. The networks and large cooperation projects are having structuring effect on the sector and have been contributing to the development of the culture policy by DG EAC.

Approximately 300 new or on-going projects were monitored in the course of 2018 either specific events (Cannes, Berlinale, book fairs). A kick off meeting took place for cooperation projects to which ongoing networks and platforms were also invited, and which included, for the first time, a joint meeting of the networks and platforms. Creative Europe desk meetings provided opportunities of exchange between the Commission, the Agency, and cultural organisations on key programme priorities.

The ongoing challenges in the sector such as fragmentation of markets and the digital shift have been systematically addressed, taking into account new audience and consumption patterns and how cultural and creative works are made, produced, accessed and monetised in the digital economy. However, it was noted that the focus could be reinforced on audiences as well as on the opportunities offered by the digital transformation.

EACEA supported DG CNECT and DG EAC and conducted an intense preparation of the Creative Europe Work Programme 2019, adopted in September, and was closely involved in the revision of the Programme-level key performance indicators which had been highlighted in the 2017 mid-term evaluation as hampering the proper monitoring of the programme. The review managed by DG EAC and conducted jointly with EACEA and DG

CNECT was finalised via a consultation with Member States experts. It resulted in a new streamlined set of KPIs to be approved in the course of 2019. In order to ensure that the final evaluation of the Programme and ongoing monitoring would include data that could be aggregated at programme level, the Agency, in parallel to the consultations, implemented the main changes in eReports.

Creative Europe's EU added value is in line with the intentions of the programme to support the creation of international networks and cross-border partnerships and increase the capability of the cultural and creative sector operators especially for those working in niche fields and in the Member States where such capabilities are less developed. The reputational effect for the beneficiaries increases the potential interest of partners and financial intermediaries as well as their trust in supported projects, facilitating access to additional funding.

The sub-programmes have grown in scope over the years without an equivalent increase in budget resulting in funding distributed thinly among many beneficiaries. This has created some frustration, as many good proposals are rejected every year. At the same time the structuring and leverage effect of the funded (and in some cases also the non-funded) projects is way above their real financial value.

In 2018 there was a significant rise in the number of projects funded under the Culture sub-programme; indeed the final number, 276, represented an increase of more than 40 % over 2017 and almost 20 % over the number of projects envisaged in the Work Programme 2018.

The MEDIA Sub-programme has facilitated the cross-border circulation of works, demonstrating the link to audiovisual policy and the objectives of the Digital Single Market strategy. The Distribution schemes supported over 400 films per year, equivalent to 25 % of Europe's annual film production, with a total reach of over 65 million admissions per year.

Despite the achievements and efficiency of the programme, and considering the size and range of the audiovisual and cultural sectors at European level and the geographical scope, the size of the budget is not sufficient to create a major impact at European scale and/or at sectoral level. Nevertheless, it has had a structuring effect by creating an ecosystem at European level where companies and organisations from across Europe can come together and collaborate as most of the activities would likely not have taken place without EU funding.

1.2.1 CULTURE Sub-programme

Specific objective 4.1: supporting the capacity of the European cultural and creative sectors to operate transnationally and internationally (Relevant general objective: To support the capacity of the European cultural and creative sectors to operate transnationally and internationally).

Specific objective 4.4: promoting the transnational circulation of cultural and creative works and operators and reach new audiences in Europe and beyond, with a particular focus on children, young people, people with disabilities and under-represented groups.

The Agency worked closely with DG EAC on the implementation of the European Year of Cultural Heritage (EYCH2018) and was actively involved in discussions on the future programme which is to replace Creative Europe after 2020. As such the Agency has provided evidence of the performance and the impact of the programme.

In the course of 2018, the Agency managed six selections including a specific call for projects supporting the aims of the European Year of Cultural heritage. The 276 projects selected represent an increase of some 67 % compared with 2017 (157 projects selected). The organisation by thematic sectors has facilitated the measurement of outcomes and overall impact of the programme across the different schemes.

To highlight the results of the Refugee projects funded in 2016 in response to the specific call, a breakfast debate was organised at the European Parliament promoting the achievements of the projects.

Despite its limited budget the programme has achieved successful results thanks to the positive combination and complementary nature of its three main schemes: Cooperation projects, Platforms and Networks. New platforms have emerged from cooperation projects and are often working hand in hand with other networks active in the fields of circus, contemporary dance, classical, rock or pop music.

Examples of EU added value of projects managed by EACEA

Two monitoring reports were prepared by the Agency in 2018 to present the main achievements of projects funded under Creative Europe – Culture. Quantitative data covering the first four years of the programme's implementation contains examples of how funded projects address the priorities of the programme and the key performance indicators (KPIs) mentioned in the legal basis.

Through the different feedback mechanisms put in place by the Agency positive results have emerged. Large scale cooperation projects, platforms and networks run by the programme are having a strong structuring effect on the music scene by offering opportunities and in supporting emerging artists and cross-border cooperation. Projects such as ETEP, Live Europe, Live DMA, SHAPE or Europavox are becoming highly appreciated brands. By following closely the performance of these projects the Agency also supported the Music Moves Europe initiative launched by the European Parliament.

The Heritage Contact Zones (HCZ) is a two year European Cooperation Project led by **Castrum Peregrini** with seven partners across Europe. The consortium of organizations from Germany, France, Greece, Hungary, Italy, The Netherlands, Belgium and Romania presents a sample of the neglected or contested heritages that the project will focus on. Point of departure is the notion that European history is as much a history of shared cultural accomplishment as it is a history of violence – violence of wars, colonisation, totalitarian and imperial regimes, religious violence, economic violence leading to social injustice, racial violence and generally the suppression of 'others'. Only by recognition of all aspects of history also that of conflict and dissent, and by actively engaging with those citizens that still suffer exclusion because of this history being marginalised in mainstream heritage representation, Europe will be able to transgress its impasse and move forward towards more unity. Cultural mediators and artists play a key role in this project to open up current heritage structures as contact zones towards more inclusive narratives.

In the two years of the project (September 2018 – August 2020) HCZ will produce five local exhibitions, co-curated with citizens, building bottom-up heritage representation and 'new' approaches and narratives for the organisations involved. It will then look at other examples of innovative and inclusive heritage representation, using heritage as a space for dialogue and constructive conflict and publish them in a comparative overview.

EACEA key achievements for 2018

Support to the European Year of Cultural Heritage 2018

Following the launch in Milan during the Culture Forum in late 2017, the Agency supported the European Year of Cultural Heritage 2018 throught the year until the closing conference in Vienna. A specific call for proposals was launched, and resulted in

the selection of 29 projects. A specific kick off meeting was organised in Berlin during the European Heritage Summit where the different beneficiaries of the selected projects could exchange best practices and knowledge in their respective fields of expertise and activities. The Agency covered an active role also in the selection of the European Prize for Cultural heritage and in activities linked to the implementation of the year with the production of information material including two brochures and a Facebook live interview/Video and by providing feedback during meetings and events organised by the National coordinators of the EYCH and stakeholders.

Feedback to stakeholders on the performance of Culture projects

Two monitoring reports have been prepared by the Agency in 2018 presenting the main achievements of projects funded under Creative Europe – Culture. Collecting quantitative data covering the first four years of implementation of the programme the report also contains examples of how funded projects address the priorities of the programme and the key performance indicators (KPIs) mentioned in the legal basis. One of the main findings highlighted in the monitoring report is that small size cultural organisations are the main participants and beneficiaries in cooperation projects. Over 70 % (1 391 out of 1 891) of beneficiaries are micro or small organisations benefitting from cooperation, networking, exchange of good practice, mobility, co-production and capacity building opportunities this scheme offers. Beneficiaries give evidence of the leverage effect that the Creative Europe – Culture funding has on investments coming from other sources, be it public or private. The introduction and reinforcement of a harmonised, simplified and rationalised eReporting for the funded projects across all actions will continue to ensure a simple, coherent and appropriate monitoring framework for the Culture sub-programme.
Kick off meetings also took place bringing together networks, cooperation projects and platforms, as well as the regular Creative Europe desk meetings, to provide opportunities of exchange between the Commission, the Agency, and cultural organisations on key programme priorities.

Advice to Commission services

The expertise of Agency staff in the selection and management of projects was widely shared in the 2018. EACEA provided advice on concept design and guidelines and participated in the selection process of two preparatory actions launched by the Commission: Music Moves Europe and Mobility for Artists.

Looking towards 2020 and beyond

The Agency has been looking to the future and using cluster meetings to help gather input for the shape of the new programme. A joint seminar with DG EAC was organised to present the Commission proposal for the new Creative Europe programme post 2020 to more than 25 European networks representing more than 4 000 organisations or artists in Europe, so that they could relay the key features of the proposal to their members. Additionally for the first time a joint meeting with Networks and Platforms took place during the Kick-Off meeting for Cooperation Projects. The sectoral approach facilitated the identification of future possibilities and allowed the Networks and Platforms dealing with emerging artists to work together.

1.2.2   Cross-sectoral strand

> **Specific objective 4.2:** to support transnational policy cooperation and fostering policy development, innovation, creativity, audience building and new business models.

The Cross-sectoral strand aims to support transnational policy cooperation and fostering policy development, innovation, creativity, audience building and new business models.

The Agency collaborated with DG EAC and DG CNECT for the preparation of the common Desk meeting in September and through regular contacts they ensure that the Desks are continuously updated on the latest developments.

In 2018 additional support was provided to the Desks of the neighbourhood countries, which recently joined the programme. The participation of the neighbouring countries in the Creative Europe Programme is fully in line with DG NEAR policy and is enriching and enlarging significantly the possibility of cultural cooperation.

The Agency has devoted special attention to the integration progress by organising visits to support the Desks in their role in ensuring a successful participation of the culture sector of those countries in the programme. As an example EACEA organised a newcomers training session for staff having recently joined the Creative Europe Desk network, including representatives of the countries having joined the programme in 2018 (Tunisia, Armenia and Kosovo).

The Agency also collaborated with the EU delegation and participated in the event linked in a larger sense to the European year of Cultural Heritage organised by the Creative Europe Desk in Ukraine and the EU delegation. Furthermore, we participated in an info day in Moldova.

Examples of EU added value of projects managed by EACEA

The main task of the Creative Europe Desks is to promote the programme at national level, to inform and support the stakeholder preparing an application, stimulate cross-border cooperation and networking. With a focus on the new programme the Desks are focusing more on the dissemination of results through the organisation of Showcase events and conferences, ensuring an essential role in the promotion of the results and impact of our programme on national level to stakeholders and the general public.

EACEA key achievements for 2018

In 2018, EACEA provided diverse training for Creative Europe desks in order to allow them to be able to reply to the stakeholders and potential applicants. Diverse webinars have been organised over the year for the Creative Europe desks by the Agency to explain changes in calls and guidelines. The annual Creative Europe desk meeting included a training session for newcomer desks which was attended by 50 participants including new staff and representatives of the countries having joined recently the programme (Armenia and Kosovo). The training session was designed to provide in-depth explanation of on the project management of the desks and training sessions on the main funding schemes of the Creative Europe programme.

1.2.3 MEDIA sub-programme

Specific objective 1.5: A modern, open and pluralistic society building on Europe's cultural diversity, creativity and respect of creator's rights and its values in particular democracy, freedom of expression and tolerance.

The general objectives of the Creative Europe MEDIA sub-programme are twofold: safeguarding cultural diversity, and strengthening the competitiveness of the European audiovisual industry, including cinema, content for TV, and video games. Specific objectives of the programme include also to support the capacity of European cultural and creative sectors to operate transnationally and to promote the transnational circulation of cultural and creative works. MEDIA supports around 2 200 European projects per year, including some of the jewels of European cinema which encourage citizens to engage with culturally diverse films from across Europe.

The strong trend and development of high quality European TV drama registered during the year and the spectacular increase in the number of applications of TV drama series, the constant high number of broadcasters involved and the increase of the level of cooperation between European players of the TV sector (broadcasters, producers, distributors) is considered as a major achievement of the European audiovisual industry through the support of Creative Europe.

MEDIA contributes to the overall increase of circulation of European works and the impact of the programme on the increased cooperation at European level has enhanced the capacity of production companies to collaborate at international level. A survey carried out by EACEA on projects supported at Development stage in the first years of the programme (2014-2015) showed that 81.5 % of the produced films have been distributed in an EU country different from the one of the producer. Similarly, the support to the Promotion of European works online has contributed to the in increased circulation

and availability of European films on digital platforms. These Video On Demand platforms present a catalogue with more than 50 % of European titles.

Specific achievements have been reported in relation to the adaptation of the Distribution Selective and Distribution Automatic schemes following the streamline of the scheme and the reduction of high number of low value grants. The change to a cascading grant system for the Selective Distribution support managed by the Sales Agent of the film increased the coordination of film releases across Europe and developed pan-European distribution strategies for non-national European films.

Within the Market Access scheme several animation actions were selected in 2018, reinforcing the Animation action plan policy of supporting the specific sector of the industry. As well as awarding the well-established Cartoon Movie and Cartoon Forum, successful co-production and co-financing forums for animated feature films and TV series in Europe, the scheme supported Cartoon Connection Canada in order to increase the business opportunities for the European animation industry outside its borders.

The Training scheme played an important role in the context of the level playing field by introducing the category of Regional actions and dedicated scholarships for participants from low capacity countries. The fact that 13 % of total submissions were Regional actions indicates that this recent policy of introducing the possibility of localising the scope of the action was relevant and in line with the current needs of the European audiovisual industry.

Examples of EU added value of projects managed by EACEA

One of the most recognised European films of 2018 was Pawel Pawlikowski's "Cold War" (original title: Zimna Wojna). This Polish-French-UK coproduction received the award for Best Director at the Cannes Film Festival in 2018 and was the great winner of the European Film Awards 2018 with several prizes (best film, best director, best actress, best screenwriter, best editor). It is shortlisted in the category Foreign Language Film for the Oscars. It was selected in 2014 for Slate funding development support and was later supported in distribution with 37 a release in 26 territories.
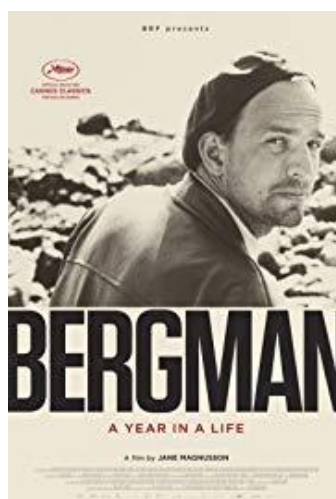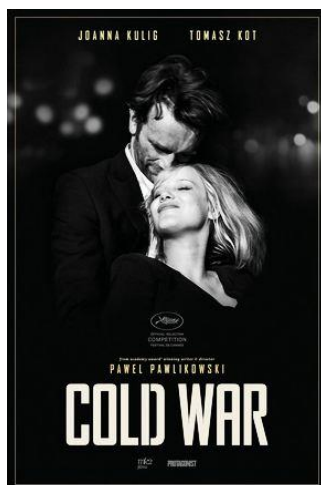
"Bergman - ett år, ett liv" ("Bergman a year in a life"), by Jane Magnusson is a Swedish-Norwegian documentary film produced in 2018. The film was presented in the Cannes Classics section during the 2018 Cannes Film Festival and won in the category Best Documentary at the 2018 European Film Awards. Theatrical exploitation started in July 2018 and the film has been released in 13 countries. MEDIA supported the development of this creative documentary through a Slate Funding granted in 2015, and through the Distribution Automatic scheme in 2018.

With regards to the TV Programming scheme, in 2018, the Creative Europe MEDIA Programme supported for the first time a high budget Italian TV drama series. "My Brillant Friend", based on the novels of Elena Ferrante, is an Italian-Belgian coproduction backed by Italian public broadcaster RAI and the HBO network. The series was already sold in more than 130 countries, including China, and is has been one of the main television events of the end of the year. The first two episodes were screened during the Venice Film Festival and the first broadcasts on RAI reached more than 7 million viewers on prime time.

In the difficult genre of creative documentaries, "Dophin Man" was supported by both the Slate Funding Development in 2015 and the TV Programming scheme in 2016. The Greek-French-Canadian coproduction managed to secure the participation of 4 broadcasters in the financing, including strong involvement from Arte (FR/DE). After the end of the production, the documentary was successfully presented in many festivals in Europe and outside Europe. It was sold to 10 broadcasters (among others in Sweden, Greece, Switzerland, Canada, Japan, Israel). The documentary was also one of the promoted and highlighted documentaries from the project Moving Docs supported by MEDIA within the Promotion of European Works Online call for proposals. This project coordinated by the European Documentary Network is testing innovative online/offline distribution strategies for documentaries among a very large European network. "Dolphin Man" was screened online including on the ARTE Europe platform and at several events within this project.

The documentary "The search for a New Earth" is an example of the capacity of European production companies to produce and distribute high quality films worldwide. Supported by the TV Programming scheme, it involved several European TV broadcasters such as BBC, France 5, TV Poland, NRK Norway or Danish Radio, but also non-European such as Smithonian channel in the US or NHK in Japan. The documentary was sold to 18 European and non-European broadcasters and was rescheduled in commemoration of the scientist Stephen Hawking in May 2018.

