



Annual Activity Report 2022

European Research Council
Executive Agency

Table of Contents

- THE ERC AND ITS AGENCY IN BRIEF3
- EXECUTIVE SUMMARY 5
 - A. Highlights of the year5
 - B. Key performance indicators (KPIs)7
 - C. Key conclusions on financial management and internal control9
 - D. Provision of information to the Commissioner9
- 1. Implementation of the Agency's Annual Work programme 10
 - 1.1. Management of Calls 11
 - 1.2. Grant Management 12
 - 1.3. Scientific follow-up 18
 - 1.4. Feedback to policy 19
 - 1.5. Support to the ERC Scientific Council 20
 - 1.6. Implementation of ERCEA operating budget 21
 - 1.7. Example(s) of EU-added value of ERC funded projects 23
- 2. MODERN AND EFFICIENT ADMINISTRATION AND INTERNAL CONTROL 24
 - 2.1. Financial management and internal control 24
 - 2.1.1. Control results 25
 - 2.1.1.1 Implementation of the internal control system for the operational budget 34
 - 2.1.1.2 Implementation of the internal control system for the operating budget...36
 - 2.1.2. Audit observations and recommendations 37
 - 2.1.3. Assessment of the effectiveness of internal control systems 38
 - 2.1.4. Conclusions on the assurance 39
 - 2.1.5. Declaration of Assurance 41
 - 2.2. Modern and efficient administration – other aspects 42
 - 2.2.1. Human resources management 42
 - 2.2.2. Digital transformation and information management 43
 - 2.2.3. Sound environmental management 44
 - 2.2.4. Initiatives to improve economy and efficiency of financial and non-financial activities 45

THE ERC AND ITS AGENCY IN BRIEF



The European Union created the European Research Council (ERC) in 2007 to respond to the scientific community's need for a pan-European funding focusing on bottom-up frontier research. The intention was to attract and retain top scientific talent and the most talented researchers to work in Europe and in the countries associated to the Framework Programmes for Research and Innovation. The ERC selects research projects in all areas of science based on scientific excellence only and thereby supports the best researchers in Europe. The ERC Executive Agency (ERCEA) was created in 2009 to support the work of the ERC and implement the ERC's funding strategy that is set by the ERC Scientific Council.

Under the Excellent Science pillar in Horizon Europe (HE), the ERCEA is responsible for managing EUR 16 billion for the period 2021-2027, with EUR 2.16 billion committed in 2022. DG Research and Innovation is the only Agency's parent-DG that oversees its operations.

In 2022, the ERCEA opened six calls for proposals, four for the ERC's main grants: Starting Grants (StG), Consolidator Grants (CoG), Advanced Grants (AdG) and Synergy Grants (SyG), which are investigator-driven, long-term frontier research grants. It also opened two Proof

of Concept (PoC) calls to which ERC funded researchers can apply if their research has generated new ideas having the potential for commercial and social innovation. Although PoC are smaller add-on grants, they allow important synergies to be created with the European Innovation Council funding schemes of HE.

The ERCEA signed 1 398 new grant agreements in 2022.

Three ERC grantees won Nobel Prizes in physiology, medicine, and physics in December 2022, confirming, again, that the ERC's much lauded evaluation process works in identifying the most forward-thinking researchers. Investing in creative frontier science is crucial for Europe to prepare the ground of its future competitiveness in key sectors of industry and service. There is now strong evidence of the innovation potential of ERC funded research in the form of spin-off companies and patents generated by ERC grantees.

The Agency developed its Feedback to Policy Framework in response to the delegation of this activity by the parent-DG for HE. This year saw also the signature (end of October 2022) of the Memorandum of Understanding which specifies the modalities and procedures of interaction between the Agency and its parent-DG. It replaces the Written Agreement signed in 2014.

In November, the ERCEA learned that it might move from its present location in the COV2 building ('Covent Garden') for which the current usufruct contract ends in September 2023 to the SB34 building ('North Light'). Such a move requires careful preparation to ensure business continuity, notably in relation to the evaluations which are under the responsibility of the Scientific Council and represent the backbone of the ERC's excellence. The ERCEA will continue to cooperate with the relevant Commission services in order to address any challenges that may arise in its future housing.

