

Annual Activity Report 2020

**I.D.E.A. - Inspire,
Debate, Engage and
Accelerate Action**

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THE DG IN BRIEF

I.D.E.A. (Inspire, Debate, Engage and Accelerate Action) is the European Commission's in-house advisory service established by a Presidential decision on 1 December 2019¹.

I.D.E.A. is placed under the direct authority of the President's Cabinet and reports directly to the President of the European Commission.

According to its mission and mandate, I.D.E.A.'s main tasks include to provide strategic, evidence-based analysis, ideas and inspiration for the core priorities of the President as laid out in her Political Guidelines, and specific, forward-looking policy advice on ongoing and future priorities; to debate and engage around new evidence-based policy alternatives in the community of think tanks, academia, research, and other institutions through active outreach; and to accelerate the conversion of these ideas and engagements into concrete action to help the Commission deliver in a fast-changing context.

I.D.E.A.'s structure is organised around the matters and priorities defined by the President in her Political Guidelines "A Union that strives for more" and consists of 5 teams:

- Geopolitics and Europe in the Global Order,
- Green Deal,
- Digital, Technology and Innovation,
- Social Market Economy, and
- The future of Europe and the EU's institutions.

2020, the first year of the von der Leyen's Commission, was a particularly challenging year. The Commission services were affected by the Covid-19 pandemic, which caused unprecedented disruptions of global magnitude and adjusted the European political agenda to respond to the public health crisis and its impact on the EU economies and societies. In this context, while I.D.E.A. was still being developed in 2020, its highly versatile, skilled and experienced team took the opportunity to reflect thoroughly and adapted quickly to the new working situation, supporting efficiently the President and her Cabinet with timely, relevant and appropriate input to all ad-hoc requests for advice, briefings and policy documents and the organisation of events, and assisted overall in the delivery of the updated political agenda. At the same time, I.D.E.A. developed further its vocation to set a unique space within the European Commission for conducting interdisciplinary analysis, collaborative projects and organising thought-provoking seminars and events.

¹ P(2019) 5 of 1 December 2019, Communication from the President to the Commission: I.D.E.A. - Inspire, Debate, Engage and Accelerate Action - Mission, Tasks and Organisation Chart

In 2020, I.D.E.A. focused on the delivery of strategic policy advice and outreach activities, which was accompanying the ongoing response to the pandemic and the ensuing crisis. I.D.E.A. pro-actively assisted in the delivery of the political agenda and supported the President in the preparation of her 2020 State of the Union address, bringing its know-how through timely, relevant and evidence-based policy advice, and reaching out effectively to relevant stakeholders in the think tank, academic, research and practitioners' communities. President von der Leyen's vision of a Europe that emerges stronger from the pandemic and leads the way towards a new vitality was the guiding logic to all I.D.E.A. contributions and projects in 2020. At the same time, drawing on the experience of managing the crisis and reflecting on Europe's role in the global scene, a significant part of I.D.E.A.'s work in 2020 was anchored on the concept of the open strategic autonomy.

More generally, as a Presidential service, in 2020, I.D.E.A. contributed effectively to achieving the general objective of a modern, high-performing and sustainable Commission through the strategic objectives defined in its Strategic Plan 2020-2024.

EXECUTIVE SUMMARY

This Annual Activity Report is a management report of the to the College of Commissioners. Annual Activity Reports are the main instrument of management accountability within the Commission and constitute the basis on which the College takes political responsibility for the decisions it takes as well as for the coordinating, executive and management functions it exercises, as laid down in the Treaties².

² Article 17(1) of the Treaty on European Union

A. Key results and progress towards the achievement of the Commission's general objectives and DG's specific objectives (executive summary of section 1)

This section explains *what* the service has delivered, including achievements in burden reduction and simplification where relevant.

Throughout 2020, I.D.E.A. continued to be very closely involved in the strategy development and policy design within the European Commission, underpinned by sound, evidence-based analysis and advice.