Market Access-supported events stood out for their potential for encompassing all industry segments and presenting a rich and diverse landscape. Thanks to the MEDIA sub-programme they reflect a very well-structured, innovative and highly internationalised film industry in Europe. Markets in Europe are indeed of high quality and grant access to a large number of professionals from all over the continents. This is

not the case outside Europe, where markets are much more isolated and disconnected, and considered by industry professionals harder to access.

The Marché International du Film d'Animation (MIFA) in Annecy is an outstanding and leading project which brings together more than 3 800 professionals from the animation field from 75 countries and directly presents content to some 500 international buyers and distributors. A Virtual Reality (VR) and video game space has been launched as well as additional space dedicated to recruitment. MIFA has successfully positioned itself as a unique springboard for young European professionals able to provide real opportunities for job recruitment by internationally renowned animation studios.

A particularly successful example of a Training project is the TorinoFilmLab (TFL) which has distinguished itself as a strong talent incubator, including through the 2018 Berlinale Golden Bear winner, Adina Pintilie, director of "Touch Me Not", which also received MEDIA Development support. The 360° overarching approach is remarkable as the work with projects is carried out all along the value chain from the development of projects to concrete access to finance opportunities, wide distribution in festivals and solid international market sales.

EACEA key achievements for 2018

In a year where major procedural changes were introduced, the Agency managed to fully implement the work programme.

For the first time calls were not published individually with separate guidelines, but one single global Creative Europe MEDIA guideline document all 14 Calls for Proposals was produced and published on the EACEA's website in an interactive web-oriented manner. The guidelines are structured in a general part, presenting information applicable to all candidates and specific parts with the criteria of each call. The results of this process were not only a more harmonised and common set of guidelines for each call, but also an earlier publication of all calls of the annual programme. On 31 October 2018, all MEDIA calls of the 2019 WP were published, while in the past, the last calls were still to be published at the beginning of the following year.

The MEDIA Sub-programme has financed many projects with strong emphasis on international cooperation. 42 TV projects involving several broadcasters and distributors were supported, of which 38 European co-productions involving a total of 78 European production companies. Within the Film Education, Promotion of European works online, Training and Market Access calls, 27 partnership projects were supported involving a total of 204 organisations. Moreover, 19 European films have been supported through the Distribution Selective scheme, each of them being presented by a grouping of a large number of European distributors. In average, each film and grouping involved 25 European distribution companies from different countries.

The Europa Cinema Network involves a total of 1 050 cinema theatres in 34 European countries and 628 cities, and strongly promotes the European films and their circulation.

The added value of the project in terms of circulation of European films within Europe and reaching audience with non-national works tackles most of the programme's objectives. Similarly, the MEDIA Sub-programme has also supported the theatrical distribution in non-national territories of 536 European films. In average, supported films are released in three non-national territories (in addition to the national release) showing the importance of the support in order to reach a general increase of the circulation of European films.

The final reports of the VOD services supported within the three-year framework partnership agreements for the period 2015-2017 were received and analysed in 2018. The consolidated figures show that the revenues of the platforms have globally increased by 88 % between the start of the action and the end date of the partnership agreement: while the global revenues of all platforms amounted to EUR 3.27 million at the end of 2014, they were EUR 6.72 million at the end of 2017, confirming that the Creative Europe MEDIA support has allowed to increase the global presence, consumption and revenues for European films on digital platforms.

Brand new stands were designed for the European Film Market (EFM), Marché du Film in Cannes and MIPTV. The sustainable structures are visited by all the significant stakeholders from across the audiovisual industry in Europe (and the world). In 2018, the annual stand activities were reinforced by the addition of two new stands at the Series Mania Forum and the Marché International du Film d'Animation (MIFA). For the first time MEDIA was successfully present with an umbrella stand at Series Mania (Lille) accommodating 48 companies from 17 countries. 35 % of the participating companies answered a survey and, of these, 88 % reported that being under the MEDIA umbrella was a real opportunity to create new business opportunities: 17 % reported concrete results, such as building a coproduction partnership and signing with a major VOD operator. Prominent presence through umbrella stands was also extended to the Marché International du Film d'Animation (MIFA) in Annecy, one of the animation industry's most important events in Europe and internationally. The vast majority of participants came from countries with a low production capacity and had the opportunity to participate for the first time. With a response rate of 74.5 % (38 of 51 companies), the survey of participants on the MIFA MEDIA stand produced extremely positive feedback on the advantages in creating new business opportunities.

Altogether the six umbrella stands not only made a major contribution to addressing the visibility and promotion of the Creative Europe MEDIA sub-programme, but also provided an opportunity for almost 800 elected European companies to access major European events and to benefit from a fully equipped space and professional assistance. Thanks to the new events, the number of companies selected in 2018 was up 20 % in comparison to the previous years.

In order to achieve optimal results, the objectives and political priorities of the MEDIA sub-programme were taken into account during the targeting of potential candidates as well as the participant selection process. On average, 22 MEDIA countries were represented. The fact that 12, more than 50 %, of the countries represented were low production capacity countries is a positive element in terms of provision of equal opportunities and promotion of inclusive growth within the level playing field objectives.

The newly selected Regional actions under the Training scheme, representing 10 % of all selected projects, originated from low production capacity countries, covering diverse fields of activity, including documentary, animation, feature and TV series. An example of an interesting initiative is the Slovenian CEE Animation Workshop project which aims to provide tailor-made opportunities for accessing financing and markets for animation professionals coming specifically from low capacity countries.

1.3 EUROPE FOR CITIZENS

> **Specific objective 3.1:** to enhance citizens' understanding of the Union, its history and diversity, foster European citizenship and improve conditions for civic and democratic participation at Union level.

The Europe for Citizens programme pursues this objectives by supporting remembrance projects, think-tanks, town twinning, citizens' meetings and networks, civil society projects, and information structures in Member States and participating countries.

Supported activities have been implemented in all Member States and Western Balkans countries in line with the priorities defined by the Commission, demonstrating the maturity and stability of the Europe for Citizens programme.

In April 2018 the Commission adopted the **Mid-term Evaluation Report** on the results obtained and on the qualitative and quantitative aspects of implementing Europe for Citizens. It provides that the programme plays an overall positive role in encouraging civic participation and democratic engagement and has demonstrated its added-value at EU level both in terms of its impact on participants and its complementary role to other EU funding programmes and policy initiatives in the fields of education, culture and EU citizenship.

The selection and contracting processes took place in accordance with the Work Programme and, as a result, the Agency received almost 1 800 applications, of which more than 400 were selected for a total amount of around EUR 24.5 million. In 2018, the projects supported included also 344 placements of 240 members of the European Solidarity Corps.

The success rate of the programme has increased, reaching 23 %, the highest since 2014. This positive result is the consequence of the Agency's information strategy implemented by the national contact points which results in a better geographical distribution of beneficiaries. However some actions — namely European Remembrance and Civil Society Projects — still deserve particular attention, considering their success rate of around 10 %. These are the only actions of the programme with applications coming from all Member States. To address the relatively low success rate, the European Parliament proposed a significant increase in funds dedicated to civil society organisations for the MFF 2021-27.

The 2018 European Year Cultural heritage was fully taken up by more than 50 % of the Europe for Citizens programme applicants. The applicants succeeded in responding to this priority, keeping in mind the specificities of the Europe for Citizens programme and using the cultural approach as a tool contributing to implementing the Europe for citizens programme objectives, thereby promoting tolerance and EU values.

2 calls for proposals published	• In addition, invitation to apply was sent to the Europe for Citizens Points
1 796 proposals submitted	• 1 942 in 2017
417 new projects selected	• 35 Networks of Town , 31 Civil Society, 37 Rememberance projects, 255 Town Twinning, 29 Europe for citizens Points and 30 operating grants
23 % success rate	• 21 % in 2017

Europe for Citizens

Participatory spaces
for Europe's citizens

Success stories from beneficiaries of the
operating grants framework 2014 - 2017

Contribution to the achievement of Commission's objectives

The **Commission multi-annual priorities** for the programme were fully addressed by the applicants with particular emphasis on issues related to the *Debate on the future of Europe,* specifically taking into account the upcoming European Parliament elections in 2019.

In the projects selected the roles of the civil society organisations and local authorities range from acting on the ground to reflecting and making proposals to policy-makers at local, national or European levels. Many proposals give a voice to citizens to **prepare the 2019 elections of the European Parliament**, denounce the dangers of populism and nationalism, and propose concrete tools for more democratic information and participation, showing that the Europe for Citizens programme stays very close to the citizens' concerns, and evolves with the European political and policy agenda.

No "Future of Europe" can be foreseen without a deep knowledge — and some shared understanding — of the past and proper analysis of the present: thanks to the efforts from the **Remembrance** strand stakeholders, different perspectives were shared on the European common history and a stronger sense of community and solidarity was built among citizens.

The **2018 European Year of Cultural Heritage** was addressed particularly within the Town Twinning (TT) and European Remembrance actions, where applicants responded to

the priority by using the cultural dimension as a tool to implement the Europe for citizens programme objectives, promoting tolerance and EU values.

out of 674 TT submitted applications in 2018

- Debating the future of Europe and challenging Euroscepticism
- European Year of Cultural Heritage 2018
- Fostering intercultural dialogue and mutual understanding and combatting the stigmatisation of migrants and minority groups
- Promoting solidarity in times of crisis
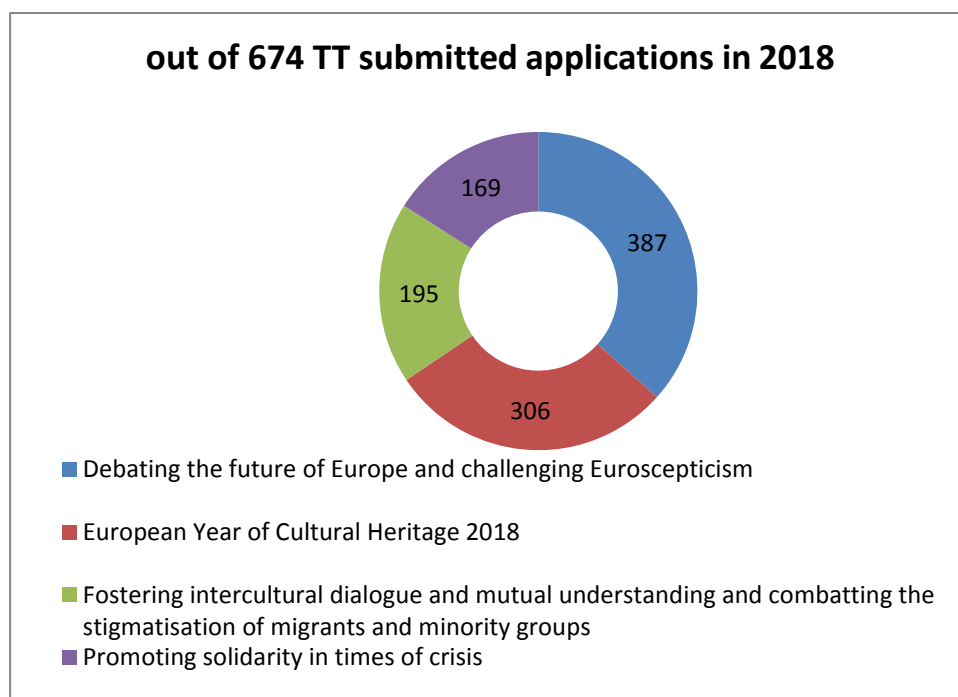
As the programme remains dedicated to providing feedback on the Commission's policy objectives, a brochure on the programme's "Result 2017" was produced providing an overview of the 2017 Europe for Citizens programme implementation — including data measuring the overall impact for the period 2014-2017 and the first results of the programme's participation in the "European Solidarity Corps" initiative.

Examples of EU added value of projects managed by EACEA

The project "*Se souvenir de l'Avenir*" was launched and coordinated by the city of Loches (FR), with the support of five towns in the Centre-Val de Loire region of France and their respective twin towns throughout Europe. It was built upon a wide network of partners, involving **more than 600 invited citizens from the 28 EU Member States as well as 1 252 participants from the host towns**. The project revolved around six meetings with the main objective to encourage young citizens to take ownership of their European identity, get involved and contribute to the future of Europe.

By taking part in interactive discussions, workshops and intercultural exchanges young people could widen their knowledge on highly debated EU topics including migration and

Euroscepticism enabling participants to form constructive criticism of the EU. On the other hand they were also reminded of the reasons why the EU was constructed, its achievements and why it is worth to invest in it and contribute to its future. With the upcoming European Parliamentary Elections, the organizers aimed to make young people understand that their views count and they can have a valuable contribution to the development of the European project.

EACEA key achievements for 2018

The Agency is committed to guaranteeing the sound financial management of its programmes while ensuring that all commitment and payment appropriations are spent by the end of the budget year. Despite not being in the scope of the IAS audit[39] the Europe for Citizens programme followed the new selection procedures. The new evaluation procedures contributed on one hand to strengthen the policy-relevant knowledge and feedback, and on the other hand to improve the feedback to non-selected applicants. To further improve performance in programme management promoting simplification and user-friendliness, a pilot project on the notification of results through the Participant Portal (eGrants) was successfully implemented under the leadership of the Europe for Citizens programme.

The Europe for Citizens Programme organised its first kick-off meeting for beneficiaries of Operating Grants Think-Tanks, Pan-European Platforms, and European Networks working on remembrance and citizenship issues, all selected for the period 2018-2020. The main objective of the meeting was to support the beneficiaries in the management of the grant and provide detailed information about administrative and financial aspects, reporting rules and dissemination. Participants also discussed wider policy issues after the opening by the Acting Director of EACEA, followed by an introduction by the Deputy Head of Unit in DG HOME, and a Member of the Cabinet of Commissioner Avramopoulos. All the interventions underlined the importance of the work of those organisations in the busy and crucial months ahead and the willingness of the Commission to work even closer with them, especially in view of the elections of the European Parliament.

For the first time the Agency organized a workshop during the **2018 EU Week of Regions & Cities.** *Can Europe hear me? Towns as a driving force for youth participation'* brought together beneficiaries, EU Institutions' representatives, journalists, students and municipalities from different parts of the EU to discuss and reflect upon the civic and democratic participation of youth, both at local and Union level. The workshop was organized around a lively discussion, actively engaging the audience where participants were invited to use the interactive *Slido* tool, provide ideas and suggestions for discussion. The key questions addressed mainly the challenges that the EU and municipalities face to strengthen the dialogue with youngsters and boost their participation in the political life.

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[39] IAS audit on Erasmus+ and Creative Europe – Grant Management Phase 1

1.4 EU AID VOLUNTEERS INITIATIVE

The EU Aid Volunteers (EU AV) initiative brings together volunteers and organisations from different countries, provides practical support to humanitarian aid projects, and contributes to a strengthening of the local capacity, resilience and disaster risk management of fragile or disaster-affected communities.

2 calls for proposals published	•for a budget of EUR 16 170 000
96 proposals submitted	•deployment and technical assistance/capacity building: 29 •certification mechanism: 67
18 new projects selected (62 % success rate) and 63 organisations certified	•in total 63 depoloyment/technical assistance and capacity building projects ongoing and 208 certifications
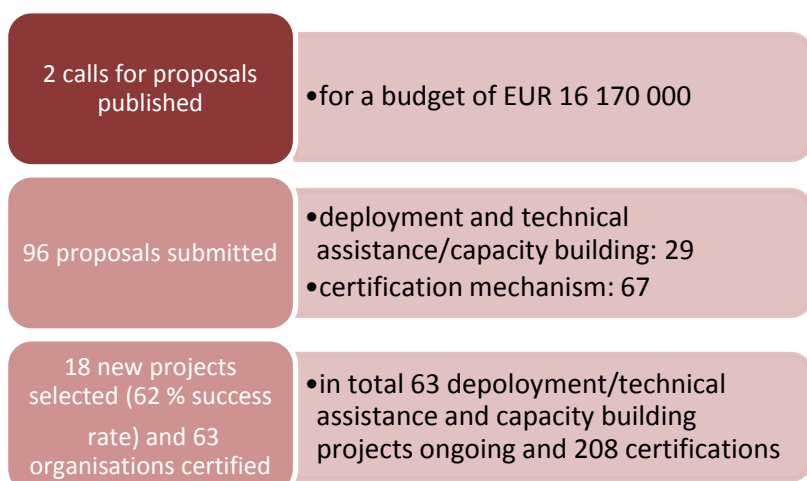
In accordance with its mandate, the Agency implemented the actions of the EU Aid Volunteers initiative's 2018 work programme. It has been entrusted with implementing the following actions:

Action 1 - Deployment of EU Aid Volunteers, including apprenticeship placements for junior professionals and capacity building / technical assistance for implementing organisations, and online-volunteering opportunities

Action 2 - Technical assistance and capacity building

Action 3 - Certification mechanism

Action 4 - Training programme and training of candidate volunteers

In implementing the above-mentioned strands the Agency contributed to the achievement of the following specific objective[40].