Another important challenge for the Agency arose from the Commission's campaign aimed at increasing simplified cost options. The parent-DG requested the ERCEA to explore whether the ERC main grants could be transformed into lump sum grants. To this end, the ERCEA established an in-house team to study how the lump sum model could fit the ERC AdG scheme. This team had numerous exchanges with the management of the Agency, colleagues in the parent-DG's Common Implementation Centre (CIC) and the ERC Scientific Council. It has presented a final proposal to the Scientific Council for decision in its February 2023 plenary session.

After three years of constant changes at Agency's management level, the ERCEA saw in 2022 the stabilisation of its executive team with Laurence Moreau confirmed as Director. 2022 was indeed a challenging year but, thanks to the ERC President, all members of the Scientific Council, the parent-DG and all ERCEA Staff, the Agency maintained its outstanding performance.

EXECUTIVE SUMMARY

This Annual Activity Report is a management report of the ERCEA Director to the College of Commissioners. Annual Activity Reports are the main instruments 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 treaties¹.

A. Highlights of the year

In 2022, the ERCEA continued to implement the ERC Work Programme (ERC WP), and to support the ERC Scientific Council in its endeavours. In particular, the Agency facilitated the work of the Scientific Council in establishing the modalities of the lump sum pilot for the AdG call in 2024 and in re-viewing the evaluation practices in the context of the current public debate on reforming research assessment. It also contributed to the conclusion of an administrative arrangement of cooperation between ERC grantees and Thai researchers.

The ERC Working Group on Science behind the Projects delivered its portfolio analysis of ERC-funded research projects in Horizon 2020 (H2020) titled “Mapping ERC Frontier Research”, and insights into the relevance of this research in addressing global challenges. The analysis, carried out with the support of the ERCEA staff, classified over 6 700 projects and found that:

- more than 950 ERC projects (worth more than EUR 2 billion) are relevant for the ‘European Green deal’;
- more than 700 ERC projects (worth more than EUR 1 billion) are relevant for the ‘Europe fit for the digital age’;
- more than 2 000 ERC projects (worth more than EUR 4 billion) that are relevant for health policies.

These results will input the ex-post evaluation of H2020.

In March 2022, shortly after the Russia’s military invasion of Ukraine, the ERCEA launched an appeal to its 5 600 ongoing grantees to provide temporary employment to researchers and support staff fleeing the war in Ukraine. By the end of 2022, 14 researchers fleeing the war had been recruited to take part in ERC projects.

In line with the corporate guidance regarding the handling of the EU measures for HE and H2020 projects, as a consequence of Russia’s military aggression against Ukraine, a thorough screening of all projects (on-going or under preparation) confirmed that no Russian entity is participating as beneficiary or as linked third party in ERC Grants. For the few cases where individuals, in-kind contributors or subcontractors based in Russia were involved, or where fieldwork was foreseen in Russia, the possibility to implement the Grant Agreement as foreseen, as well as the eligibility of the related costs, were systematically

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

clarified with the concerned Principal Investigators (PI) and Host Institutions (HI). No problematic situation was identified so far, and the Agency did not have to process any termination, either of beneficiary or of grant agreement, or to withhold any payment.

Last but not least, since its inception until the end of 2022, ERC grantees had won twelve Nobel prizes with three for year 2022 only and authored just over 220 000 peer-reviewed publications. Of all the publications reported for H2020, 6.4% were among the top 1% of highly cited papers. This considerably exceeds the 1.8% target set, which is testament of the excellence label associated to the ERC and the high-quality knowledge created by ERC grantees.