I.D.E.A.'s outputs in 2020 were delivered in line with the service's Management Plan, mainly based on ad-hoc requests of the President's Cabinet. In this context, I.D.E.A.'s specific objectives are defined by the Political Guidelines of President von der Leyen and the priorities that have developed in time, including those that emanated from the Covid-19 crisis and the ensuing responses to address the pandemic and its impacts. Moreover, **I.D.E.A. also responded effectively and timely on several additional deliverables, not foreseen at the beginning of the year under I.D.E.A.'s specific objectives, namely in light of developments following the impact of the Covid-19 pandemic.**

Throughout 2020, I.D.E.A. has been involved in the strategy development and policy design of the Commission's political agenda by organising roundtables with think tanks and experts on key priorities and new initiatives for the preparation of the Commission's Work Programme.

The organisation by I.D.E.A. of several outreach events and activities with external think tanks, academia and relevant stakeholders, in the context of the preparation of the 2020 State of the Union Address of the President deserve a special mention.

The variety and richness of I.D.E.A.'s contributions showed the unique added value of the Commission's think tank to the policy process and reflection, but also its agility and responsiveness, even while the setting of the service is still ongoing, to the on-demand nature of the President's Cabinet, and the set targets were successfully completed.

B. Key Performance Indicators (KPIs)

This section lists the most relevant Key Performance Indicators (KPIs) to illustrate the policy highlights identified in the DG's 2020-2024 Strategic Plan.

Timeliness and relevance of advice to the President's Cabinet	No quantitative target defined	Successful completion and full satisfaction of the President and her Cabinet (very positive regular feedback expressed orally during regular meetings and in e-mails).
Timeliness and relevance of evaluation of ideas and proposals for concrete follow up actions	No quantitative target defined	Alignment of outreach activities with the timeline/calendar defined in the Commission work programme. Ex ante activities to prepare for an adoption of a strategy/package of proposals/consultation etc.
Timeliness, relevance and inclusiveness of outreach activities	No quantitative target defined	Alignment of outreach activities with the timeline/calendar/ ad hoc requests defined by the President Cabinet.
Presence at all coordination meetings of the Presidential Services	100%	100%
Reply to relevant consultations to Commission DGs and Services within deadlines	100%	Timely contributions and feedback provided to relevant consultations from other Commission DGs and Services.

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

This section explains, in a summarised way, *how* DG I.D.E.A. has delivered on 2020.

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

To ensure the achievement of policy and management objectives, the Commission has adopted a set of internal control principles, based on international good practice. The Financial Regulation requires that the organisational structure and the internal control systems used to implement the budget be set up in accordance with these principles. DG I.D.E.A. has assessed its internal control systems during the reporting year and has concluded that it is effective and the components and principles are present and functioning as intended.

In addition, DG I.D.E.A. has systematically examined the available control results and indicators, as well as the observations and recommendations issued by the internal auditor and the European Court of Auditors. These elements have been assessed to determine their impact on management's assurance about the achievement of the control objectives. Please refer to Section 2.1 for further details.

In conclusion, management has reasonable assurance that, overall, suitable controls are in place and working as intended; risks are being appropriately monitored and mitigated; and necessary improvements and reinforcements are being implemented. The Head of Unit for Management and Resources, acting as Director-General, in her capacity as Authorising Officer by Delegation, has signed the Declaration of Assurance.

D. Provision of information to the Commissioner(s)

In the context of the regular meetings during the year between the DG and the President's Cabinet on management matters, also the main elements of this report and assurance declaration have been brought to the attention of the President's Cabinet.

E. Specific actions on Covid-19

In 2020, Europe was strongly impacted by the Covid-19 pandemic. The Commission has proposed a strong and coordinated response to the health crisis as well as to the impact on Europe's economy and society. Covid-19 has also posed challenges as regards performance, control, audit and assurance in relation to the 2020 EU budget. In an exercise coordinated at corporate level, all Commission services have promoted the consistent and rigorous protection of the EU budget ensuring that appropriate mitigating measures were put in place.

In accordance to its specific mandate, I.D.E.A. was primarily involved in the general reflection conducted by the President's Cabinet regarding the unprecedented disruptions caused by the sanitary crisis and the necessary adjustment of political priorities.



In addition, no critical risk was identified by the Service during the targeted risk assessment exercise related to the pandemic

1. Key results and progress towards the achievement of the Commission's general objectives and DG's specific objectives³


The presentation of DG I.D.E.A.'s outputs is based on the definition of projects and ad-hoc requests to the service during 2020. Given the complexity of the challenges that emanated from the Covid-19 crisis, the management plan of I.D.E.A. did take into account a large degree of flexibility in order to be able to respond quickly, efficiently and to the highest quality standards to urgent requests and needs for expertise and analysis. The non-exhaustive outputs presented below refer to the 2020 Management Plan, based on the political priorities of President von der Leyen.