> **Specific objective 1.2:** *ensuring that people and communities at risk of disasters are resilient.*

While managing the actions, the Agency has cooperated closely with DG ECHO ensuring that all implementation issues are adequately addressed. The Agency has also provided statistical reports and support to Commission briefings. The increase in selected projects in deployment (11 in 2018 compared to six in 2017) is an example of a positive achievement in the promotion of volunteering in humanitarian aid. In addition, EACEA participated in a number of events organised by DG ECHO such as the EU AV network workshop, Back-to-base. These were good opportunities to meet and exchange with beneficiaries.

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[40] Ref. DG ECHO Management Plan 2017

Examples of EU added value of projects managed by EACEA

Gruppo di Volontariato Civile – (GVC) based in Bologna (Italy) is a highly active organisation within the EU Aid Volunteers community. GVC is a coordinating organisation or a partner in 16 volunteering projects covering deployment, technical assistance and capacity building activities. Their EU Aid Volunteering activities so far include 116 volunteer deployments (involving also 16 apprenticeships).

The volunteers represent 11 nationalities and among the most represented are Italian, Spanish, French, Polish, German and Belgian nationals. The volunteers are deployed in Bolivia, Burkina Faso, Cambodia, Colombia, Ecuador, Guatemala, Haiti, Lebanon, Mozambique, Nicaragua, Palestine, Peru, Saint Vincent and the Grenadines, and Tunisia.

In one of their two-year projects, GVC worked together with the Spanish NGO Alianza por la Solidaridad, 13 third-countries organisations, and the associated University of Bologna, to involve European citizens in humanitarian aid operations through the deployment of 38 EU Volunteers (20 juniors and 18 seniors) in 8 countries: Tunisia, Lebanon, Jordan, Guatemala, Nicaragua, Cuba, Haiti, St Vincent and the Grenadines. This deployment aimed to strengthen the capacities and humanitarian response of the hosting organisations in the Middle East and North Africa (MENA) countries and Central America-Caribbean.

To follow the volunteers' stories from the field please see:

João, deployed in Lebanon

https://webgate.ec.europa.eu/echo/eu-aid-volunteers_en/im-here-have-positive-impact_en

Valeria, deployed in Haiti

https://webgate.ec.europa.eu/echo/eu-aid-volunteers_en/pi-f%C3%B2-ansanm-0_en

Louise, deployed in Lebanon

https://webgate.ec.europa.eu/echo/eu-aid-volunteers_en/esme-louise-tsharafna_en

The impact of this NGO in the humanitarian aid sector and on the EU AV is important. They are able to use the standards and procedures of the certification mechanism strand efficiently, and promote them in their internal networks in order to guide new organisations within the EU Aid Volunteers programme.

EACEA key achievements for 2018

By the end of December 2018, 63 organisations were certified, bringing the total number to 208. The number of applications remained stable in comparison with 2017. For the first time, 20 organisations underwent the recertification procedure successfully. Certification was also withdrawn for the first time from two organisations due to non-compliance with the standards and procedures established in the Regulations.

The main focus of the projects under the deployment action must be on activities linked to the deployment of senior and junior EU Aid Volunteers to humanitarian aid projects in the area of disaster risk reduction, preparedness and LRRD[41] in third countries based on identified needs. To support the implementation of the deployment process, the selected projects may include Capacity Building and Technical Assistance activities. The budget repartition of the submitted proposals confirmed that the majority of the funds are directly linked to the deployment of the volunteers.

For the EU AV Training programme, in total 295 candidate EU Aid volunteers participated in the eight training programmes in 2018. As such the number of trained volunteer candidates increased to 570. The training is a mandatory step for volunteers who must

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[41] Relief, Rehabilitation and Development

complete and pass the training programme prior to deployment. Overall, the majority of candidate volunteers achieved high levels of proficiency. Following a well-defined, moderated assessment process, 79 % achieved level 3 (good proficiency) and above. In addition, entry and exit tests are used to assess the knowledge of the candidate volunteers at the beginning and end of the training with the aim of tailoring the training course to the needs of individual groups of volunteers. The results also serve as an indicator of the progress volunteers make during the training programme and can lead to future improvements in training delivery. The data from 2018 shows that on average volunteers correctly answered 69 % of the questions during their entry test and 83 % during the exit test.

1.5 INTRA-AFRICA ACADEMIC MOBILITY SCHEME

> **Specific objective 2:** *to promote human development by supporting actions in the field of social protection, health, education and better access to decent jobs in order to ensure a solid foundation for partner countries' further development.*

The Intra-Africa Academic Scheme aims at increasing the availability of high level professional manpower in Africa through the mobility of students and academic staff; it also encourages and supports initiatives promoting the internationalisation and improvement of the quality of higher education in Africa.

2018 was the scheme's third year of programme implementation, and focused on monitoring activities for the 14 projects selected under the first two calls for proposals (2016 and 2017), as well as on the preparation of a third call for proposals to be published at the beginning of 2019.

2 calls for proposals already published (2016 and 2017)	• Total budget of EUR 20 million • 14 projects selected • 42 African universities and 14 EU universities involved • Around 1 000 planned mobility flows of African nationals
3rd call for proposals under preparation in 2018	• To be published in early 2019 • Budget of EUR 10 million • At least 350 mobility flows of African nationals expected

Contribution to the achievement of Commission's objectives

The participation in international academic mobility projects is seen by the selected Intra-Africa partnerships as a long term investment, not only in terms of skills and capacities of individuals (students and staff), but also in the further development and internationalisation of their higher education institutions. The scheme has already contributed to the harmonisation of programmes and curricula within the participating institutions, as well as to enhanced synergies between the participating countries and regions.

During 2018, the projects selected in 2017 started their activities while the projects selected in 2016 continued organising and implementing the mobility of students and staff. More than 200 mobility flows have already been initiated. This mobility is expected to improve the skills and competences of participating individuals and thus contribute to the achievement of the relevant objective of the programme. Specific results will be seen at the end of the projects.

The Agency provided support to the Commission and the African Union Commission by contributing to numerous requests for statistics and briefings. Requests typically concerned the preparation of events and missions, but predominantly the preparation of the Multiannual Indicative Programme for the Pan-African Programme for the period 2018-2020.

Examples of EU added value of projects managed by EACEA

The monitoring activities confirm that projects have positive structural effects on the participating universities (e.g. skills upgrade of administrative and academic staff). At institutional level, results such as the establishment of International Relations Offices at partner universities are pointed out as major outcomes.

The meetings held during the monitoring visits showed that the EU's contribution through programmes such as the Intra-Africa and the Intra-ACP Academic Mobility Schemes is of major added value for the quality of teaching and research but also for enhancing the internationalisation of African institutions. The EU's support is considered particularly necessary to reinforce the international office of these universities which in some cases appeared to be weak. The visits also proved the complementarity of the scheme with other EU programmes in the field of higher education such as Erasmus+

> **Harmonisation of Entrepreneurship Education for Sustainable Development in Africa (HEED)**
> The project aims to develop and implement a harmonised entrepreneurship education ecosystem in sub-Saharan Africa (SSA). It will achieve its goal through enhanced academic mobility across the participating higher education institutions, leading to increased ability of students to become job creators rather than job seekers.
> Outputs include mobility of up to 73 Master's and 24 PhD students with skills in entrepreneurialism in a way not offered at their own institutions.
> Research projects are expected to provide unique empirical insights into inter-institutional processes for harmonising entrepreneurship programmes through joint publications and conferences papers.

EACEA key achievements for 2018

The Commission Implementing Decision on the Annual Action Programme 2018 for the Pan-African Programme was adopted at the end of October. As a result, the preparation of the third call for proposals started in late 2018. Based on the lessons learned from the past, some adjustments have been proposed, mainly concerning the eligibility conditions for institutions and individuals, the mobility requirements (more flexibility given on the percentages per type of mobility, target group and credit-seeking mobility), the eligibility of costs (some flexibility in case of drop-out or cancelled mobility flows), etc.

In terms of monitoring, the strategy adopted for the Intra-Africa Academic Mobility Scheme focuses on the assessment of risk. Close monitoring and guidance are required for the successful implementation of these projects, as in most cases African HEIs have limited or no experience in the management of EU funds.

Through desk monitoring, all 14 Intra-Africa projects have been provided with regular feedback on the implementation of their projects. The monitoring was effective and ensured sound implementation of projects.

As part of the monitoring activities, the first Intra-Africa cluster meeting on project and mobility management was held in February as a back-to-back initiative of the 2017 selected projects' kick-off meeting.

The event provided a forum for representatives of the first two generations of Intra-Africa Academic Mobility Scheme projects, enabling knowledge sharing and exchange of experiences and good practice to support and improve project implementation. Speakers and facilitators were invited along with the coordinators of previous Intra-ACP Academic Mobility Scheme projects, to share the expertise acquired. In total, around 90 university representatives from 24 different African countries gathered in Brussels for the two-day meeting.

The discussions provided good insights into the subject of international mobility and regional cooperation in higher education and pointed at future steps to foster harmonisation and recognition of studies within the continent. A number of challenges in implementing mobility projects in Africa have been put forward: from the need for adapting financial procedures to the development of appropriate mechanisms for promotion, selection and suitable services to scholarship holders; from recognition of degrees and study periods abroad to valorisation of staff mobility opportunities. At the same time, a lot of good practices have been identified.

The results of the event have served as input for the programme design, and for definition of the implementation modalities of the next Intra-Africa call for proposals.

In 2018, a total of 4 monitoring visits took place at African higher education institutions in Kenya, Uganda, South Africa and Morocco, looking at 7 Intra-Africa projects but also at some ongoing projects selected under the previous Intra-ACP Academic Mobility Scheme. The visits focused on monitoring the implementation of the projects' activities - financial management, cooperation and communication within the partnership, organisation and implementation of mobility, quality assurance, recognition of studies, and sustainability. Relevant guidance was provided on aspects needing further improvement.

To raise the awareness of the African universities on the programme, the Intra-Africa Academic Mobility Scheme was been presented at a number of events in 2018 (information sessions organised for academic staff and students during monitoring visits in Africa; presentations delivered during events organised by the European Commission or the Agency, or by third parties).

1.6 European Solidarity Corps

> **Specific objective 2.7:** *to improve the level of key competences and skills, in particular through increased opportunities for learning mobility and strengthened cooperation with the world of work in the field of youth including for young people with fewer opportunities, those active in youth work or youth organisations and youth leaders with particular regard to participation in democratic life in Europe and the labour market, active citizenship, intercultural dialogue, social inclusion and solidarity.*

The European Solidarity Corps aims to promote solidarity as a value, mainly through volunteering. It aims to enhance the engagement of young people and organisations in accessible and high quality solidarity activities, in order to strengthen cohesion, solidarity, democracy and citizenship in Europe, while also responding to societal challenges. It aims to strengthen communities, with particular efforts to promote social inclusion.

At European level, the Agency is responsible for the implementation of the following actions:

- Insurance contracts
- Online Linguistic Support
- General Online Training
- Volunteering teams in High Priority Areas
- Quality Label for participating organisations
- Quality Label activities

Contribution to the achievements of the Commission's objectives

As defined in the Commission's 2018 annual work programme for the implementation of the European Solidarity Corps Programme[42], and with effect as of 15 November 2018, the Agency has been entrusted with and contributed to the achievement of the following specific objectives:

1. To provide young people with the support of participating organisations, with easily accessible opportunities for engagement in solidarity activities effecting positive societal change while improving their skills and competences for personal, educational, social, civic, cultural and professional development, as well as facilitating their active citizenship, employability and transition into the labour market, including by supporting the mobility of young volunteers, trainees and workers;
2. To ensure that the solidarity activities that are offered to the European Solidarity Corps participants are of high quality, properly validated and respect the principles of the European Solidarity Corps;
3. To ensure that particular efforts are made to promote social inclusion and equal opportunities, in particular for the participation of young people with fewer opportunities, through a range of special measures such as appropriate formats of solidarity activities and personalised support;
4. to contribute to European cooperation relevant to young people and raise awareness of its positive impact.

The Agency secured the appropriate insurance coverage for all ESC volunteers, launched preparatory work for incorporating online linguistic support into the European Solidarity

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[42] C(2018)5005 of 6 August 2018

Corps and assisted DG EAC with drafting the tender specifications for the general online training for ESC volunteers.

To facilitate the application process for the Volunteering teams in High Priority Areas call for proposals, the Agency prepared the application support package (the application form, the guidelines and instructions, other supporting documents).

EACEA key achievements for 2018

The Commission Implementing Decision on the Annual Work Programme 2018 for the European Solidarity Corps was adopted on 6 August 2018. The Agency agreed, on 13 December 2018, to manage parts of the actions under the programme with effect as of 15 November 2018.

Concerning the Quality Label award, it was of high importance that the first evaluation process was successfully carried out upon receipt of the mandate in December 2018.

Shortly after receiving the respective Delegation Act, the Agency organised the first ESC Quality Label evaluation and award on the basis of an open call published by DG EAC.

This action has been set up place to ensure that participating organisations comply with the principles and requirements of the European Solidarity Corps. The Agency is responsible for the following types of organisations: Europe-wide networks or platforms of organisations with structural links as affiliated entities, national public authorities and services, organisations offering activities run with the support of EU programmes other than the European Solidarity Corps providing volunteering, trainees or job opportunities.

The Agency received seven proposals. Assessment of the proposals was carried out by the Evaluation Committee, which comprised members from DG EAC and the Agency. One proposal was selected which fell under the responsibility of the Agency. All applicants were notified in December.

In order to raise awareness of this action and to reach potential applicants, the Agency began preparations in 2018 for an Info Day which will take place in February 2019.

For the general call for **Volunteering teams in high priority areas** the preparations for the selection process were launched in autumn 2018 with a deadline of 18 February 2019. The information and the application documents have been published on the Agency's website. DG EAC promotes the action through their social media. This action addresses policy priorities in the areas of European cultural heritage, integration of third-country nationals, response to environmental and climate challenges, including disaster prevention, preparedness and recovery. This action is aimed at organisations holding a relevant Quality Label (accredited by the Agency or by the National Agencies) and which are legally established in a participating country.

The amendment to the existing framework contracts for online linguistic support (OLS) to cover also the European Solidarity Corps volunteers is in place since early 2019.

2. ORGANISATIONAL MANAGEMENT AND INTERNAL CONTROL

This section explains *how* the Agency delivered the achievements described in the previous section. It is divided into two subsections.

The first subsection reports the control results and all other relevant information that support management's assurance on the achievement of the financial management and internal control objectives[43]. It includes any additional information necessary to establish that the available evidence is reliable, complete and comprehensive; appropriately covering all activities, programmes and management modes relevant to the Agency.

The second subsection deals with the other components of organisational management: human resources, information management, external communication and other organisational elements

2.1 Financial management and internal control

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

This assessment is carried out by management, who monitors the functioning of the internal control systems on a continual basis, and by internal and external auditors (i.e. ECA). Its results are explicitly documented and reported to the Director. The reports produced are:

- *The periodic reports submitted by the AOSDs on implementation progress in their respective areas of responsibilities including the AOSD reports on achievements, internal control and risk assessment in their Unit/Department;*

- *The contribution of the Risk Management and Internal Control (RMIC) manager including, the results of internal control monitoring and risk assessment at Agency level;*

- *The Register of exceptions and non-compliance events and its corresponding analysis;*

- *The reports of the ex-post function;*

- *The DG BUDG report on the local validation of the systems;*

- *The limited conclusion of the internal auditor on the state of control, and the observations and recommendations reported by the Internal Audit Service (IAS);*

- *The observations and the recommendations reported by the European Court of Auditors (ECA);*

- *The observations and the recommendations reported by external parties (e.g. the mid-term evaluation reports, feedback from experts).*

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

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[43] Art 36.2 FR: a) effectiveness, efficiency and economy of operations; b) reliability of reporting; c) safeguarding of assets and information; d) prevention, detection, correction and follow-up of fraud and irregularities; and e) adequate management of risks relating to the legality and regularity of underlying transactions.

In addition, as of 2018[44], regarding the following elements there are no cases to be reported on:

- Confirmation of instructions (FR art 92.3);
- Cases of financing not linked to costs (FR art 125.3)[45];
- Financial Framework Partnerships >4 years (FR art 130.4
- Cases of flat rates >7 % for indirect costs (FR art 181.6)

Concerning derogations from the principle of non-retroactivity [of grants] pursuant to Art 193.2 FR: The derogation is covered by an exception report and non-compliance event, see detailed information in Annex 10.

2.1.1   Control results

This section reports on and assesses the elements identified by management that support assurance on the achievement of the internal control objectives. The Agency's assurance-building and materiality criteria are outlined in Annex 4 of the AAR. Annex 5 outlines the main risks together with the control processes aimed at mitigating them, along with the indicators available to measure the performance of the relevant control systems.

In 2018, EACEA processed **7 841** payments under the operational budget and **1 138** payments under the operating budget. The total amount of payments made by the Agency from the operational budget is EUR **654.1** million, while for the operating budget it is EUR **48.2** million.