The ERCEA's external communication actions served to support the ERC President and Scientific Council, the Agency's operational objectives and the Commission's wider communication on HE and the EU's research and innovation policy. Highlights included notably:

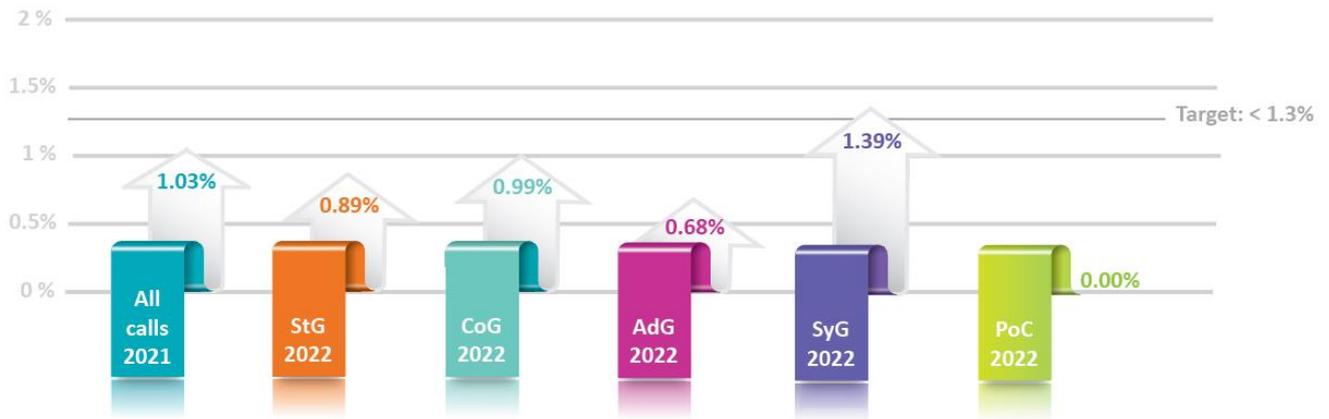
- An event celebrating the ERC's 15th anniversary hosted by the French Council Presidency,
- The announcement of the winners and finalists in the ERC's second Public Engagement with Research Award,
- The launch of a call for proposals to establish a new ERC Science Journalism Initiative,
- The organisation of a series of global outreach webinars designed to inform potential applicants for ERC grants from countries outside Europe,
- Two ERC sessions at the Research & Innovation Days,
- The launch of a new version of the ERC's website.

The year saw a strong growth of the ERC's visibility in traditional and social media (+36% compared to 2021).

B. Key performance indicators (KPIs)

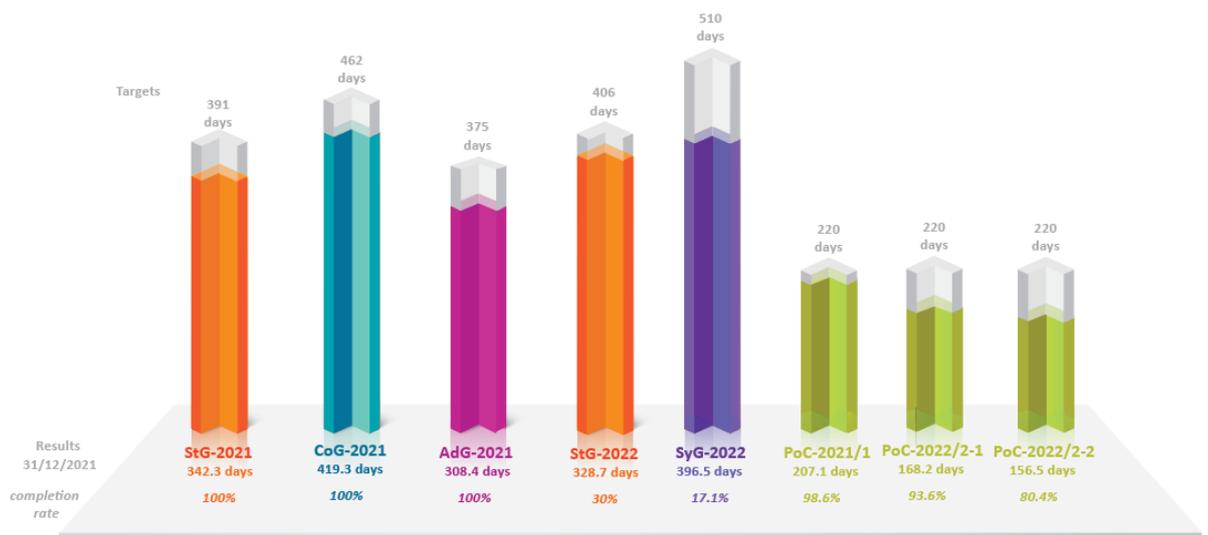
ERCEA's five KPIs, together with their targets, reflect what was laid out in the Agency's 2022 Annual Work Programme. Results 2022 show that the Agency met all KPIs.