Specific Objective 1.1 – Support to the preparation of 2020 and 2021 work programmes

In 2020, DG I.D.E.A.'s teams have contributed effectively to the ongoing discussion on the Commission's agenda and policy priorities as response to the Covid-19 crisis. As part of the Commission's commitment to strengthening its culture of preparedness and evidence-based policymaking, I.D.E.A. responded to ad hoc requests for briefing notes and outreach to external actors across different areas, organising several events on the political guidelines of President von der Leyen on the run up to the preparation of the State of the Union.

General objective 7. A modern, high-performing and sustainable European Commission			
Specific objective 1.1: To provide the President with strategic analysis and policy advice related to the political guidelines set by the Commission		Related to spending programme(s) N/A	
Main outputs in 2020:			
Other important outputs			
Output description	Indicator	Target	Latest known results (situation on 31/12/2020)
 Support to the preparation of the 2020 Commission work programme and the adjusted 2020 Commission work programme	Quality and timeliness of support	May 2020	Delivered contributions as per ad-hoc requests
 Support to the	Quality and timeliness	Q2-Q3 – Q4 2020	Delivered contributions

³ An Executive Agency uses as heading: "Implementation of the Agency's Annual Work programme - Highlights of the year".

Preparation of 2021 Commission's work programme	of support		as per ad-hoc requests
 Contribution to the President's State of the Union speech and preparation of new initiatives for the forthcoming Commission work Programme	Quality and timeliness of contribution	Q3	<p>Several roundtables and events with external stakeholders, think-tanks and academia delivered between June-July and September-November 2020.</p> <p>Events organised in July around the themes of:</p> <p>The Digital Transition at the core of Europe's Recovery;</p> <p>The State of the Union in 2020 and the Recovery of Europe's Economy (31 July);</p> <p>The EU's Global Engagement in a COVID19 World (28 July);</p> <p>The European Green Deal 2.0 (27 July);</p> <p>Resilience: How to protect, prepare and transform Europe?: The concept of resilience and its exemplary application in the areas of (1) crisis management; (2) trade; and (3) democracy and values (29 July);</p> <p>Structural Changes and New Realities in European Societies: How to Boost Equality, Fairness and Inclusiveness? (30 July)</p>
Ad hoc policy briefs	Quality and timeliness of contribution	Q1-Q2-Q3-Q4	

Specific Objective 1.2 – Contribution to the on-going reflection linked to the Commission priorities and support to relevant initiatives

In 2020, DG I.D.E.A.'s teams have contributed effectively to the ongoing discussion on the Commission's policy priorities, including as response to the Covid-19 crisis. I.D.E.A. responded to ad hoc requests for briefing notes and outreach to external actors across different areas, and signalled timely areas and trends to be followed in light of the Commission's policy-making, covering all areas of President von der Leyen's political guidelines. Furthermore, I.D.E.A contributed in 2020 to numerous interservice consultations on different policy areas.

General objective 7. A modern, high-performing and sustainable European Commission			
Specific objective 1.2: To follow-up on the President's priorities through interdisciplinary, cross-cutting, inclusive and interactive ways of working across intellectual, policy and institutional silos		Related to spending programme(s) N/A	
Main outputs in 2020			
Other important outputs			
Output description	Indicator	Target	Latest known results (situation on 31/12/2020)
A European Green Deal	Timeliness and relevance of evaluation of ideas and proposals for concrete follow-up actions	ad-hoc requests of the President's Cabinet	Events organised, advice provided and policy briefs delivered following both ad-hoc requests of the President's Cabinet and proactive proposals from the service.
A Europe fit for Digital Age	Timeliness and relevance of evaluation of ideas and proposals for concrete follow-up actions	ad-hoc requests of the President's Cabinet	Events organised, advice provided and policy briefs delivered following both ad-hoc requests of the President's Cabinet and proactive proposals from the service.
An Economy that works for People	Timeliness and relevance of evaluation of ideas and proposals for concrete follow-up actions	ad-hoc requests of the President's Cabinet	Events organised, advice provided and policy briefs delivered following both ad-hoc requests of the President's Cabinet and proactive proposals from the service.
A stronger Europe in the World	Timeliness and relevance of evaluation of ideas and	ad-hoc requests of the President's Cabinet	Events organised, advice provided and policy briefs delivered following both ad-hoc requests of the