Table 1- *Payments made in 2018 (in EUR million)*

	Total payments made	Number of payments
Operating expenditure	48,2	1.138
Operational expenditure	654,1	7.841
	702,3	**8.979**

Operating budget

Regarding the operating budget, the execution of commitment appropriations was EUR 48.63 million (97.87 % of the available budget – EUR 49.69 million), which exceeds the target fixed at 97 %. The execution of payment appropriations was EUR 48.2 million (86.7 % of the available budget), also exceeding the target fixed at 80 %.

The average time to pay on the operating budget was 18.1 days (with 98 % on time). (The 2017 average was 19.0 days with 96 % on time).

Operational budget

All the Agency's programmes are implemented under direct management mode. **As illustrated below, the sub-total grant management expenditure (including the cost of experts and payments linked to re-commitment and interests) represents more than 90 % of the total "payments made" (as per AAR Annex 3 Table 2).** Therefore the objectives, indicators and assessments in this section will cover only **grant management** related expenditure and revenues.

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[44] Reporting obligation stemming from the updated Financial Regulation

[45] See detailed information in Annex 3 table 15

Table 2 - Operational and administrative expenditure (in EUR millions)

Operational and administrative expenditure (in € millions)		In % of total operational payments made
Pre-financing	520.58 (1)	
Payments against cost statements	117.98	
sub-total grant management expenditure linked to projects	*638.56*	
Experts payments	4.11	
sub-total grant management expenditure	*642.67*	**98%**
Procurement	11.40	
Operational expenditure	**654.1**	

With regards to the operational budget, the execution of commitment credits was EUR 728.6[46] million or 96.9 % of the available budget. If compared with EACEA's Work Programme 2018, the commitment budget execution against C1[47] and C5 appropriations is 100 %, which is above the target (99 %). The execution of payment credits was EUR 654.07[48] million, which represents 94.6 % of the available budget. The payments, for which execution against C1 and C5 appropriations reaches 100 %, is above the target (98 %).

For sake of completeness, the Agency also manages funds under the European Development Fund[49] (EDF) corresponding to Intra ACP (Afrique Caraïbes Pacifique) allocations. The amounts managed are as follows.

- Commitments appropriations: the execution amounts to EUR 11.7 million for an available budget of EUR 10.0 million (117 % of execution rate).
- Payments appropriations: the payments executed amount to EUR 9.8 million (operational credits) for an initial budget available of EUR 9.8 million (100 % of execution rate).
- EUR 26 219[50] are payment credits under the administrative budget.

Without taking into account the credits corresponding to the European Development Fund, the total operational expenditure which amounts to EUR 638.56 million for the grant management (thus excluding experts and procurement) is disclosed by programme and programming period as follows:

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[46] This corresponds to credits C1, C4,C5, P0 and R0

[47] C1 appropriations are the credits adopted annually by the budgetary authority and C5 are C4 credits which have been carried over from end N to end N+1 while C4 are internal assigned revenues.

[48] This corresponds to credits C1, C4,C5, P0 and R0

[49] Not included in Annex III of this document because it comprises financial reports concerning Commission's funds that are managed by EACEA, while the EDF is a separate legal entity with its own budget and accounting.

[50] They refer to the 10th European Development Fund (EDF), specifically the payments of the 4th instalment to the Agency, to finance its functioning.

Table 3 Overall conclusion

	Legacy	Internal control indicator available?	Independant info from auditors?	Reservation ?	Current programming period	Internal control indicator available?	Independant info from auditors?	EACEA Reservation ?	Total in Mio €
Erasmus+ (1)	4.80				431.58				436.37
LLP	0.36	Yes the multiannual detected error rate "DER" is 4,42% for LLP 2007-2013	Audited in previous years, notably by IAS (LLP). All recommendations except one implemented. Follow-up finalised by the IAS in 2016. No comments.	Yes since 2011 for the LLP part	431.58	0,32% of Detected Error Rate. It should be noted that for the moment only audits concerning projects related to ex-LLP and Youth programmes are completed, therefore normally related to the most risky parts of the Erasmus+ programme.	Audited by the IAS in 2015 (Audit on the effectiveness and efficiency of Erasmus+ control strategy). Also audited (legacy not included) on 2017 (Audit on grant-management phase I-from the call to the signature of contracts). Audited by the IAS in 2018 (Audit on grant management-phase II)	Yes on component 3 "Control Activities" and internal control principle 16	436.37
Erasmus Mundus	122	Yes the multiannual detected error rate "DER" is 0,35% for Erasmus Mundus and Intra ACP	Audited in previous years by the former IAC. Follow-up by the IAS in 2016. No comments.	No					
Tempus	3.21	Yes the multiannual detected error rate "DER" is 1,75% for Tempus and Bilateral Cooperation	No	Yes					
Youth	0.00	N/A (programme phased-out)	N/A	N/A					
Sport	0.00	N/A	N/A	N/A					
Creative Europe	3.03				160.18				163.20
Culture and desks	3.03	Yes the multiannual detected error rate "DER" is 9,18%	Audited in previous years, notably by the former IAC. All recommendations implemented.	Yes since 2015	160.18	0,37% of Detected Error Rate.	Audited (legacy not included) on 2017 (Audit on grant-management phase I-from the call to the signature of contracts). Audited by the IAS in 2018 (Audit on grant management-phase II)	Yes on component 3 "Control Activities" and internal control principle 16	163.20
MEDIA	0.00	N/A (programme phased-out)	N/A	N/A					
Europe for Citizens	0.00	N/A (programme phased-out)		No	25.52	1,40% of Detected Error rate based.	No	Yes on component 3 "Control Activities" and internal control principle 16	25.52
EU Aid Volunteers	0.00	N/A		N/A	13.47	Not yet available. For the overall calculation of the amount at risk, the Agency has used the 2017 overall multiannual detected error rate.	No	Yes on component 3 "Control Activities" and internal control principle 16	13.47
TOTAL	7.82				630.74				638.56

(1) Includes Title 19 (FPI), Title 21 (DEVCO) and Title 22 (ELARG). See Annex for further details. - There is only one project audited on EU Aid Volunteers in AAP 2018. Audit is on-going. This was the fisrt final payment available for audit.

Based on the figures above, it is worth mentioning that the legacy now only represents around 1.2 % of the total operational expenditure of 2018 (25 % in 2016, 7 % in 2017, therefore clearly showing the phasing-out stage of these programmes).

As explained above, the total operational payments expenditure also include procurement payments[51] for a total amount of EUR 11.40 million, **representing only 1.7 % of the total payment, thus not considered significant for reporting purposes**.

1) Effectiveness = the control results and benefits

- *Legality and regularity of the transactions*

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

Controls are incorporated into all phases of programme implementation (see Annex 5 for further details) in order to support the overall principle of legality and regularity of the Agency's business processes.

Several layers of control are in place: an updated manual of procedures is the highest level; it is complemented by a series of guidelines, templates and check-lists.

In 2018, the EACEA revised its working methods related to the initial stages of grant management, in order to strengthen the level of compliance. For example: the Agency developed a new Roadmap tool which ensures a better overall vision of all actions managed by the Agency, thus allowing for better planning and monitoring. The main advantage of the tool is the automated scheduling of dates, enabling users to visualise the consequence of potential delays. The new Roadmap tool covers four main stages of the selection process from the preparation of the call until the signature of the contract by both parties. The Roadmap tool will be fully operational for all 2019 selections.

Existing control processes contribute to the assurance-building process in the achievements of the Agency's objectives.

Control effectiveness as regards legality and regularity is presented below throughout the four stages of the grant management control system in place.

(For details on the different stages, please see Annex 5)

Stage 1: Evaluation and selection of proposals

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

Table 4 – Overview of volume of applications and the amount of grants requested

	2017	2018
Number of applications received	12.619	11.722
Total amount of grant request received (in Millions Euros)	3.482	3.464
Average grant requested (in thousand Euros)	276	296

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[51] For the Creative Europe programme, procurement payments mainly correspond to the MEDIA Stands (in the film festivals of Cannes and Berlin for example). For the Erasmus+ programme, procurement mainly refers to the Online Linguistic Support (OLS), e-Twinning and EPALE which formally represent procurement management. Furthermore, these cover some studies to support the project implementation and the insurance covering volunteers (for European Voluntary Service and EU Aid Volunteers). Both are included in the procurement figure.

EACEA's staff aim to successfully handle the call preparation and finalise the evaluation process of this large number of proposals, while respecting the overall control objective.

To this end, the Agency has put in place a set of rules and procedures that have been considerably reinforced by: (1) strengthening the Evaluation Committee methodology and guidelines, which have been clarified, updated, completed and communicated to staff); (2) increasing the involvement of parent DGs in the selection process and (3) rolling out a Roadmap planning tool to improve monitoring of the relevant business processes.

The benefits of this phase serve to increase compliance with the rules and improve the selection process, thereby addressing the objectives and priorities of the work programmes and aiming to achieve the highest EU added value.

These benefits are non-quantifiable.

Stage 2: Contracting

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

As a result of the contracting process, the Agency concluded grant agreements/decisions for the **3 899** newly selected applications, amounting to more than EUR 724 million in commitments.

The benefits of the contracting exercise are clarity and legal security both for the beneficiaries and the Agency, for all the selected applications.

These benefits are non-quantifiable.

Stage 3: Monitoring the execution

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

The execution of the projects is monitored through different tools, including ex-ante controls.

The ex-ante controls are performed by the operational units and mainly focus on:
* An **assessment of the progress achieved** in the implementation of the project, to ensure that the project is on track and that the initial objectives remain achievable;
* A **plausibility check on the declared costs**, referring in particular to justifications of the use of resources presented as part of the regular reporting requirements and assessed against the initial description of the work. When considered necessary, the grant beneficiaries are requested to provide evidence supporting the eligibility of costs (invoices etc.);
* The **compliance with the legality and regularity requirements** such as the complete and timely submission of project deliverables, etc.

It is worth mentioning that during the reporting period, the IAS concluded its audit on "Erasmus+ and Creative Europe grant management Phase II (from project monitoring to payment) in EACEA", in which the testing on a sample of projects and payments did not reveal any significant issues regarding project monitoring and payment processing.

On the operational side, the Governance of procedure guidelines and template documents on grant management have been strengthened through a "single entry point" approach.

In addition, the Agency improved its coherence in project monitoring for Erasmus+ and EU Aid Volunteers which, following a survey and internal discussion, resulted in clear instructions and guidance.

In terms of benefits to controls at this stage, the non-quantifiable benefits refer to the overall satisfaction of colleagues being able to benefit from improved working methods as well as the beneficiaries, including those facing difficulties in the implementation of their grant, who receive assistance from Agency staff.

The quantifiable benefits correspond to the detection of ineligible costs when analysing the payment requests, which normally lead to recovery orders.

Stage 4: Ex-post controls

The main control objective regarding the legality and regularity of the underlying transactions is to ensure that the best management estimate of the materiality ("MAT") of the amount at risk, resulting from the multiannual residual **error rate for each programme**, does not exceed 2 % by the end of the programme implementation. The Agency relies on the **best estimate of the error rate** because the high volume of transactions by programme managed by EACEA each year would render it cost ineffective to establish a representative error rate from a fully statistically representative sample (cf. 95 % confidence level/2 % target error rate. For further details, please see Annex 4 of this AAR).

The objective is also to provide **prompt information to management regarding the variation of the detected error rate[52]**, in order to take necessary corrective actions (if any).

For this purpose, the annual audit plan (AAP) of the EACEA is built upon both a random and a risk-based selection and adheres to a strict methodology. Each year, the Agency usually performs approximately 120 audits of which normally 2/3 are randomly selected and are 1/3 risk-based. The audit coverage is around 10 % of all closed projects in one year. Almost all audits are subcontracted to an external audit firm. Only the audit results of the 'randomly' selected projects are taken into account to calculate error rates.

A multi-annual error rate is calculated by programme[53] and shared with the management regularly during the year. In fact, the Agency monitors the multiannual detected and residual error rate on a monthly basis for each programme and for each programming period. At the end of the year, the Agency calculates the multiannual materiality for each programme, and, if the multiannual materiality is higher than 2 %, the Agency issues a reservation[54].

The AAR 2018 error rate is calculated on the basis of 496 random audit projects.

Table 5 – Audits on closed projects taken into account for the calculation of error rate

Number of audit projects	2007-2013 Programming period	2014-2020 Programming period
AAR 2017 (cumulative)	337	77
Random Audits closed in 2018	22	60
AAR 2018 (cumulative)	359	137

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[52] For instance via audit flash reports when significant issues are detected, via a monthly report on a rolling basis.

[53] Lifelong Learning Programme, Erasmus Mundus, Culture, and Tempus for the legacy programmes and for Europe for Citizens, Creative Europe and Erasmus+ for the programming period 2014-2020. The new programme EU Aid Volunteers is not yet affected by the audit process because it did not produce final reports to be selected in the sample in 2018. Only one final payment was available for audit under the AAP 2018. The audit is on-going.

[54] See Annex 4 for more details.

The Agency has closed 137 random audit projects relating to the programming period 2014-2020, thus relying on an information base equivalent to almost 40 % of the total audit results of the previous programming period, with a coverage of 6 % of the total funding audited.

The multiannual detected error rate by programme and programming period[55] is presented in the table below:

Table 6- Results of the multi-annual error rate calculation AAR 2018

Programming period 2007-2013	DER	RER	MAT	Reservation?
LLP	4.42%	4.24%	6.18%	**Yes**
Erasmus Mundus and Intra ACP	0.35%	0.32%	0.36%	No
Tempus and Bilateral Cooperation	1.75%	1.56%	2.20%	Yes
Culture	9.18%	8.87%	12.15%	**Yes**
Programming period 2014-2020	DER	RER	MAT	Reservation?
Erasmus+	0.32%	0.28%	0.09%	No
Creative Europe	0.37%	0.34%	0.23%	No
Europe for Citizens	1.40%	1.35%	1.11%	No
EU Aid Volunteers	Not yet available	Not yet available	Not yet available	N/A

(DER= multi-annual detected error rate; RER= multi-annual residual error rate; MAT= multi-annual materiality)

As illustrated in the table above, there is a clear dichotomy between both programming periods, the new one showing much lower error rates mainly due to the simplifications introduced.

For the reporting period, the Agency will: (1) maintain the reservations for the Lifelong Learning Programme (LLP) and the Culture 2007-2013 programmes[56] as long as payments are to be performed on these two programmes[57] and (2) issue a new reservation on the former Tempus programme, which, despite having a detected error rate "DER" below 2 %, has a multi-annual materiality "MAT" above 2 %. In fact, as the TEMPUS programme is being phased out, the total amount of the payments made within the period is decreasing, thus having a negative effect on this ratio.

Erasmus Mundus, the last programme for which payments are still done, has historically very low error rates and the Agency expects no changes in this respect (and therefore no reservations in the coming years).

Concerning the 2014-2020 programming period, the current available results in terms of error rates by programme for the current programming period show a positive trend.

Furthermore, throughout the year, prompt information is provided to management (flash reports in case of problematic audits, monthly reporting including data on audits not yet finalised, specific follow-up on audits with an error rate above average, to put in place

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[55] Calculated on the results of random audits closed in the last 8 years

[56] The reservation on the Youth in Action programme could be shifted this year as no payments have been made.

[57] It is difficult to anticipate with certainty when the total phasing out of these programmes will occur. However, it should be kept in mind that the figures for this year, compared to last year, have been as follows:

In EUR million	Payments 2017	Payments 2018	Funding 2017	Funding 2018
LLP	5.7	0.4	38.2	1.8
Culture	3.0	3.0	11.4	18.7
Tempus	13.3	3.2	98.0	73.6

any necessary actions with no delays).

Concerning the risk based audits included in the AAP 2018, the annual detected error rate is 4.92 %[58] (5.00 % on a multiannual basis), which confirms the effectiveness and efficiency of the Agency's risk analysis. (compared to the annual detected error rate for random audits, which is 0.66 % (1.55 % on a multiannual basis)).

Calculation of the amount at risk

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

For EACEA, the <u>estimated overall amount at risk at payment</u> for the 2018 expenditure is EUR 10.8 million. In order to calculate the overall amount at risk:

- For the 2007-2013 programming period, the Agency has used the multiannual detected error rates by programme;

- For the programming period 2014-2020, based on a prudent and conservative approach, the Agency has opted for an overall multiannual detected error rate, combining both programming periods (2007-2013 and 2014-2020). This calculation leads to an error rate of 1.55 %. Taking into account that the objective is to give the best estimate of the overall amount at risk at payment, and also that the risk based audits detected error rate on a multiannual basis (5.00 %), the Agency uses as AOD's best estimate 1.71 % for all programmes in the new programming period.

For procurement management and expert payments the Agency has used a conservative rate of 0.5 % whilst for administrative expenditure a prudent rate of 1 % of potential error has been applied.

This figure of EUR 10.5 million is the AOD's best conservative estimation of the amount of relevant expenditure[59] during the year (EUR 702.3 million) not in conformity with the applicable contractual and regulatory provisions at the time the payment is made.