1. Overall percentage of redress cases received²



The total number of redress cases received for 2021 calls³ reaches 1.03%. Regarding the 2022 calls⁴, only the call SyG 2022 is above the target reaching 1.39%, due to only one re-evaluation which outcome confirmed the initial evaluation result of the Agency (proposal not funded).

2. Time to grant measured (average) from call deadline to signature of grants

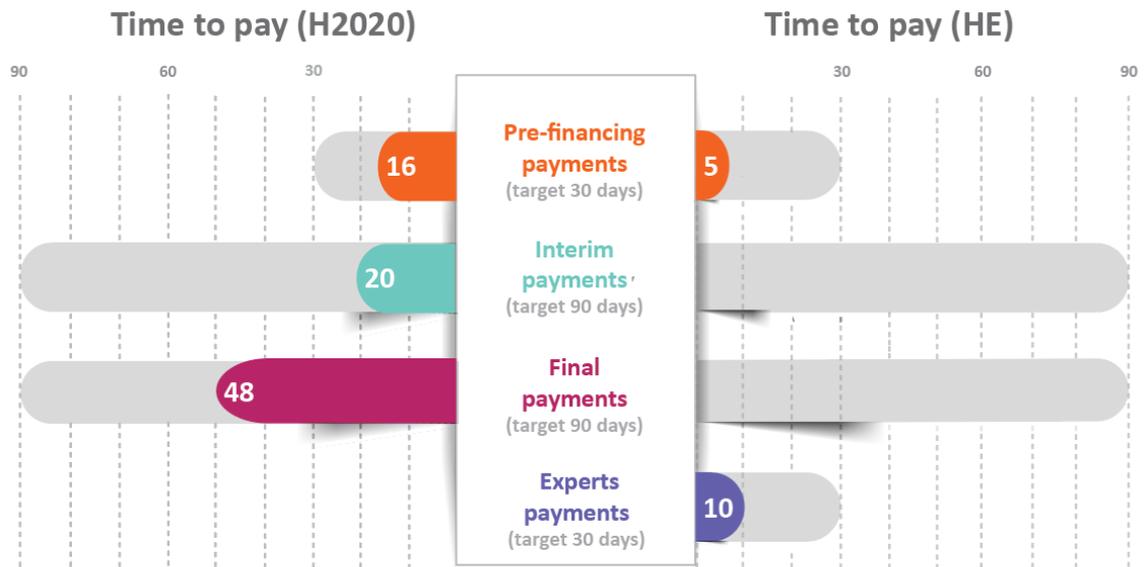


² Measuring redress cases received versus eligible submitted proposals.