	proposals for concrete follow-up actions		President's Cabinet and proactive proposals from the service.
A European way of life	Timeliness and relevance of evaluation of ideas and proposals for concrete follow-up actions	ad-hoc requests of the President's Cabinet	Events organised, advice provided and policy briefs delivered following both ad-hoc requests of the President's Cabinet and proactive proposals from the service.
A new push for European democracy	Timeliness and relevance of evaluation of ideas and proposals for concrete follow-up actions	ad-hoc requests of the President's Cabinet	Events organised, advice provided and policy briefs delivered following both ad-hoc requests of the President's Cabinet and proactive proposals from the service.
European Recovery Plan, including new Recovery Instrument within the revamp of the Multiannual Financial Framework	Timeliness and relevance of evaluation of ideas and proposals for concrete follow-up actions	ad-hoc requests of the President's Cabinet	Events organised, advice provided and policy briefs delivered following both ad-hoc requests of the President's Cabinet and proactive proposals from the service.

Specific Objective 1.3 – External outreach events, policy briefings and roundtables

In 2020, the highly versatile, skilled and experienced I.D.E.A. team supported efficiently the President and her Cabinet with timely, relevant and appropriate input to all ad-hoc requests for advice and the organisation of events, conferences and roundtables, accompanying the ongoing reflection on the EU political agenda, policy-making, and response to the Covid-19 crisis.

General objective 7. A modern, high-performing and sustainable European Commission			
Specific objective 1.3: To provide the President with effective outreach to relevant stakeholders in the academic, research, think tank, and practitioners' communities	Related to spending programme(s) N/A		
Main outputs in 2020:			
External communication actions			
Output description	Indicator	Target	Latest known results (situation on 31/12/2020)

Informal discussion on 'How the European Green Deal will reach out beyond its borders' , with Aurélie Bros, Lecturer on Government & Senior Fellow, Harvard University	Number of participants depends on nature and scope of event	February 2020	Date : 18 February 2020 30 participants
Brainstorming Session with Experts on 'The European Education Area: What it should aim for and how to get there by 2025?'	Number of participants depends on nature and scope of event		Date: 23 July 2020 15 participants
I.D.E.A. Policy Briefing on 'The 2021-2027 MFF and Next Generation EU: Boosting Europe's Recovery and Investing in our Future'	Number of participants depends on nature and scope of event	July 2020	Date: 24 July 2020 17 participants
High-Level Roundtable Discussion on 'The State of the Union in 2020 and the European Green Deal'	Number of participants depends on nature and scope of event	July 2020	Date: 27 July 2020 26 participants
High-Level Roundtable Discussion on 'EU's Global Engagement in a Covid-19 world'	Number of participants depends on nature and scope of event	July 2020	Date: 28 July 2020 36 participants
Brainstorming Session on 'The State of the Union in 2020 and the Recovery of Europe's Economy'	Number of participants depends on nature and scope of event	July 2020	Date: 29 July 2020 28 participants
High-Level Roundtable Discussion on 'The State of the Union in 2020: Society and Democracy'	Number of participants depends on nature and scope of event	July 2020	Date: 30 July 2020 31 participants
High-Level Roundtable Discussion on 'Resilience: How to better protect, prepare and transform the European Union?'	Number of participants depends on nature and scope of event	July 2020	Date: 31 July 2020 23 participants
High-Level Roundtable Discussion on 'The	Number of participants	July 2020	Date: 31 July 2020 28 participants

Digital Transition at the core of Europe's Recovery' with key Stakeholders	depends on nature and scope of event		
Roundtable Discussion with Experts and Community Leaders on 'Racisms and Discrimination in Europe, and What to Do About it'	Number of participants depends on nature and scope of event	ad-hoc requests of the President's Cabinet	Date: 16 July 2020 Number of participants: 24 participants
Special Brainstorming Session and Exclusive Preview of the New Report from SYSTEMIQ and the Club of Rome on 'How the European Green Deal can act as a System Change Compass from Recovery to Reform'	Number of participants depends on nature and scope of event	ad-hoc requests of the President's Cabinet	Date: 19 October 2020 86 participants
Special Panel on 'America Voted. Will this Time Around be Different?'	Number of participants depends on nature and scope of event	ad-hoc requests of the President's Cabinet	Date: 6 November 2020 22 participants
Workshop with Think Tanks and Experts on 'Maximising the Potential of the Recovery and Resilience Facility'	Number of participants depends on nature and scope of event	ad-hoc requests of the President's Cabinet	Date: 20 November 2020 65 participants