This expenditure will be subsequently subject to ex-post controls and a sizeable proportion of the underlying error will be detected and corrected in subsequent years. The conservatively <u>estimated future corrections</u>[60] for the 2018 expenditure are EUR 2.0[61] million. This is the amount of errors that the Agency conservatively estimates to identify and correct from controls that it will implement in successive years.

More details of the calculation can be found in the table below.

The difference between those two amounts leads to the <u>estimated overall amount at risk at closure</u> of EUR 8.5 million.

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[58] Figures in this paragraph correspond to both programming periods 2007-2013 and 2014-2020.

[59] For executive agencies, the weighted average error rate is based both on the operational expenditure and the administrative expenditure corresponding to the subsidy of the parent DGs.

[60] The Agency has recalculated its corrective capacity as equal to 0.32 % (it was 0.36 % in 2017). This estimate is based on past performance of the ex-post controls only (ex-post audits) namely on the average recoveries implemented since 2011, after the payment was authorised by the Commission. The figures provided by DG BUDG (1.9 % in 2018, 1.8 % in 2017 and 3.1 % over the last 6 years) had to be adjusted as they included corrections made prior to the payment (ex-ante).

[61] This amount is coherent with the historic average of ex-post controls corrections linked to audits. This year these corrections amount to EUR 2.7 million.

Table 7 - Estimated overall amount at risk at closure

in EUR	Payments Made in 2018	Procurements	Experts	Total Payments net of procuremnts, experts and recommitments	Prefinancing	Cleared pre-financing	Relevant expenditure	Average Error rate in %	Estimated overall amount at risk at payment	Average Recoveries and Corrections (Adjusted ARC) in %	Estimated future corrections and deductions	Estimated overall amount at risk at closure
Programming period 2007-2013												
LLP	363,429			363,429	0	1,592,545	1,955,974	4.42%	86,454			
Erasmus Mundus	1,223,749		0	1,223,749	1,115,022	154,228,046	154,336,773	0.35%	540,179			
Tempus	3,205,995			3,205,995	140,533	74,746,415	77,811,877	1.75%	1,361,708			
Youth in Action	0			0	0	0	0	0.00%	0			
Culture	3,025,622			3,025,622	0	16,685,083	19,710,706	9.18%	1,809,443			
MEDIA	0			0	0	62,720	62,720	0.53%	332			
Europe for Citizens	0			0	0	0	0		0			
Programming period 2014-2020												
Erasmus+	442,458,696	8,159,764	2,722,708	431,576,223	394,810,939	170,146,351	206,911,635	1.71%	3,538,189			
Creative Europe	163,746,833	2,246,571	1,324,348	160,175,915	101,652,803	80,773,161	139,296,272	1.71%	2,381,966			
Europe for Citizens	25,518,461	0	0	25,518,461	12,397,305	11,067,867	24,189,024	1.71%	413,632			
EU Aid Volunteers	14,531,821	998,167	64,073	13,469,581	12,429,906	1,331,239	2,370,915	1.71%	40,543			
TOTAL	**654,074,606**	**11,404,502**	**4,111,129**	**638,558,976**	**522,546,509**	**510,633,429**	**626,645,896**		**10,172,446**	**0.32%**	**2,005,267**	**8,167,179**
	(A)	(1)	(2)	(A)'=(A)-(1)-(2)		(C)	(A)'-(B)+©		(a)		(d)	(a)-(d)
				0								
Expected Error rate on payments ,			0.5%									
on procurements and experts:												
				Amount at risk on procurements (1)*0.5%					57,023			57,023
				Amount at risk on experts (2)*0.5%					20,556			20,556
Sub-total operational budget												**8,244,757**
Administrative expenditure									(b)			(b)
	48,203,696											
Expected Error rate on administrative expenditure			1%	Amount at risk on administrative expenditure					241,018			241,018
									(c)			(c)
Total payments	**702,278,302**			Total amount at risk at payments including on re-commitments, procurements, experts 10,491,043								
				Total amount at risk at closure, including amount at risk on re-commitments, procurements, experts and administrative expenditure (a)+(b)+(c)-(d)								8,485,776
				In percentage of the total expenditure (702.278.302 EUR)								1.21%
Ex-post corrective capacity (in % of total operational payments on grant management)												**0.31%**

- *Fraud prevention, detection and correction*

EACEA has developed and implemented its own anti-fraud strategy since 2012, elaborated on the basis of the methodology provided by OLAF. It was updated in 2014 and revised in July 2018.

This Strategy focuses on the reinforcement of detection and treatment of duplicate applications/financing/reporting, the building up of an Anti-Fraud culture, and the tracking of potential new risks. It was presented to the network of financial coordinators and communicated to all staff.

Seven main actions were to be implemented in 2018/2019: three were implemented; progress was made for three of them and one has yet to be implemented.

Actions completed in 2018:

➢ BO reports/URKUND: improvement of BO reports is continuous; better visibility and access to those reports and to URKUND was provided by the new Anti-Fraud page, which was communicated to staff;

➢ Coordination with parent DGs: yearly meeting with DG EAC, ad hoc meetings on DG EAC tools, and four FPD-NET meetings including bilateral contacts with the Anti-Fraud correspondents of the other parent DGs;

➢ Risks tracking: the summary table was produced, gathering all types of grants (simplified, real costs, etc.) across the Agency.

Actions for which progress was made in 2018:

➢ Guidance on "double financing": working group launched reflecting on its mandate and outputs. Results expected in 2019;

➢ Raising Anti-Fraud awareness: (1) survey: designed in 2018, it will be launched and analysed in 2019, (2) Anti-Fraud intranet page: the page was completely renewed and staff were informed, (3) Training: a training session on "Ethics and Integrity" was given, (4) the AF internal training materials will be further improved in 2019 and two training sessions will be given as a result;

➢ Overall briefing for applicants, beneficiaries and experts – including conflict of interest: two presentations on "Ethics in project management" were produced and included in meetings with beneficiaries; this action will be continued and broadened in 2019;

The training on BO/URKUND has been postponed to 2019 due to internal organisational reasons.

- ***Safeguarding of assets and information***

EACEA set up an internal control system to ensure the safeguarding of its fixed assets. It uses a specific inventory system (ABAC assets) where acquired fixed assets are registered (with quantity and value) and followed up during their life cycle. To register a retirement of assets in the system, a written circuit involving several actors is required. Moreover, EACEA undertook an inventory/stock-taking exercise in 2018 and the preceding years to verify the physical existence of all its fixed assets.

2) Efficiency = the Time-to-… indicators and other efficiency indicators

Based on an assessment of the most relevant key indicators and control results, the EACEA has assessed the efficiency of the control system and reached a positive conclusion.

The efficiency of the controls implemented at each stage are assessed in the sections below.

Stage 1: Selection and evaluation of proposals

In terms of speed in managing this specific phase, the Agency can show a stable **time to inform** its beneficiaries. In 2017 it was 4.1 months, while in 2018 it is 4.7[62] months, well below the reference threshold of six months.

Table 8- Overview of Time to Inform at Agency level

	2017	2018
Time to inform (TTI)-art 128 FR- maximum 6 months	4.1	4.7

During 2018, mitigating measures were taken and further potential efficiency gains have been identified to streamline the processes.

In addition the Agency improved its quality of data for the calculation of the TTI, TTC and TTG through an identified set of controls following an audit recommendation. Monitoring reports through Business Object were improved, leading to a more reliable data set.

In terms of efficiency, it is worth noting that the Agency had a 100 % success rate for judicial proceedings closed since 2006.

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[62] This figure excludes the Erasmus+ Charter for Higher Education for which no contracts are issued. The TTI for this specific action is 7.2 months.

Table 9- Overview of the Judicial proceedings since 2006

	Total since the start of the Agency	Open cases at 31/12/2018	Closed cases at 31/12/2018	Total of closed proceedings won by the Agency at 31/12/2018	Success rate for the Agency
Judicial proceedings	26	9	17	17	100%
which concern the ex-ante phase	5	0	5	5	100%
In percentage of total applications evaluated					
Total judicial proceedings	0.021%				
which concern the ex-ante phase	0.004%				

Benefits of control

Unlike Horizon 2020, the legal bases of the Agency's delegated programmes does not provide for a specific formal appeal process. In March 2018 the Agency rolled out a new system which will be assessed in 2019, based on its first implementation results.

In quantitative terms, the indicator on the evaluation review procedure supports monitoring the quality and effectiveness of the proposal evaluation process. The indicators are as follows and indicate an increase for the last year. The low volume of requests for review (1.6 % of the applications) indicates that the selection process is functioning well. Moreover, this year, among approximately 200 cases reviewed, none led to a detection of error made by the Agency

Table 10– Overview of the requests for review

	2016	2017	2018
Number of requests for review received	129	117	188
In % of total of proposals received	1,1%	0,9%	1,6%
Number of cases that led to a change of decision	3	4	0
compared to the total number of requests for review received	2,33%	3,42%	0,00%
compared to the total number of applications received	0,02%	0,03%	0,00%

For the 2018 calls, 188 requests for review have been introduced so far through the new evaluation review procedure. Up to now, all the requests lead to the confirmation of the initial decision. A "lessons learned" exercise is to be conducted in 2019.

In 2018, there was also one Article 22 request[63] to review the legality of the actions of EACEA, which was introduced and treated by the Commission services. This request for review was about the outcome of the evaluation of one applicant who was not selected for funding. On 4 February the Commission adopted its Decision (C/2019/572) rejecting the request for the review of legality of the decision[66] of the EACEA as unfounded.

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[63] The decision concerned the eligibility of the applicant

Stage 2: Contracting

In terms of speed in managing this specific phase, the Agency can show a stable **time to contract** its beneficiaries. In 2017 it was 3.0 months, while in 2018 it is 2.49 months.

According to the Financial Regulation, the Agency has nine months after the call deadline to sign the selected grants (Article 194.2 of the FR). This consists of two periods and two primary time limits with which to comply. The figures[64] are as follows:

Table 11– Time to Grant results

	2017	2018
Time to inform (TTI)-art 194.2 FR- maximum 6 months	4,1	4,7
Time to contract (TTC)-art 194.2 FR-max 3 months	3,0	2,3
Time to grant (TTG) (total of TTI and TTC)	**7,1**	**7,0**

As shown in the above table, the TTG is mainly stable compared to last year, although there was a shift between the TTI and the TTC. In fact, the increased level of controls which are now performed at selection stage as a result of last year's IAS audit has reduced the TTC by the same proportion. In any case, the figures are within the requirements of article 194.2 of the Financial Regulation, and the Agency's target.

In addition, the percentage of grants signed on time is 91.08 % in 2018 (94.88 % in 2017), which is a very good result, taking into account the strict procedures in place in terms of legal and financial validation process for small non-recurrent beneficiaries and beneficiaries/partners outside Europe (Neighbourhood countries, 3rd countries), which are part of the Higher Education beneficiaries.

Stage 3: Monitoring

The two main efficiency indicators at this stage concern the level of execution of payment appropriations and their speed. Both indicators demonstrate the efficiency level of the Agency.

Execution of operational payment appropriations
Similar to previous years, the appropriations delegated to EACEA under the General Budget of the European Union (i.e. the credits of the EACEA Operational Budget) were fully implemented by the Agency by 31 December 2018, having reached **100 %** in commitment appropriations and **100 %** in payment appropriations, for an amount of EUR 717.9 million and EUR 641.8 million[65] respectively.

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[64] See impact of Designated bodies on the Agency's figures in Executive Summary and see more detailed figures by programme and call for proposals on Annex 12.

[65] Excluding all credits except C1, C5 and E0

Time-To-Pay (TTP)

An important indicator of this phase is 'Time-To-Pay' (TTP), which is defined as the percentage of payments made within deadlines set by the Financial Regulation. The Executive Summary gives an overview of the performance of the Agency in funding grants per type of payment. The results indicate a high compliance with the payment deadlines, with **98 %** of all payments processed on time (96 % in 2017).

Stage 4: Ex-post controls

In terms of efficiency, at this stage the main indicator relates to the value of corrections made by implementing audit results, by means of recovery order and/or offsetting. In 2018, this value amounts to EUR 2.7 million, a higher value compared to 2017, as shown in the table below. This is mainly explained by the fact that the Agency was able to finalise more audits this year.

Based on the figures provided, the Agency also underlines that the average benefit of an audit (both random and risk based) is higher than the average cost of an audit, as reported in the table below.

Table 12 – Benefit per audit

In EUR	2017	2018
Total recoveries issued after an audit closed on 31 December	1,979,962	2,752,389
Number of audits closed on 31 December (projects)	155	198
Average benefit per audit (project)	**12,774**	**13,901**

In addition there are a number of non-quantifiable benefits which are equally important, such as the preventive and dissuasive effect of ex-post audits, especially with recurrent beneficiaries, the better identification of risks and therefore the identification of areas for improvement.

The Agency additionally monitors two other efficiency indicators at year-end, relating to the speed of issuing the pre-information letter and the recovery order. At the end of 2018, overall the pre-information letters were sent on average 46 days after the final audit report was received by the Agency, which is in line with last year's figure, with the exception of a file linked to two OLAF cases which had to be formally closed before the pre-information letter could be issued. The related recovery order was issued on average 42[66] days after the pre-information letter (46 days in 2017).

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[66] Including those relating to both OLAF cases previously mentioned.

3) Economy = the cost of controls[67]

Stage 1: Selection and evaluation of proposals

At this stage, the cost of control corresponds both to experts' costs (paid via the operational budget), and staff and other costs (IT or translation costs for example) paid via the administrative budget.

Details are as follows:

Table 13 – Cost of control – selection and evaluation

in EUR	2017	2018	Ratio
Number of eligible proposals	11,967	11,619	-3%
Expert's costs	4,190,073	4,111,129	-2%
Expert's costs per proposal	**350**	**354**	**1%**
Staff and other costs	10,785,716	12,988,550	20%
Total costs at selection stage	14,975,789	17,099,679	14%
Commitments made in EUR	702,620,686	728,633,425	4%
in % of commitments	2.1%	2.3%	10%

Average expert's evaluation cost by proposal and costs at selection stage

The expenses for experts in 2018, which were EUR 4.6 million in terms of commitment and EUR 4.1 million in terms payment, are completely in line with the amount spent in 2017 (EUR 4.4 million and EUR 4.2 million respectively).

In 2018, EACEA managed calls for proposals for an amount of more than EUR 728.6 million, and the total costs of the selection and evaluation stage represent 2.3 % of this amount (an increase compared to 2017).

This current increase in the cost of control at this stage (14 %) is partially linked to the application of mid-roadmaps of the revised procedures put in place.

However, the Agency considers that both the average cost of experts by proposal, which is around EUR 360[68], and the total costs at the selection stage remain cost-effective.

Stage 2: Contracting

As shown in the table below, the total cost of control for the contracting phase is estimated to be EUR 7.1 million, up by EUR 0.3 million compared to 2017. The costs of the controls performed at this stage remain very low in comparison with the total value of the grant agreements signed, at some 0.97 % of that value, which is in line with last year's figure.

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[67] As defined in the guidance of DG BUDG, the cost of controls are based on the administrative budget. The Agency has excluded costs linked to the Eurydice Unit and those identified as linked to procurement costs as functions outside the grant management control system as defined in the guidance.

[68] Please note that this figure only relates to the cost of experts, not to the costs of the staff involved in the management of experts.

Table 14 – Cost of control - Contracting

	2017	2018	Ratio
Cost of control of stage two (in Mio EUR)	6.8	7.1	5%
Number of applications selected	4,363	4,197	-4%
Average cost of control per application selected (in EUR)	1,551	1,688	9%
Cost of control as a percentage of the commitments of the year	0.96%	0.97%	1%

The average cost of control by signed grant agreement is around EUR 1 800 at EACEA. Cost effectiveness obtained in this stage at EACEA is also linked to the fact that the EACEA has been able to introduce grant decisions for some actions (instead of grant agreements) and has developed standardised models of contracts and decisions.

Stage 3: Monitoring

The objective of this stage is to provide assurance that the projects are running as intended and allow the Agency to provide appropriate feedback on policy development. The Agency put in place a shared space to exchange information, particularly the reports after the on-site monitoring missions. Furthermore, this process enables the Agency to help projects improve.

Moreover, a significant part of the controls are qualitative and cannot be quantified in financial terms.

The financial impact of the ex-ante controls performed in 2018 on the cost claims before proceeding to payment is estimated at EUR 27.9 million, which shows an increase compared to 2017 (EUR 23.7 million).

The total cost of controls performed at this stage is estimated at EUR 24.0 million or EUR 3 819 per grant agreement, which shows little change compared to last year (EUR 23.6 million), which is considered to be cost-effective.

Table 15– Cost of Control - Monitoring[69]

IN EUR	2017	2018	Ratio
Benefits of controls in Mio EUR	23.7	27.9	18%
Total cost of controls at this stage in Mio EUR	23.6	24.0	2%
Number of running projects on 31 December	5,989	6,278	5%
Average cost of control for one running grant agreement (in EUR)	€ 3,933	€ 3,819	-3%

The relative stability of this figure is due to the structural elements illustrated above, and no major changes are envisaged in the short term.