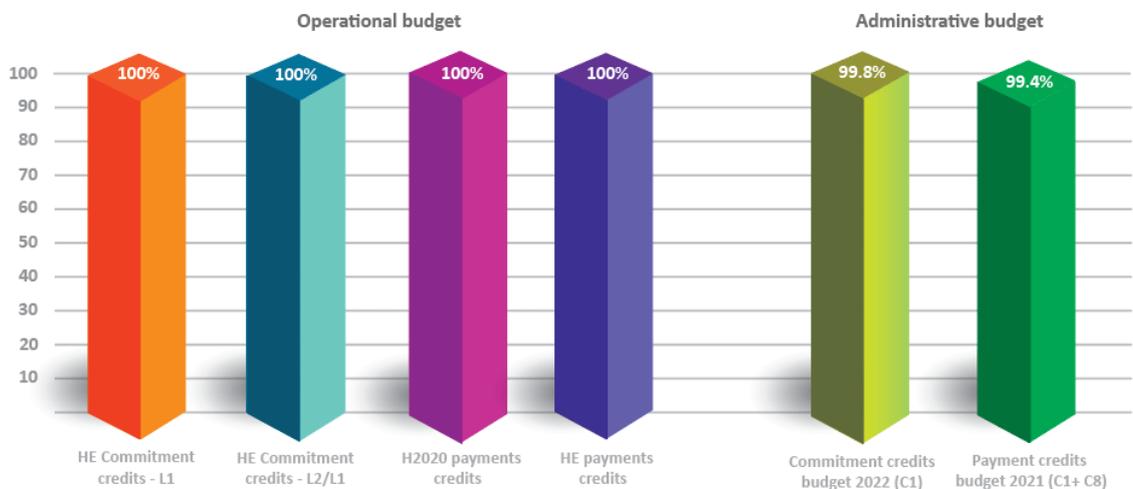
³ Received in 2021 and 2022.

⁴ For CoG-2022, AdG-2022 and PoC-DL3 2022, results were preliminary at year end; thus, no overall result for 2022 is provided.

3. Time to pay⁵



4. Budget execution⁶



5. Estimated risk at payment / closure

The estimated overall risk at payment for expenditure amounts to EUR 35.6 million, representing 1.91% of ERCEA's total relevant expenditure for 2022 (target: <2%). This is the AOD⁷'s best, conservative estimation of the amount of relevant expenditure during 2022, which eventually may not be in conformity with the contractual and regulatory provisions applicable at the time the payments were made.

⁵ Time to pay for FP7 (target 90 days): Interim payments (61 days) and final payments (64 days).

⁶ Budget execution for FP7 payments credits: 100%

⁷ AOD: Authorising Officer by Delegation.

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 the 2022 expenditure amount to EUR 15.25 million. This is the amount of errors that the Agency conservatively estimates, which will be potentially 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 EUR 20.37 million, representing 1.09% of the Agency's total relevant expenditure for the year 2022 (1.18% in 2021).

C. Key conclusions on financial management and internal control

In line with the Commission's Internal Control Framework, the ERCEA assessed its internal control systems during the reporting year and concluded that the internal control principles are present and functioning. Please refer to AAR section 2.1.3 for further details.

In addition, the ERCEA systematically examined the available control results and indicators, as well as the observations and recommendations issued by the internal auditors 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. The Director, in his capacity as Authorising Officer by Delegation for the operational budget and as Authorising Officer for the operating budget, has signed the Declaration of Assurance.

D. Provision of information to the Commissioner

In the context of the regular meetings during the year between the Director and the parent-DG on management matters, the main elements of this report and assurance declaration have been brought to the attention of the Agency's Steering Committee and to the Parent DG Director-General.

1. Implementation of the Agency's Annual Work programme

The ERC Annual Work Programme (AWP) defined the management of the general objectives delegated to the ERC under H2020 and HE. In addition, the scientific ERC WP 2022, established by the Scientific Council and adopted by the Commission, describes in detail the different funding instruments to support bottom-up frontier research.

Considering the bottom-up nature of the ERC calls and its wide scope that addresses all research disciplines, the ERCEA is de facto contributing to the six headline's ambitions⁸ of the von der Leyen Commission. However, for the same reason, it is neither possible to plan ex ante what the ERCEA will effectively deliver to support each Commission's objective nor possible to define related targets.

Contributions to all headline's ambitions of the Commission are illustrated in the sections below that capture key figures on the implementation of the ERC component "Excellent Science" of H2020 and HE, including the FP7 programme "Ideas".