2. Modern and efficient administration and internal control

2.1 Financial management and internal control

Assurance is provided on the basis of an objective examination of evidence of the effectiveness of risk management, control and governance processes.

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

-
- the reports from AOSD
 - the reports on recorded exceptions, non-compliance events and any cases of 'confirmation of instructions' (Art 92.3 FR);
-
- the observations and the recommendations reported by the European Court of Auditors (ECA).

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

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

2.1.1 Control results

This section reports and assesses the elements identified by management which support the assurance on the achievement of the internal control objectives⁴. The DG's assurance building and materiality criteria are outlined in AAR Annex 5. Annex 6 outlines the main risks together with the control processes to mitigate them and the indicators used to measure the performance of the relevant control systems.

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

DG I.D.E.A. has a portfolio of activities that represented low risk in financial management. Nevertheless, the (potential) reputational risk has to be taken into consideration as I.D.E.A. operated directly under the President's authority.

In 2020, the budget consisted only of administrative credits (global envelope) covering outreach activities such as conferences' organisation, reflection papers and missions. In 2020 the public health safety measures imposed to combat the pandemic affected considerably the budget consumption, in particular the mission and conference expenses representing the major part of I.D.E.A.'s budget.

The authorised budget for 2020 was 720,000 EUR with a decrease compared to 2019 (745,116 EUR), and the total amount of payment appropriations made - as reflected in Annex 3 - is 1,296.47 EUR, covering some event's expenses occurred at the beginning of the year 2020 before the lockdown.

Due to the pandemic, conferences and meetings were virtual and/or webstreamed (skype, webex, teams, etc..) and therefore reimbursements of travels costs were not necessary for events's organisation.

Staff members were all equipped with laptops to ensure business continuity in teleworking.

The Management and Resources Unit was responsible for the entire financial management, with a fully centralised financial workflow model.

The 2018 Financial Regulation introduced some additional AAR reporting requirements:

any cases of 'confirmation of instructions' (new FR art 92.3); these should be known by the RMIC, similarly as e.g. Non-Compliance Events

cases of financing not linked to costs (new FR art 125.3); i.e. when contributions are based on the fulfilment of conditions or the achievement of results

Financial Framework Partnerships >4 years (new FR art 130.4) *

cases of flat rates >7% for indirect costs (new FR art 181.6); as decided by reasoned Commission Decisions

cases of "Derogations from the principle of non-retroactivity [of grants] pursuant to Art 193 FR" (new FR art 193.2); the acceptance of costs incurred before the project grant application was submitted.

DG I.D.E.A. did not have any of these cases in 2020.

No (reputational) event or unmitigated risk has been identified by the management, which could have a significant impact on assurance on the achievement of the internal control objectives.

The management has supported the assurance on the achievement of the relevant internal control objectives and can conclude that there is no reservation to be listed in section 2.1.1.

1. *Effectiveness = the control results and benefits*

- Legality and regularity of the transactions

DG I.D.E.A. has maintained the internal control set up by the former DG EPSC to ensure the adequate management of the risks relating to the legality and regularity of the underlying transactions taking into account the nature of the payments concerned.

2020 was an unusual year for the overall balance between the cost of control and the legality and regularity of financial transactions, due to the impact of the pandemic and the on-going start-up phase of the Service. The residual error is not exceeding 2% of the total payment budget, as foreseen in the annex 4 (materiality criteria).

The Management and Resources Unit was performing **100% of ex-ante controls** for the financial transactions and the public procurement procedures which guarantees a low risk of error.

DG I.D.E.A.'s relevant expenditure, estimated overall risk at payment, estimated future corrections and risk at closure are disclosed in Table [X].