In 2018, the average number of projects managed by an EACEA staff member in operational programme management units remains in the same range as in 2017.

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[69]   Benefits of controls correspond to the amount of recovery orders issued within the year plus the amount of ineligible costs claims detected via the ex-ante controls.

Table 16- Average number of projects managed by an EACEA staff member and average number of projects monitored by an EACEA staff member (monitoring activities)

	2017	2018
Number of running projects on 31 December	5,989	6,278
Total annual average of staff in operational Units (1)	318	319
Average number of projects by staff member in operational Units	19	20
(1) Except Eurydice and procurement		

The staff figure used in this calculation corresponds to 100 % of the staff of Operational Units, though these also have other tasks not related to the management of running projects (for example: the selection activities).

Stage 4: Ex-post controls

The total cost of ex-post controls, including the internal resources (staff) who are involved in this stage, the cost of outsourced ex-post audits and the mission costs of the EACEA team, amount to EUR 1.6 million as shown in the table below. This is a slight increase compared to last year, given that the EACEA managed to close more audit projects than last year.

Table 17– Cost of Control – Ex-post

In EUR	2017	2018
Cost of internal resources (including overheads on prorata)	604,225	627,259
Cost of outsourced audits closed in the year	813,804	1,020,404
Costs of missions performed by the ex-post control team	1,841	0
Total cost of ex-post control	**1,419,871**	**1,647,663**
Number of closed audits (projects)	155	198
Average cost per ex-post audit	9,160	8,322

Overall, the Agency quantifies the costs of the resources and inputs required for carrying out the controls on grant management described in Annex 5 and estimates, as far as possible, their benefits in terms of the amount of errors and irregularities prevented, detected and corrected by these controls.

The total cost of controls on grant management are as follows:

Table 18 – Cost of controls – Grant Management

Grant Management costs in Th. EUR		Costs
Stage 1: Selection	Staff and other costs such IT	12,989
	Experts costs	4,111
Stage 2: Contracting	Staff and other costs such IT	7,084
Stage 3: Monitoring and desk review	Staff and other costs such IT	23,975
	Missions	250
Stage 4: Ex-post controls	Staff	627
	External inputs (audits)	1,020
	Missions	0
Total		50,056

According to the calculation above, total costs of grant management may be considered to be equivalent in the case of EACEA to the administrative budget of the Agency[70]. In terms of payments executed, the ratio is as follows: $50.1/652.47^{71} = 7.67$ %.

4) Conclusion on the cost-effectiveness of controls

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

Benefits of the grant management control system are to be considered as a whole, as they cannot only be expressed in monetary terms. The benefits are quantitative and qualitative, and a purely quantitative cost-benefit evaluation would not reflect this reality. In addition, there are a number of non-quantifiable[72] benefits resulting from the controls implemented during each control stage, which by definition are not included in the figures above. These include:

- The selection phase, which aims at ensuring that the financed projects contributed in the best manner to the achievement of the policy objectives;
- Preventive controls through annual information/kick-off meetings with new grant beneficiaries;
- Monitoring missions to address problems in early stages and in a cooperative manner;
- Ex-post controls, having a deterrent effect.

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[70] In terms of approach, the Agency used the flat rate per full-time equivalent as per DG BUDG's guidelines and included the Titre III. Also, the management of Eurydice was left outside the scope.

[71] Payments related to grant management are as follows: 638.56 (grant management payments) +4.11 (experts)+9.80 (EDF) = EUR652.47 million.

[72] As an example of non-quantifiable benefit, giving also an indication of the workload assumed at Selection Stage, the value of the 11 751 electronic grant requests evaluated by the Agency for funding amounted to EUR 3.482 million in 2017.

Furthermore, the Agency acknowledges that the necessity of these controls is undeniable, since they are a necessary requirement and the totality of the appropriations would be at (compliance) risk if they were not in place.

For this reason, it is also necessary to consider the efficiency indicators, which reveal whether the Agency allocated the appropriate quantity and quality of resources to ensure an efficient execution of controls.

To conclude, based on an assessment of the most relevant key indicators and control results, the Agency has assessed the cost-effectiveness and the efficiency of the control system of grant management, and the conclusion is that its overall performance is positive, being either equivalent to the EACEA's performance in previous years, or has even improved in some fields as illustrated hereafter.

- **Time to Grant**: EACEA's performance is significantly below the target of nine months with an average of 7.0 months and 91.08 % of the grants signed within the different targets. (7.1 months and 94.88 % respectively in 2017);

    o The share of **evaluation review cases** received remains low (1.6% of the number of applications received)**.** In 2018, none of the cases treated led to a change of status of the applicant (from rejected to selected; from ineligible to eligible);

- The overall **Time to Pay** performance remains excellent, and has in fact improved compared to last year, with 98%[73] of the grant-related payments (respectively 99 % of the pre-financing payments and 96 % of the interim and final payments) performed on time.

(3) Overall conclusion of control cost-effectiveness and efficiency

As an overall conclusion on the control cost-effectiveness and efficiency, the Agency monitors its total control and management costs (percentage of operating costs over the operational budget in terms of payments executed in 2018), these being EUR 48.2 million/EUR 654.1 million = **7.37 %**[74] for 2018. This figure has been relatively stable since 2014, which is considered to be cost-effective, both overall and also taking into account the Agency's cost drivers and in particular the relative number and size of grants to be processed.

In the view of the Agency's management, the relative level of efficiency and cost-effectiveness of the controls implemented is adequate and no major improvements are necessary for the moment.

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[73] For 2017 the figures are the following: 96 % of the grant-related payments (respectively 98 % of the pre-financing payments and 94 % of the interim and final payments)

[74] The figure is in line with previous years' figures (2014-7.41 %), (2015-8.13 %) (2016-7.20 %) (2017-7.52 %).

2.1.2 Audit observations and recommendations

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

DG BUDG

Although they cannot formally be considered formal audits, the DG BUDG "Validation of local systems" exercise on behalf of the Commission's Accounting Officer) issued two reports in 2018 related to the accounting quality at EACEA.

In terms of evaluating the Accounting Internal Control environment in Executive Agencies (accounting linked to the operational budget), the objective of the first exercise was to provide assurance to the Commission's Accounting Officer regarding the proper functioning of the control environment within the Executive Agencies.

The final report for EACEA, submitted in April 2018, concluded that the validation exercise (reference year 2016) **has not identified any weaknesses on the design or implementation of the local systems in place in EACEA.** The accompanying note stated that **"overall, the accounting internal control environment is of good quality."** Nevertheless, the report listed six recommendations to mitigate some weaknesses; three of them were already closed by DG BUDG in December 2018 following successful measures taken by EACEA in accordance with its action plan. Of the remaining recommendations, none of which are overdue, and one cannot be solved by EACEA (encoding of experts' contracts as a legal commitment) as the owner of the concerned system is another Executive Agency. The two other recommendations concern the revision of checklists as well as an already partially implemented recommendation concerning the completeness of ex-post controls on contracts.

The second exercise concerned a Commission-wide validation of all local financial systems for 2017, a requirement stipulated by Article 77 of the Financial Regulation (Commission's Accounting Officer's validation of systems laid down by the Authorising Officer to supply or justify accounting information). The validation of DG BUDG is done through a desk review, mainly based on the accounting quality programme of each DG/Executive Agency. DG BUDG has assessed the accounting risk for EACEA as medium with a risk score of 20 % (scale from 0 % to 100 %). EACEA's risk score results from the open recommendations of the first validation exercise mentioned above, and from the fact that the Court of Auditors has not recently examined the accounting systems of EACEA (operational budget).

In addition to these pure accounting reviews, the Agency was audited during 2018 by both internal and external independent auditors: the Commission's internal audit service (IAS) and the European Court of Auditors (ECA).

European Court of Auditors (ECA)

(1) Administrative budget – 2017

In autumn 2018, the European Court of Auditors issued its opinion related to the audit of the Agency's 2017 annual accounts for administrative expenditure. The audit is performed each year in order to obtain reasonable assurance that the

Agency's annual accounts are free of material misstatement and that the transactions processed by the Agency are legal and regular.

The audit carried out by the Court consisted of analytical audit procedures, direct testing of transactions, and an assessment of key controls of the Agency's supervisory and control systems.

The Specific Annual Report for the financial year 2017 provides the Court's opinion on the reliability of the accounts and the legality and regularity of the underlying transactions:

Opinion on the reliability of the accounts

In the Court's opinion, the Agency's annual accounts present fairly, in all material respects, its financial position as of 31 December 2017 and the results of its operations, its cash flows, and the changes in net assets for the year then ended. It does so in accordance with the provisions of its Financial Regulation and the accounting rules adopted by the Commission's Accounting Officer. These are based on internationally accepted accounting standards for the public sector.

Opinion on the legality and the regularity of the transactions underlying the accounts

In the Court's opinion, the transactions underlying the annual accounts for the year ended 31 December 2017 are legal and regular in all material respects.

Following the audit on administrative expenditure, the Court made two observations:

- Observation regarding the reliability of the accounts: the Court sees a need to strengthen the Accounting Officer's independence by making him directly responsible to the Agency's Director (administrative) and Steering Committee (functional), considering that currently his superior is the Head of Finance, Accounting and Programming. The issue will be presented to the Director for his consideration.
- Observation on sound financial management and on performance: the Court observed that by the end of 2017 the Agency had introduced e-invoicing for certain procedures, but not e-tendering or e-submission. The Agency actually started using e-tendering in September 2018, while the implementation of e-submission is scheduled for 2019.

Similarly to the previous year, the Agency has taken note of the Court's report. As a result, no specific adversary procedure was needed between the Court and the Agency.

(2) Operational budget – Statement of Assurance (DAS) 2015, 2016, 2017 and 2018

At the end of year 2018, all the audits for DAS 2015 and DAS 2016 are closed.

Concerning DAS 2017, the audit of three transactions or grant projects resulted in only one finding on compliance. As for the Statement of Assurance (DAS) 2018 exercise on the Agency's operational budget, the Executive Agency has replied to requests from the Court for documentation and information in relation to both the legality and regularity of transactions and the reliability of the accounts.

At the end of 2018, the audits completed on three transactions or grant projects sampled for the DAS 2018 resulted as follows:

- The audit of one transaction is closed with no finding.
- The audit of one transaction is closed with a quantifiable error.
- The audit of one transaction is closed with a non-quantifiable/procedural error.

One audit concerning DAS 2018, for which EACEA received a report at the

beginning of 2019, is ongoing.

Internal Audit Service (IAS)

(1) Audit Engagements

During the reporting period, the IAS completed the audit on "Erasmus+ and Creative Europe – Grant Management phase II (from project monitoring to payment). The audit aimed to assess whether EACEA had put in place an effective project management process to ensure that a) beneficiaries implement the Erasmus+ and Creative Europe projects in line with the grant agreement, and b) the underlying transactions (including payments) are legal and regular in order to provide the Authorising Officer by Delegation (AOD) with reasonable assurance regarding the sound financial management of the Erasmus+ and Creative Europe programmes. The final audit report was received on 31 January 2019 and includes four observations and recommendations, one critical, two very important and one important.

The IAS has identified the need for actions related to the internal control system related to project management and payments, project monitoring, the functioning of the internal control system, and the storage of documents in Pegasus. This represents a high risk to the assurance regarding sound financial management of the Erasmus+ and Creative Europe programmes in particular, and compliance with the applicable rules and regulations in general.

Based on a limited follow-up audit of the actions that have been implemented since the end of the audit fieldwork phase and up to 7 March 2019, the Agency was informed on 14 March that the IAS considers "that the underlying risks have been partially mitigated and will therefore downgrade the rating of the recommendation from 'critical' to 'very important'".

This means that this audit now includes three very important and one important recommendation.

(2) Recommendations and Action Plan

Following the above mentioned audit, EACEA proactively took mitigating measures as far as possible between the end of the fieldwork and the issuing of the final report on 31 January 2019.

In addition the Agency has provided the IAS with an adequate action plan mitigating the identified risks, and this plan has been accepted. The action plan is to be implemented during 2019 in response to the final audit report.

(3) Follow-up Engagements

a) Audit on Erasmus+ and Creative Europe – Grant Management phase I

In 2018 the IAS launched a follow-up activity related to this audit, and informed the Agency on 14 March 2019 that "based on the follow up of the outstanding recommendations the IAS concludes that they have been adequately and effectively implemented" which means that the audit is closed.

b) Audit on HR management strategy

Following the implementation of the agreed action plan, four out of the six recommendations have been declared ready for review. The two outstanding

recommendations are on track with deadlines set for 2019.

c) Audit on Recoveries

All recommendations following the audit on Recoveries are ready for review.

(4) Conclusion of the IAS on the state of internal control

Based on all work undertaken by the IAS in the period 2016-2018[75] and taking into account that:

- Management has accepted all the recommendations issued in 2016-2018;
- Management has adopted action plans to implement all the accepted recommendations. The IAS considers that these action plans are adequate to address the residual risks identified by the auditors;
- The implementation of these action plans is monitored through reports by management and follow-up audits by the IAS;
- Management has assessed a number of action plans as implemented which have not yet been followed up by the IAS;

the IAS has concluded that internal control systems in place for the audited processes are overall not effective as one "critical" and two "very important" recommendations remain to be addressed by the submission and implementation of an agreed action plan, and that the residual risks related to these recommendations may affect one or several control principles and/or components.

(5) Conclusion

Although the IAS lowered the level of the critical recommendation to very important, the Agency acknowledges that major improvements concerning the functioning of its internal control system are needed, thus leading for the second consecutive year to a reservation on the internal control system, further detailed in the following section.

2.1.3 Assessment of the effectiveness of the internal control systems

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

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

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[75] Namely final audit reports issued in the period 1/2/2016–31/1/2019, including, Audit on management of recovery orders for competition fines (incl. guarantees for competition fines) and for recovery orders in the context of the Commission's 'corrective capacity' – Phase I (2017), Erasmus+ and Creative Europe Grant Management phase I (from the call to the signature of contracts) in EACEA (2017), HR management in EACEA (2017-2018) and Erasmus+ and Creative Europe : audit on grant management phase II (from project management to payment) in EACEA.

The Agency assessed its internal control system during the reporting year according to the methodology established in the "Implementation Guide of the Internal Control Framework of the Commission", (adopted by the Commission in April 2017), which is fully in use at the Agency since 1 January 2018. The sources of information illustrated below have been taken into account, included in the EACEA 2018 Register of Internal Control Deficiencies, and form the basis of the internal control assessment conclusions.

a) Management's assessment of the effectiveness of the internal control systems

Following the enforcing measures put in place during the reporting period, the Agency conducted a survey[76] to monitor **43 internal control criteria,** mixing **compliance** and **effectiveness** aspects.**.**

An example of the results on **effectiveness** of the internal controls in place in day-to-day activities is the following:.

Table 19 - Overall effectiveness of internal controls in 2018 vs 2017 results

2018	Positive answers	2017	Positive answers
Management	81%	**Management**	86%
Staff	59%	**Staff**	68%
Average	**64%**	**Average**	**73%**

This year's overall assessment of **effectiveness, even if only based on staff perception, (64 %) shows a negative trend** compared to last year (73 %), which is in line with the initial feedback received in the overall staff survey.

A careful analysis will take place feeding into an overall Agency approach to solve the issues identified. As indicated by the Director, this already has required – and will require – much work. The actions carried out so far under the acting Director are a concrete first step towards putting the Agency on a firmer footing towards sound management of the tasks and duties of the next Multiannual Financial Framework, but will need to be followed by a more structured plan for transformation that will be designed and launched in the coming months.

b) Reporting by Authorising Officers by sub-delegation (AOSDs)

EACEA has in place a structured reporting cycle from Heads of Unit and Head of Department[77], in their capacity as AOSDs, to the Director on the different building blocks of the internal control system and assurance building blocks.

The revision of the AOSDs reports by the RMIC (risk management and internal control) function are considered as a valuable key contribution to the internal control assessment of the Agency.

In 2019 the Agency will further enhance and fine tune the AOSD report

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[76] The specific EACEA survey assures independence for its assessment from the overall EC wide Staff Survey

[77] Expanded in the Q3 of the year with additional information

mechanism.

c) Deviation reporting: exceptions and non-compliance events including identification of internal control weaknesses.

The functioning of the internal control systems is also assessed throughout the deviation reporting process, containing a systematic registration of exceptions and non-compliance events), and the consequent analysis of the events in view of potential control weaknesses.

In 2018, EACEA encoded 24 deviation events and took into account three deviations reports[78] of the year 2019 as the basis of the assessment.

Specifically, 10 relate to past errors kept in the register due to their impact on current transactions (one case suggests paying better attention to the implementation of document management guidelines); 10 events are linked to human error (i.e. wrong calculation of 10 % budget reallocation costs); two are considered to be of limited importance and two are under close follow-up by the Agency.