The Agency contributed in 2022 to the parent-DG general objective "Modern, high performing and sustainable European Commission" with the preparation of the first use of lump sums in one of the major ERC scheme (AdG-2024), and the preparation of the triennial evaluation of the ERCEA. It also contributed to the ex-post evaluation of the ERC programme in H2020, and the mid-term HE evaluation. It is part of the inter-service Group for HE Evaluations.

Finally, even if there is no specific HE Key Impact Pathways (KIP) for the ERCEA, the Agency contributes to them thanks to three indicators⁹ placed under the scientific impact pathway indicators.

⁸ These are: 1) A European Green Deal, 2) A Europe fit for the digital age, 3) An economy that works for people, 4) A stronger Europe in the world, 5) Promoting our European way of life and 6) A new push for European democracy.

⁹ OJ L 170/65 -12.05.2021: 1) Creating high quality new knowledge; 2) Strengthening human capital in R&I; 3) Fostering diffusion of knowledge and open science.

1.1. Management of Calls

In 2022, the ERCEA launched six calls for proposals:

Call identifier	Opening date	Closing date	Target: Indicative No of outputs ¹⁰	Results 31/12/22
ERC-2022-StG	23/09/2021	13/01/2022	502	408
ERC-2022-CoG	19/10/2021	17/03/2022	388	321
ERC-2022-AdG	20/01/2022	28/04/2022	223	On-going
ERC-2022-SyG	15/07/2021	10/11/2021	33	29
ERC-2022-PoC-1	15/07/2021	14/10/2021	167	110
ERC-2022-PoC-2	16/11/2021	1) 15/02/2022, 2) 19/05/2022, 3) 29/09/2022	} 167	92 (1) + 55 (2) + on-going (3).

The call planning including the evaluation of the submitted proposals was strictly respected.

The evaluations of the 2022 AdG call are still ongoing at the time of writing and results will be available later in 2023.

General objectives: 1) A European Green Deal, 2) A Europe fit for the digital age, 3) An economy that works for people, 4) A stronger Europe in the world, 5) Promoting our European way of life, 6) A new push for European democracy.

Main outputs in 2022:

Output	Indicator	2022 Target	2022 Results
Launch of 2022 calls	Number of calls for proposals successfully launched according to agreed deadlines	1 (AdG-2022 ¹¹)	1
Evaluation of 2022 calls	Number of calls evaluated in 2022	8 (CoG-2021 step 2 and AdG-2021, StG-2022, SyG-2022, PoC-2022-1, CoG-2022 step 1, PoC-2022-2 (2 deadlines), Step 1 of AdG-2022)	8
Grants signed in 2022	% of proposals selected under 2021 calls granted in 2022	100% ¹²	100%

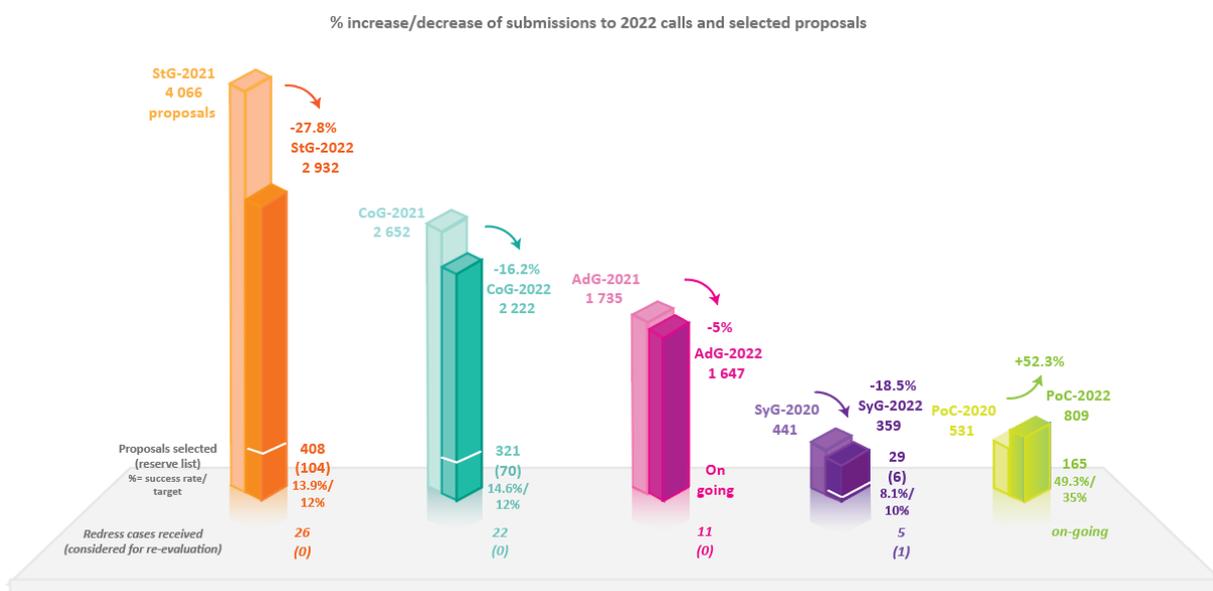
¹⁰ Outputs: successful proposals brought to the stage of granting.