The estimated overall risk at payment for 2020 expenditure amounts to 6.48 €, representing 0.5 % of the DG's total relevant expenditure for 2020. This is the AOD's best, conservative estimation of the amount of relevant expenditure during the year not in conformity with the contractual and regulatory provisions applicable at the time the payment was made.

This expenditure will subsequently be subject to ex-post controls and a proportion of the underlying errors will be detected and corrected in subsequent years. The conservatively estimated future corrections for 2020 expenditure amount are 0 EUR. This is the amount of errors that the DG conservatively estimates will be identified and corrected by controls planned to be carried out in subsequent years.

The difference between those two amounts results in the estimated overall risk at closure of 6.48 €, representing 0.5 % of the DG's total relevant expenditure for 2020.

In the context of the protection of the EU budget, the DGs' estimated overall risk at payment, estimated future corrections and risk at closure are consolidated at Commission level in the AMPR.

Table X - Estimated risk at closure

DG I.D.E.A	"payments made" (FY; m€)	<i>minus</i> new prefinancing [<i>plus</i> retentions made*] (in FY; m€)	<i>plus</i> cleared prefinancing [<i>minus</i> retentions released* and deductions of expenditure made by MS] (in FY; m€)	= "relevant expenditure" (for the FY; m€)	Average Error Rate (<i>weighted</i> AER; %)	estimated risk <i>at payment</i> (FY; m€)	Average Recoveries and Corrections (<i>adjusted</i> ARC; %)	estimated future corrections [and deductions] (for FY; m€)	estimated risk <i>at closure</i> (FY; m€)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Programme, Budget Line(s), or other relevant level	as per AAR annex 3, table 2	as per ABAC DWH BO report on prefinancing	as per ABAC DWH BO report on prefinancing	= (2) -/+ (3) +/- (4)	Detected error rates, or equivalent estimates	= (5) x (6)	<i>H-ARC</i> (as per ABAC DWH BO report on corrective capacity), <u>but adjusted</u>	= (5) x (8)	= (7) - (9)
Administrative Expenditure	1,296.47 EUR	0 EUR	0 EUR	1,296.47 EUR	0.5 %	= 6.48 EUR	0 %	0 %	= 6.48 EUR
DG total	1,296.47 EUR	0 EUR	0 EUR	1,296.47 EUR	0.5 %	= 6.48 EUR	0 %	= 0 EUR	= 6.48 EUR

(2) Payments made or equivalent, e.g. expenditure registered in the Commission's accounting system, accepted expenditure or cleared pre-financing. In any case, this means after the preventive (ex-ante) control measures have already been implemented earlier in the cycle.

In all cases of Co-Delegations (Internal Rules Article 3), "payments made" are covered by the Delegated DGs. For Cross-SubDelegations (Internal Rules Article 12), they remain with the Delegating DGs.

(5) For the purpose of equivalence with the ECA's scope of the EC funds with potential exposure to legality & regularity errors (*see the ECA's Annual Report methodological Annex 1.1*), our concept of "relevant expenditure" includes the payments made, subtracts the new pre-financing paid out [*& adds the retentions made*], and adds the previous pre-financing actually cleared [*& subtracts the retentions released; and any deductions of expenditure made by MS*] during the FY. This is a separate and 'hybrid' concept, intentionally combining elements from the budgetary accounting and from the general ledger accounting.

(6) In order to calculate the weighted Average Error Rate (AER) for the total relevant expenditure in the reporting year, the detected error rates have been used – or an equivalent. *[Equivalents might be e.g. the "adjusted error rates" [AGRI] or the "residual total error rates" [REGIO, EMPL, MARE]. In other cases [e.g. DEVCO and NEAR], they are derived by a backwards calculation based on results from advanced residual error studies; i.e. by adding the estimated future corrections (if not assumed to be zero) to the risk at closure.]* For low-risk types of expenditure, where there are indications that the equivalent error rate might be close to 'zero' (e.g. administrative expenditure, operating subsidies to agencies), it is nevertheless recommended that 0.5% be used as a conservative estimate.