Following both ECA and IAS recommendations, over the reporting period the corresponding procedures and rules were enforced, guidelines were improved and awareness was raised through a dedicated presentation/training. This effort has resulted in a more transparent approach and has led to the transformation of the deviation process as an appropriate management tool.

d) Risk assessment exercise

Each year, the Agency conducts a risk management exercise as part of the Annual Work Programme AWP). The process is designed to alert managers to possible problems in delivering their mission and objectives and encourage early action in order to anticipate and overcome potential pitfalls. The outcome of this exercise is an obligatory risk register containing the most significant risks at EACEA level.

In 2018 the register was updated three times in June, October and December. No critical risks were identified for the AWP 2018, nor reported to the Central Services or EACEA's Steering Committee. Although currently no critical cross-cutting risks have been identified that could affect the future, mitigating actions have been put in place related to Brexit following the EC guidance.

For details on the identified EC wide risks related to data protection, IT and cyber security, please refer to the corresponding section 2.2 (other organisational management dimensions).

e) Assessment of the functioning of the internal control system

In the framework of the new methodology, the register of Internal Control deficiencies is the main tool for collecting all relevant information coming from the above mentioned relevant sources and the information gathered during the year.

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[78] Two cases (one exception request and one non-compliance event) related to a mistake in encoding a mission in the MIPS system, and one case concerning a small discrepancy between the tender specifications and the European Solidarity Corps AWP 2019 regarding the definition of type of insurance covered (the AWP being more restrictive).

EACEA performed a final assessment of the functioning of the internal control system of the Agency based on the register of Internal Control deficiencies. In 2018 the register was composed using the sources of information described hereafter:

- **The EACEA risk register** in its updated version (December 2018);

- **The EACEA register of exceptions and non-compliance events** related to the entire year 2018, including some subsequent events formally issued in 2019 but relating to 2018;

- **The EACEA internal control monitoring criteria**, including both compliance and effectiveness indicators;

- **The EACEA** 2018 internal **control survey (ex iCAT)**, which allows the Agency to assess yearly the effectiveness of its monitoring criteria according to the perception of its staff, thus making EACEA independent from the Staff Survey launched at Corporate level every other year;

- **The audit recommendations formulated by the IAS**. These include all audit recommendations issued in previous years in addition to the ones issued in 2018, related to EACEA's audit on Erasmus+ and Creative Europe – Grant Management phase II (from project monitoring to payment), whose final report was issued on 31 January 2019. All the recommendations have been analysed and many have been broken down to identify the internal control principle(s) impacted;

- **The AOSDs reports** including their observations on internal control and on relevant issues which should be communicated to the AOD;

- **The ECA controls performed in 2018 and related internal control impact, if any;**

- To be fully transparent and exhaustive, an analysis of the 2018 **open legal cases** referred to grant management and procurement has been performed to detect any internal control issues originating in those cases;

- The fourth mid-term evaluation of the EACEA.

All elements have been linked to the relevant internal control principle and rated in terms of risk level, after being weighed against the detected strengths. Following this comprehensive analysis, some relevant weaknesses have been identified mainly concerning the internal control component III "Control Activities".

The Agency has already put in place corrective measures and implemented a series of rapid actions detailed in section 2.1.2.

Having assessed its internal control system during the reporting year, the Agency has concluded that **it is only partially effective as the internal control component III "Control Activities" needs major improvements. This weakness leads to an unquantified reservation on this internal control component for the reporting year.**

Similarly the internal control principle 16 (Internal Control Component V "Monitoring Activities") is affected but through the positive balancing effect of: (1) the completion of the Action plan related to audit phase I thus confirming the strengthening the related monitoring activities of the Agency and (2) the elements provided under the monitoring Stage 3 of the overall grant management control system in place (see corresponding sections of this report), the Agency considers that the negative effect on internal control component V as a whole would not be justified (for details on the compensating elements, please refer to the reservation n1 on the Internal Control System).

2.1.4 Conclusions on the impact as regards assurance

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

The information reported in Section 2.1 stems from the results of management and auditor monitoring contained in the reports listed. These reports result from a systematic analysis of the evidence available. This approach provides sufficient guarantees as to the completeness and reliability of the information reported and results in a comprehensive coverage of the budget delegated to the Director of EACEA.

In conclusion, the analysis of the year 2018 given in this document identifies two relevant building blocks affecting the assurance in 2018.

In the context of ex-post control results, the three reservations concerning the phasing out of the legacy programmes (2007-2013) LLP, Culture (already present in the previous AAR 2017) and Tempus, should be made for the reporting year 2018, due to an error rate above 2 %. The new generation of programmes (2014-2020) does not show any issues in terms of error rate.

Concerning the EACEA internal control system, the conclusion on partial effectiveness is necessary after the audit of the IAS on Erasmus+ and Creative Europe Grant Management Phase II[79]. The identified weaknesses which need to be reported in this document relate to internal control component III "Control Activities" and internal control principle 16 (Internal Control Component V "Monitoring Activities"). Due to these weaknesses, the Agency internal control system is only partially present and functioning, and major improvements are needed.

It is therefore worth reporting that firstly, concerning the Phase II of the above mentioned audit the detailed testing of a sample conducted by the IAS did not reveal any significant issues regarding project monitoring and payment processing. Secondly, no issues were raised by the IAS on legality and regularity.

Therefore, EACEA concludes that it can provide reasonable assurance regarding the legality and regularity of underlying transactions, sound financial management, reliability of financial and management information and safeguarding of assets, except for the shortcomings affecting the internal control system as outlined above.

Concerning the weaknesses identified, the Agency has promptly set up and implemented an action plan as described in section 2.1.2.

Finally, an internal control improvement plan is under preparation and will be implemented in the course of 2019 as part of the structural change process planned to kick off during the first semester of 2019. The process aims to conclude and implement the required culture change for the Agency.

In conclusion, following all the measures put in place, the management has reasonable assurance that risks are being appropriately monitored and mitigated and overall, suitable controls are in place and working as intended, except for internal control component III "Control Activities"

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[79] From project monitoring to payment.

and internal control principle 16, that necessary improvements and reinforcements are needed and being implemented.

The Director, in his capacity as Authorising Officer by Delegation has signed the Declaration of Assurance albeit qualified by reservations concerning the internal control system and the 2007-2013 programmes Lifelong Learning Programme (LLP), Culture and Tempus. Two of the programme reservations were already present last year[80], the third one is new but relates to the same root causes. All three refer to phasing out programmes, with limited amounts at stake, but showing an error rate above 2 %.

2.1.5 Declaration of Assurance and reservations

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[80] The reservation on the Tempus 2007-2013 programme is new.

DECLARATION OF ASSURANCE

I, the undersigned,

Director of the Executive Agency for Culture, Education and Audiovisual, in my capacity as authorising officer for the operating budget and authorising officer by delegation for the operational budget,

Declare that the information contained in this report gives a true and fair view[81].

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

This reasonable assurance is based on my own judgement and on the information at my disposal, such as the results of the self-assessment, ex-post controls, the work of the IAS and in particular the limited conclusion of the Internal Auditor on the state of control, and the lessons learnt from the reports of the Court of Auditors for years prior to the year of this declaration.

I confirm that I am not aware of anything not reported here which could harm the interests of the Education, Audiovisual and Culture Executive Agency or those of the Commission here.

However the following reservations should be noted:

- Considering that the materiality of the amount at risk[82] concerning three legacy (2007-2013) programmes is above 2%, corresponding reservations are issued even though its effect on the overall assurance and declaration is limited given the weight of the amount at risk, which corresponds to 0.41 % of the 2018 total payments made by the Agency. The reservations concern the Lifelong Learning programme (6.18 %); the Culture programme (12.15 %) and Tempus (2.20 %).

- Considering the outcome of the internal control specific assessment and the recommendations issued by the Internal Audit Service, in particular during its audit of Erasmus+ and Creative Europe grant management – phase I (from the call to the signature of contracts) and phase II (from project monitoring to payment), demonstrating internal control system weaknesses especially in the component III "Control Activities", and internal control principle 16, a non-quantifiable reservation is warranted..

Place: Brussels, date: 31/03/2019

Signed

Roberto Carlini

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[81] True and fair in this context means a reliable, complete and correct view on the state of affairs in the Executive Agency.

[82] MAT : multi-annual materiality

Reservation 1 for the Internal Control System (Internal Control Components III "Control Activities" and control Principle 16)

DG	EACEA
Title of the reservation, including its scope	Internal control system is only partially functioning due to Internal Control Component III "Control Activities" needing major improvements. In addition, even though Internal Control Component V "Monitoring Activities" is overall present and functioning, improvements are needed as deficiencies were identified concerning internal control principle 16.
Domain	Direct management – grants
Programme in which the reservation is made and total (annual) amount of this programme	Amounts indicated hereafter are merely indicative because there is no impact in terms of financial risk to the budget (unquantified reservation). 2018 payments of the 2014-2020 programmes are as follows Erasmus + : EUR 442 458 696 Creative Europe : EUR 163 746 833 Europe for Citizens : EUR 25 518 460 EU Aid Volunteers EUR 14 531 821
Reason for the reservation	The Agency acknowledges that further improvements concerning the functioning of the internal control system are required in a more structural approach, and is thus maintaining a reservation on internal control for the second consecutive year. Specifically, concerning the 2018 EACEA deviation register (affecting principle 12 related to internal control component III "Control Activities"), the updated procedure implemented during the year 2018 has been further improved following experienced gained which lead to a revised approach rolled out early 2019. The described deficiency partially affects also Internal Control Principle 16 (related to internal Control Component V "Monitoring Activities"), in that the 2018 deviation register did not provide "sufficient knowledge and information" (characteristic n.2 of the principle) for effective monitoring. The reporting on deviations is part of the monitoring activity included under internal Control Component V, but is not the only instrument allowing for this monitoring. Other monitoring instruments such as the internal control monitoring criteria, the register of internal control deficiencies, the EACEA 2018 Internal Control improvement plan (100% implemented on time), all enabling the full implementation of corporate methodology for the internal control system assessment at EACEA, were present and functioning throughout all 2018. Furthermore, in 2018, the Agency improved its monitoring through the following activities: -a Roadmap tool was developed and rolled out for selection stage; -governance of procedures guidelines and template documents on grant management was strengthen through a single entry point improving coherence and harmonisation; -coherence in project monitoring in Erasmus+ (E+) and EU aid Volunteers was improved through a joint exercise leading to clear instructions to be applied as of July 2018; - verification of the TTI, TTC and TTG was improved through an identified set of controls. This reasoning leads to the proposal of a reservation covering the internal control principle 16 only and not the entire component V, due to the above illustrated monitoring tools compensating for the detected deficiency.
Materiality criterion/criteria	Not applicable.
Quantification of the impact	Non-quantifiable reservation.
Impact on the assurance	The identified weaknesses relate to internal control component III "Control Activities" and internal control principle 16. This therefore affects part of the assurance derived from an effective functioning of the entire Internal Control System.

Responsibility for the weakness	EACEA
Responsibility for the corrective action	Concerning the identified weaknesses, the Agency has set up an action plan focusing on all IAS recommendations. It contains immediate actions (e.g. new procedure on deviations applied immediately) and other changes to EACEA controls performed centrally to be implemented in 2019. The action plan is the responsibility of EACEA, with the support of the parent DGs. In line with the new internal control framework adopted by the Commission and the methodology for its assessment, the risk management and internal control coordinator (RMIC) will issue the specific recommendations to tackle the identified internal control weaknesses. Internal control improvement actions will be implemented throughout 2019 as part of the structural change process planned to kick off during the first semester of 2019. The process aims to conclude and implement the required culture change for the Agency.

The three following reservations on legacy are listed here separately.

Reservation 2 for the LLP programme 2007-2013

N°	Title	Type (Financial or Reputational)	2018 amount at risk (in EUR million)	ABB amount concerned in 2018 i.e. scope (in EUR million)
1	LLP 2007-2013	Financial	EUR 0.08 million	EUR 0.5 million

DG/service	EACEA
Title of the reservation, including its scope	Materiality of the amount at risk resulting from the multi-annual residual error rates detected through ex-post audits in grant payments being above 2 % of the programme budget for the Lifelong Learning Programme (LLP) 2007-2013
Domain	Direct management – grants
ABB activity and amount affected	LLP programme (2007-2013): 15 02 51 00 4 Scope: EUR 457 188
Reason for the reservation	Occurrence of significant errors in the underlying transactions (legality and regularity) found through ex-post controls. The multiannual materiality of the amount at risk for the LLP programme 2007-2013 is 6.18 %. The errors concern mainly the difficulty for some beneficiaries to produce adequate justifying documents and the non-respect of some eligibility rules. The multiannual detected error rate is 4.42 %.
Materiality criterion/criteria	The materiality criterion in terms of the legality and regularity of underlying transactions of 2 % of the ABB activity was breached.
Quantification of the impact (= actual exposure")	The 2018 amount at risk is calculated for the LLP programme concerned by multiplying the value of the grants closed (i.e. balance payment+related cleared pre-financing) in 2018 for which a final payment was made in 2018 (relevant expenditure) by the multiannual detected error rate and taking into account corrections on the audited population during 2018. It amounts to EUR 0.08 million (4.42 % times EUR 1.8 million). The amount of total corrections made this year is EUR 458 262, corresponding to risk based audit recoveries.
Impact on the assurance	Although the materiality is above 2 % for the legality and regularity of the financial transactions at stake under the LLP programme 2007-2013 resulting in this reservation, its effect on the overall declaration of assurance is limited given the weight (1.05 %) of the amount at risk compared to the total budget execution in terms of payments related to the programming period 2007-2013 in 2018 within the Agency (EUR 0.08 million / EUR 7.8 million = 1.05 %) or 0.013 % compared to the total budget execution in terms of payments in 2018 within the Agency (EUR 0.08 million /EUR 654.1 million = 0.013 %)
Responsibility for the weakness	The errors occur at the level of final grant beneficiaries and the ex-ante controls within the Agency failed to sufficiently prevent, detect and correct erroneous payments.
Responsibility for the corrective action	The Agency considers that there are no corrective actions to take anymore, as the programme is being phased out (EUR 457 188 paid in 2018) Risk differentiated controls desk controls are taking place and if necessary risk based audits are envisaged for the pending final payments concerning this programme.

Reservation 3 for the Culture programme 2007-2013

N°	Title	Type (Financial or Reputational)	2018 amount at risk (in EUR million)	ABB amount concerned in 2018 i.e. scope (in EUR million)
1	Culture 2007-2013	Financial	EUR 1.7 million	EUR 3.0 million

DG/service	EACEA
Title of the reservation, including its scope	Materiality of the amount at risk resulting from the multi-annual residual error rates detected through ex-post audits in grant payments being above 2 % of the programme budget for the Culture Programme 2007-2013
Domain	Direct management – grants
ABB activity and amount affected	Culture programme (2007-2013) 15 04 51 Scope: EUR 3 025 622
Reason for the reservation	Occurrence of significant errors in the underlying transactions (legality and regularity) found through ex-post controls. The multiannual materiality of the amount at risk for the Culture programme 2007-2013 is 12.15 %. The errors concern mainly the difficulty for some beneficiaries to produce adequate justifying documents and the non-respect of some eligibility rules. The multiannual detected error rate is 9.18 %.
Materiality criterion/criteria	The materiality criterion in terms of the legality and regularity of underlying transactions of 2 % of the ABB activity was breached.
Quantification of the impact (= actual exposure")	The 2018 amount at risk is calculated for the Culture programme concerned by multiplying the value of the grants closed (i.e. balance payment+related cleared pre-financing) or relevant expenditure in 2018 for which a final payment was made in 2018 by the multiannual detected error rate and taking into account corrections on the audited population during 2018. It amounts to EUR 1.7 million (9.18 % times EUR 18.7 million). The amount of total corrections made this year is EUR 8 117 corresponding to risk based audit recoveries on Culture projects relating to this programming period.
Impact on the assurance	Although the materiality is above 2 % for the legality and regularity of the financial transactions at stake under the Culture programme 2007-2013 resulting in this reservation, its effect on the overall declaration of assurance is given the weight (21.91 %) of the amount at risk compared to the total budget execution in terms of payments related to the programming period 2007-2013 in 2018 within the Agency (EUR 1.7 million / EUR 7.8 million = 21.91 %) or 0.26 % compared to the total budget execution in terms of payments in 2018 within the Agency (EUR 1.7 million /EUR 654.1 million = 0.26 %)
Responsibility for the weakness	The errors occur at the level of final grant beneficiaries and the ex-ante controls within the Agency failed to sufficiently prevent, detect and correct erroneous payments.
Responsibility for the corrective action	The Agency considers that there are no corrective actions to take anymore, as the programme is being phased out (EUR 3 025 622 paid in 2018) Risk differentiated controls desk controls are taking place and if necessary risk based audits are envisaged for the pending final payments concerning this programme.