(8) Even though to some extent based on the 7 years historic Average of Recoveries and financial Corrections (ARC), which is the best available indication of the corrective capacity of the ex-post control systems implemented by the DG over the past years, the AOD *[has adjusted or replaced]* this historic average *[from ... to ...]*. Any ex-ante elements, one-off events, (partially) cancelled or waived Recovery Orders, and other factors from the past years that would no longer be relevant for current programmes (e.g. higher ex-post corrections of previously higher errors in earlier generations of grant programmes, current programmes with entirely ex-ante control systems) *[have been adjusted]* in order to come to the best and most conservative estimate of the ex-post future corrections to be applied to the reporting year's relevant expenditure for the current programmes. *[+ summarize here the approach taken by the DG]. [This may include considering less and more recent years than the full 7-years-period [e.g. AGRI, MARE, DEVCO, NEAR], using an alternative estimation basis [e.g. AGRI, REGIO, EMPL, Research family], or even assuming that the ex-post future corrections would be 0.0% [e.g. DGs with entirely ex-ante control systems].]*

- **Fraud prevention, detection and correction**

DG I.D.E.A (previously EPSC) has developed and implemented its own anti-fraud strategy since 2013, on the basis of the methodology provided by OLAF. This strategy was last updated on 29/06/2018, when it was concluded that the anti-fraud strategy was still valid in terms of content and areas of vigilance, which were identified, such as the sound financial management and the observance of ethics provisions by the staff.

Its implementation was being monitored and reported to the management on a yearly basis. All necessary actions have been implemented and **a revision is planned for 2021**, when the Service will welcome the majority of its new comers.

DG I.D.E.A did not receive any financial recommendations from OLAF for follow up.

The results achieved during the year thanks to the anti-fraud measures in place can be summarised as follows: the controls aimed at preventing and detecting fraud are similar to those intended to ensure the legality and regularity of the transactions and they are effective and no weakness has been identified in 2020.

On the basis of the available information, DG I.D.E.A. has reasonable assurance that the anti-fraud measures in place are effective.

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

Not applicable for I.D.E.A.

2. Efficiency = the Time-to-... indicators and other efficiency indicators

Indicator	<u>Timely Payments</u>
Category	Efficiency of Controls / Timeliness
Objective	Ensure efficient processing of payments within the legal deadlines
Result	<p>DG I.D.E.A. achieved - compared to the EC result of 87%</p> <p>0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%</p> <p>EC (87%) 99%</p>

Comment	The indicator is not applicable for DG IDEA in 2020 due to the lack of underlying transactions recorded by DG IDEA in 2020
Definition	<i>Indicator = Value A / Value B</i> <i>Value A : Payment Accepted Amount in time (EUR)</i> <i>Value B : Payment Accepted Amount (EUR)</i>

3. Economy = the estimated cost of controls

DG I.D.E.A. is a non-spending service applying a cost of control indicator linked mainly to ex-ante verification and public procurement procedures as described in the Annexes 5 and 10. Due to the sanitary crisis and the situation of the Service, which is still in a start-up phase, the estimated cost of controls indicator, based on FTE, is not relevant for the year 2020.

. Conclusion on the cost-effectiveness of controls

Despite the very particular situation of the Service in 2020, DG I.D.E.A. has assessed the effectiveness, efficiency and economy of its control system based on the past experience of EPSC and reached a positive conclusion on the cost-effectiveness of the controls for which it is responsible.

2.1.2 Audit observations and recommendations

This section sets out the observations, opinions and conclusions reported by auditors – including the limited conclusion of the Internal Auditor on the state of internal control. Summaries of the management measures taken in response to the audit recommendations are also included, together with an assessment of the likely material impact of the findings on the achievement of the internal control objectives, and therefore on management's assurance.

“In its annual report concerning the financial year of 2019, the European Court of Auditors did not state any observations or recommendations in its section on Heading 5 (Administration) that related to IDEA.”

“The European Court of Auditors did not issue any special reports in 2019 that concerned DG IDEA.”

The Internal Audit Service (IAS) did not perform any audit work in the entity over the last 3 years (i.e. period 2018-2020). Consequently, there are no elements to report for the 2020 AAR.

2.1.3 Assessment of the effectiveness of internal control systems

The Commission has adopted an Internal Control Framework based on international good practice, to ensure the achievement of its policy and management objectives. Compliance with the internal control framework is a compulsory requirement.

DG I.D.E.A. uses the organisational structure and the internal control systems suited to achieving its policy and internal control objectives in accordance with the internal control principles and has due regard to the risks associated with the environment in which it operates.

In order to evaluate the effectiveness of its internal control system, an assessment was carried out following the methodology described in the “Implementation guide of the Internal Control Framework of the Commission”. The evidence required to support the entire process has been gathered from management knowledge gained through daily operations, analysis of the register of exceptions/non-compliance events and data extracted from the ex-ante control put in place, in particular for the financial management. **For the year 2020 only 2 exceptions were recorded**, none of which had financial impact, and which were mainly due to the transitional period between EPSC and I.D.E.A. They have therefore no consequences for the overall conclusions.

DG I.D.E.A. has assessed its internal control system during the reporting year and has concluded that it is effective and the components and principles are present and functioning as intended.

2.1.4 Conclusions on the assurance

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

Overall Conclusion

In conclusion, management has reasonable assurance that, overall, suitable controls are in place and working as intended; risks are being appropriately monitored and mitigated; and necessary improvements and reinforcements are being implemented. The Head of Unit for Management and Resources and Acting Director General, in her capacity as Authorising Officer by Delegation, has signed the Declaration of Assurance.

2.1.5 Declaration of Assurance

.Declaration of Assurance

I, the undersigned,

In my capacity as authorising officer by delegation

Declare that the information contained in this report gives a true and fair view⁵.

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

This reasonable assurance is based on my own judgement and on the information at my disposal, such as the results of the self-assessment, ex-post controls, [the work of the Internal Audit Service - delete this if not applicable] [and the lessons learnt from the reports of the Court of Auditors - delete this if not applicable] for years prior to the year of this declaration.

Confirm that I am not aware of anything not reported here which could harm the interests of the Commission.

Brussels,

Sonia Vila Núñez

(e-signature)

⁵ True and fair in this context means a reliable, complete and correct view on the state of affairs in the DG/Executive Agency.

2.2 Modern and efficient administration – other aspects

2020 was a very special year for the newly created Service, because the setting up was delayed by the sanitary crisis. All management dimensions were consequently affected by the current situation. The administrative and financial procedures were partially updated and should be finalised at the arrival of the new management, to facilitate the achievement of the objectives in the context of the evolutive situation of the Service.

The internal control framework⁶ supports sound management and decision-making. It notably ensures that risks to the achievement of objectives are taken into account and reduced to acceptable levels through cost-effective controls.

DG I.D.E.A. has maintained an internal control system tailored made to its particular characteristics and circumstances. The effective functioning of the service's internal control system was assessed on a continuous process throughout the year.

2.2.1 Human resource management

As already mentioned, DG I.D.E.A. was in a start-up phase during 2020. Therefore, the Service was not able to implement its human resources outputs as foreseen in the 2020 Management Plan, especially regarding the local HR strategy to be endorsed by the senior management.

I.D.E.A. had no quantitative target for female first appointment to middle management functions, however has appointed one.

I.D.E.A. newcomers followed learning and development activities identified to be fundamental to create a Culture of Service, and are consequently part of the outputs defined in the 2021 Management Plan.

2.2.2 Digital transformation and information management

The Service being still in a start up phase, the achievement of the majority of its 2020 outputs have been delayed and postponed to 2021. Nevertheless I.D.E.A. event team has identified **sustainable and digital solutions** in the conference domain recommended at corporate level.

⁶ [Communication C\(2017\)2373 - Revision of the Internal Control Framework](#)

In 2020, I.D.E.A. officially appointed a Data Protection Coordinator (DPC) in order to closely follow guidelines from the DPO and ensure compliance with Data Protection Regulation for the European institutions (i.e. Regulation (EU) 2018/1725) and other relevant data protection rules within the Commission. Following from this, the DPC received training and undertook a review of ongoing processes, while issuing recommendations, whenever such were deemed appropriated and needed. For 2021, the DPC has planned to continue to monitor and update colleagues in I.D.E.A. on data protection. Furthermore, the DPC has planned a series of **data protection awareness** sessions, which are meant to be held in each quarter of 2021 and serve as refreshers on data protection basic principles.

2.2.3 Sound environmental management

In 2020, DG I.D.E.A. appointed an EMAS correspondent (ECOR) to deal with the promotion of EMAS corporate campaigns. The ECOR participated in cross-DG working groups and promoted corporate campaigns and measures that can help reducing the environmental footprint of the Service. Most objectives were postponed to 2021 since most events took place in an online environment.