Reservation 4 for the Tempus programme 2007-2013

N°	Title	Type (Financial or Reputational)	2018 amount at risk (in EUR million)	ABB amount concerned in 2018 i.e. scope (in EUR million)
1	Tempus 2007-2013	Financial	EUR 0.9 million	EUR 3.2 million

DG/service	EACEA
Title of the reservation, including its scope	Materiality of the amount at risk resulting from the multi-annual residual error rates detected through ex-post audits in grant payments being above 2% of the programme budget for the Tempus 2007-2013
Domain	Direct management – grants
ABB activity and amount affected (="scope")	Tempus (2007-2013) 22 045 100 Scope: EUR 2 583 394 22 025 100 Scope: EUR 121 980 21 025 103 Scope: EUR 289 778 19 05 51 Scope: EUR 210 843 **Total : 3 205 995**
Reason for the reservation	Occurrence of significant errors in the underlying transactions (legality and regularity) found through ex-post controls. The multiannual materiality of the amount at risk for the Tempus 2007-2013 is 2.20 %. The errors concern mainly the difficulty for some beneficiaries to produce adequate justifying documents and the non-respect of some eligibility rules. The multiannual detected error rate is 1.75 %.
Materiality criterion/criteria	The materiality criterion in terms of the legality and regularity of underlying transactions of 2 % of the ABB activity was breached.
Quantification of the impact (= actual exposure")	The 2018 amount at risk is calculated for the Tempus programme concerned by multiplying the value of the grants closed (i.e. balance payment+related cleared pre-financing) or relevant expenditure in 2018 for which a final payment was made in 2018 by the multiannual detected error rate and taking into account corrections on the audited population during 2018. It amounts to EUR 0.9 million (1.75 % times EUR 73 million minus the amount of corrections). The amount of total corrections made this year is EUR 210 165 corresponding to the random audit recoveries on Tempus projects relating to 2007-2013 programming period.
Impact on the assurance	Although the materiality is above 2 % for the legality and regularity of the financial transactions at stake under the Tempus programme 2007-2013 resulting in this reservation, its effect on the overall declaration of assurance is given the weight (11.66 %) of the amount at risk compared to the total budget execution in terms of payments related to the programming period 2009-2013 in 2018 within the Agency (EUR 0.9 million / EUR 7.8 million = 11.66 %) or 0.14 % compared to the total budget execution in terms of payments in 2018 within the Agency (EUR 0.9 million / EUR 654.1 million = 0.14 %)
Responsibility for the weakness	The errors occur at the level of final grant beneficiaries and the ex-ante controls within the Agency failed to sufficiently prevent, detect and correct erroneous payments.
Responsibility for the corrective action	The Agency considers that there are no corrective actions to take anymore, as the programme is being phased out (EUR 3 205 995 paid in 2018) Risk differentiated controls desk controls are taking place and if necessary risk based audits[83] are envisaged for the pending final payments concerning this programme.

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[83] It is worth mentioning that, in 2018, the Agency issued recovery orders for EUR 891 139 related to risk based audits on the Tempus 2007-2013 programme.

2.2 Other organisational management dimensions

This section covers also the Data protection component and the extra initiatives. For an extensive reporting on all components, please refer to Annex 2.

In support of its mission to support European projects that connect people and cultures, reach out to the world and make a difference, the Agency continuously strives to provide high service through its horizontal units, thus maximising the effectiveness and efficiency of the Agency's output. The following elements are considered to be core contributors:

2.2.1 Human resource management

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

In 2018 the Human Resource (HR) focus was primarily on the re-alignment of all strategic documents to ensure more coherence on all HR policies and actions.

More precisely,

− a revised HR strategy and the corresponding action plan were designed;

− an in-depth work was finalised on the organisational structure (sysper update);

− a revised HR dashboard was conceived and is regularly monitored;

− revised selection procedures which take into account the new General Implementing Provisions for Contact Agents (CA) were finalised and fully implemented*.*

Equally importantly, a comprehensive talent management strategy, embracing the full cycle of staff life within the Agency, is in the pipeline and will be rolled out in 2019. The document tackles the on-boarding of newcomers and emphasises staff engagement and the importance of keeping a high level of competence through dedicated learning paths for the main job profiles, which are in the course of development.

A methodology of workload indicators for horizontal functions is being elaborated and the Agency has "pioneered" in elaborating a methodology in the absence of guidelines and benchmarks at corporate level. The methodology is based on experience according to a thorough assessment of current and past resource needs for each specific activity. The draft methodology allows to see the trend of the workload in the three horizontal Units and projections for 2019 based on historical data and estimation of future development of tasks.
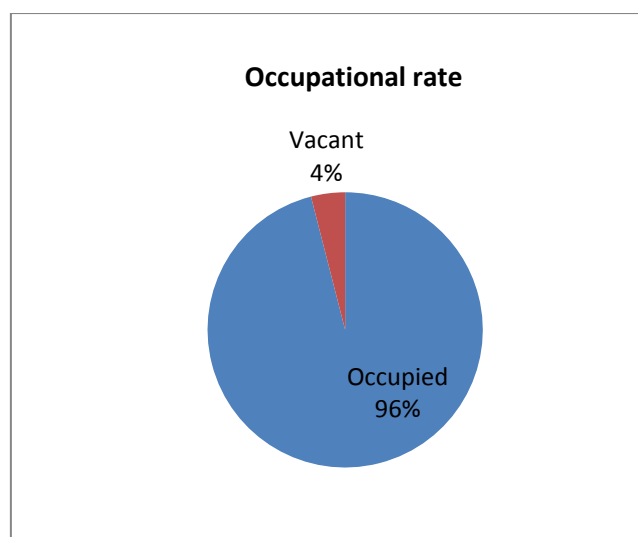
Figure 1: Occupational rate

The Agency is operating close to full capacity (441 occupied posts out of 457). The occupation rate on 31 December 2018 was 96 %, thus exceeding the annual target of 95 %.
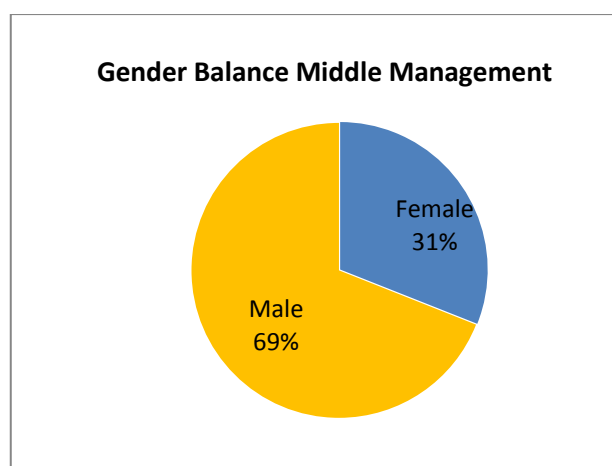
Figure 2: Female representation in Middle Management[84]

The EACEA can count on four women out of 13 middle management positions occupied, representing 31 % of the population concerned. While it should be noted that the Agency does not master the whole process as the parent DGs are "chef de file" in appointing Heads of Unit, the EACEA continues to cooperate closely with its parent DGs and draw their attention on the importance of aligning itself as much as possible with the EC wide target of 40 % by 2020.

Within the scope of the Agency knowledge management strategy, but also in close connection with talent management, an inter-Agency job shadowing pilot project exercise involving REA and EASME was launched at the end of March and

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[84] For the purpose of this statistics, middle management comprises HoU and HoD

run until the end of November. The initiative, which saw the participation of 34 EACEA colleagues, was very successful, with 94 % of participants expressing a high degree of satisfaction. Another pilot with Directorate R of DG EAC was launched in Mid-October. The job-shadowing allows to exchange best practices, facilitates knowledge-sharing and collaboration, and provides an insight on the work of other units/departments in view of potential mobility between the Agencies.

Some of the above actions also responded to the audit recommendations of the IAS audit on HR management, for which an action plan was prepared at the beginning of 2018 and whose implementation has been closely followed-up throughout the year. The Agency is fully on track and will close the implementation of the last audit recommendation by the end of Q2.

In addition, the unit contributes to reinforcing compliance to the internal control Principles by organising a set of activities on:

- Ethics and integrity and conflict of interests.
- Support for content owners to improve the accessibility of in procedures, guidelines and templates on the Agency Intranet
- Further improve the efficiency of the weekly news mail and intranet news items

2.2.2 Information management aspects

- *Information management*

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

The EACEA document management team attaches great importance to the implementation of the knowledge management strategy within the Agency, by way of:

- Sharing and disseminating the relevant information with all units, and
- Establishing appropriate processes and procedures to ensure a comprehensive, secure and efficient organisation of information management complying with the applicable Commission rules*.*

With this in mind, in 2018, four new versions of ARES were deployed and related information was provided to EACEA users through e-mailing list and publication on dedicated Intranet. The document management team continues to raise awareness among the staff to reduce the unfiled documents in ARES to a minimum and to consequently facilitate the information retrieval and sharing. This is also complemented by the Agency Intranet, which during 2018 has been streamlined to make the information more structured and readable to the staff.

In addition, the document-management team established new guidelines with the annex and explanatory fiches related to the storage/preservation of grant management documents by the Agency. Guidelines with annexed documents published on EACEA intranet were made available to staff. Dedicated training sessions were organised for each of the operational units to reach all of the staff concerned. These actions have also contributed to the 2nd priority of our AWP 2018, notably related procedures have been clarified, harmonised and access to

the information on grants simplified and made more transparent.

With a view to the integration of the ERIS system in HAN (Hermes-Ares-Nomcom) the Document Management Team supported the pilot on implementation of the notification of results to applicants through the Participant Portal process. The integration is now fully compliant with the e-Domec rules. Following the evaluation of the piloting phase further implementation within other EACEA units is foreseen in the course of 2019.

At the end of year, a first draft of a guide containing instructions on the files closure was provided to the staff for internal consultation and will be implemented during 2019. The purpose of this guide is to assist the staff to applying relevant document management procedures, thus contributing to reinforcing the Agency's compliance.

During the reporting period, 11 access to documents requests were treated within the standard EC wide deadline set of 15 working days. (in cooperation with operational units.

- *Informatics*

> **Objective:** In line with the defined IT Strategy, to provide a high quality and highly available ICT infrastructure, develop and maintain tools and services, adapted to the new programmes, in support of the daily operations and aligned with the business.

In terms of IT achievements, a number of developments have been completed and brought into production that contribute to the efficiency of our activities. For example the automatic calculation of the ratios for the Financial Viability Checks (FVC) or the sending of formal notifications to applicants via the Funding and Tenders Portal. These bring important efficiency gains for the operational units by automating labour intensive tasks that before were handled manually.

Substantial progress was made in the eGrants on-boarding, which is also expected to bring significant efficiencies once completed.

The Agency enrolled in ITIC in the first quarter of the year.

Cyber Security is an important priority for the Agency. A mandatory Cyber Aware session has been prepared, with six sessions held during the year attended by 68 staff. This session was developed in close partnership with the DIGIT Cyber Aware programme. To protect the EACEA servers, the responsible unit monitors the DIGIT security alerts, and continuously works to keep the systems in the local data centres updated with the latest security patches. Finally, for the protection of the workstations and network, the Agency relies on the corporate services to provide a high level of security (e.g. PC configuration, anti-virus, firewalls, spam filters etc).

2.2.3 External communication activities

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

The Agency complements the external communication activities of its parent DGs with targeted communication to (potential) applicants and beneficiaries.

In 2018 the EACEA website saw a rise in both page views and visits. It maintained its rank in the top 10 of about 200 Europa websites for number of visits, and also ranked highly (12th) for page views.

Main innovations in 2018 included aligning the home page with the corporate look-and-feel, introducing a new section on the European Solidarity Corps and incorporating the new Erasmus+ European Universities action.

Events targeting (potential) applicants and beneficiaries are another component of the EACEA public outreach. 75 events were held, covering all stages of the project life cycle from pre-application to final reporting. These events, some of which are organised in collaboration with the parent DGs, aim to improve the visibility of all the EU programmes which EACEA manages and accompanying the applicants/beneficiaries throughout the process, from the moment they express an interest in the programme, to the application, selection, participation and ex-post gathering of feedback. Over 90 % of respondents to post event surveys said that they were satisfied or very satisfied. In 2018, online information sessions were a key tool in optimising both cost efficiency and accessibility to wider audiences.

In 2018, the Communication team handled 982 written requests for information received through the Agency's public email address[85] or through online contact forms on the Agency website. In addition, EACEA hosted 20 visits for groups ranging from French university students, to Maltese artists, to Italian business professionals, for a total of 323 visitors. Some of these visits were in cooperation with the EUVP. The Agency also produced a variety of publications including project compendia, brochures, leaflets and student complaint guidelines.

To help optimise the use of external experts in the evaluation process, the

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[85] EACEA-INFO@ec.europa.eu

Agency has developed, piloted and implemented a standard EACEA expert feedback template to be completed by all experts immediately following the consolidation phase of the project selection process. To ensure the appropriate implementation of the survey, we have provided user instructions, training and technical support to programme units.

- ***Internal communication***

The Internal Communication strategy has been approved by Agency management on 14/06/2018 and includes an action plan.

In line with the actions listed in the 2018 Action plan included in the strategy, a survey on internal communication channels was run during summer 2018. The results have been used to review the internal communication tools and channels. These included improvements on the Intranet section hosting Procedures, guidelines and templates (delivered September 2018), a revamp of the internal newsletter (delivered November 2018), and a revamp of the internal magazine.

In line with the objectives outlined in the internal communication strategy, emphasis has been placed on *Objective 1: keeping staff informed*, with a focus on the communication of management decisions and on procedural matters, in partnership with the Director's office.

Regarding *objective 2: Two-way communication*: the main highlight has been the organisation of internal events for staff, more specifically a lunch time brainstorming event with staff. The activity, run with participatory leadership techniques, saw participation from all units, both operational and horizontal. As mentioned above, the results of the session fed into the internal communication strategy. In addition, the brainstorming supported the Agency priority III. "Knowledge sharing, good practice and organisational learning"

The main activities under *objective 3: Staff engagement* were a lunch-time session showing short films of the corporate EU-wide EUandMe campaign, a viewing of the State of the Union speech followed by a debate and the organisation of an internal sports week.

2.2.4 Other horizontal activities

- ***Personal Data management***

In view of the entry into force of the new Regulation 2018/1725 on personal data in December 2018, the Data Protection Officer (DPO) of EACEA presented an action plan at the end of the year, aimed at ensuring compliance with the new regulation in line with instructions from the central services (DG BUDG and EDPS). The regulation covers the protection of natural persons with regard to the processing of personal data by the Union institutions, bodies, offices and agencies and on the free movement of such data. The Agency having been compliant with the previous Regulation 45/2001, had already established an inventory of its data processing operations which are being further updated in line with the principles of the new legislation. The same applies to their corresponding privacy statements.

In order to introduce the new rules governing the protection of personal data in EU institutions, a dedicated training session by EIPA was organised and the DPO

systematically participates in Agency meetings to ensure staff are kept informed. Concerning the internal rules to restrict the rights of data subjects (article 25 Regulation 2018/1725), Executive Agencies including EACEA are referred to explicitly in the internal rules of OLAF and therefore, if need be, EACEA has the necessary legal basis to restrict the rights of data subjects upon examining files against fraud.

In addition, together with the other Executive Agencies, EACEA is working towards ensuring that it is covered by the other internal rules that the European Commission has been drafting.

• *Initiatives[86] to improve 'economy' and 'efficiency' of spending and non-spending activities were carried out:*

1. Evaluation of Agency's performance (À la loupe project):

This project is seen as an efficient tool for Knowledge sharing, and is based on the Common Assessment Framework (CAF) methodology[87]. This aims to improve overall compliance by ensuring staff involvement and commitment in the long-term future of the Agency. Following its initial stage, the project was put on hold due to other priorities, notably the need to reinforce existing compliance and revise procedures.

2. Participation of EACEA in the SEDIA project

In 2018 the European Commission set up a Single Electronic Data Interchange Area (SEDIA), providing applicants, candidates and tenderers (third parties) with a single entry point to communicate and exchange information with its services in relation to procurement and grant procedures.

As part of this project, the preparation of financial capacity assessment for third parties has been centralised at REA (Research Executive Agency).

As such, during 2018, EACEA adopted a new, harmonised methodology for the financial viability check. Moreover, an IT solution for the transfer of data between REA and EACEA's IT systems and the subsequent automatic calculation of the financial capacity ratios has been implemented and successfully tested with a number of pilot calls. Based on this positive experience, EACEA decided in September 2018 to aim for a general rollout for Erasmus+ and Creative Europe MEDIA calls, with the other programmes following once they have completed a successful pilot test.

It is expected that this process will trigger an important efficiency gain once fully implemented in 2019.

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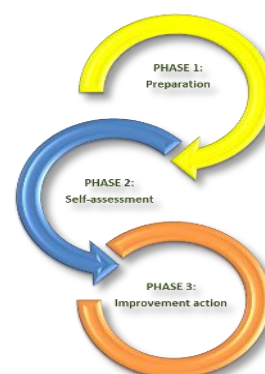
[86] See EACEA Annual Work Programme page 54
[87] Developed by the European Institute for Public Administration (EIPA)