¹¹ Five out of six 2022 calls were already launched in 2021, only AdG-2022 was launched in January 2022.

¹² Covering all successfully concluded projects e.g. excluding terminations, withdrawals, etc.

Overall, in response to the 2022 ERC calls, applicants submitted 7 617 proposals that represents a decrease of 15.6% in submissions compared to last year.

Details can be observed in the graph below¹³.



This drop in 2022 calls submissions can be explained by the impact of the shorter time span between the calls 2021 and 2022 due to the late adoption of HE in 2021.

1.2. Grant Management

2022 has been the first year of signing HE grants in all ERC schemes (StG, AdG, CoG, PoC, SyG), following the 2021 calls.

At year-end, 1 043 grants resulting from the 2021 ERC calls were signed for a total amount of EUR 1.99 billion. The granting activity of the 2022 calls started in March 2022 with PoC-1 call and went on with PoC-2, StG, and SyG, resulting in 354 grants signed totalling EUR 274 million. To note that commitment credits related to ERC Work Programme 2022 amounted to EUR 2.16 billion.

During 2022, two major factors heavily impacted the granting process and increased its complexity namely, the withdrawals of United Kingdom (UK) from the EU and of Switzerland (CH) from the HE association agreement, rendering both countries legal entities ('Host Institution' - HI) ineligible to HE. This led to the termination of 151 grant agreements with UK-based entities and of 60 with CH-based entities. In addition, this situation triggered 23 changes of HI (so-called 'portability') for UK and six for CH. New invitations from the reserve lists followed the terminations, resulting in six consecutive waves of invitations.

¹³ PoC-1 and PoC-2 submissions results have been merged for this graph.

Portability and terminations for UK and CH based entities

2022 figures on 2021 evaluations:



2022 figures on 2022 evaluations (preliminary results):



* Amongst projects with on-going portability, few cases might be terminated

The results for the terminations and portability linked to 2022 evaluations are on-going implying that they are not comparable at this stage with the previous graph (2022 figures on 2021 evaluations).

In addition, the Russian invasion to Ukraine and the fifth package of EU restrictive measures against Russia generated numerous ad hoc questions from ERC PI and HI requiring specific analysis and many consultations with the parent-DG.

Finally, the requirement under HE for private entities in mono-beneficiary grants to undergo a Financial Capacity Assessment was a novelty for the ERCEA granting process. This screening resulted in six ERC beneficiaries with weak and one beneficiary with insufficient financial capacity. As mitigating measures, reinforced monitoring flag was activated for all related cases. In addition, the pre-financing for the HI with insufficient capacity was reduced and the financial reports were increased from two to four.

Implementation of calls in 2022¹⁴

Calls implemented in 2022		Call deadlines		Indicative budget (EUR Mio)	Number of proposals				Grants signed		Preparation failed	Of which pre-financing paid EUR Mio
		Opening dates	Closing dates		Submitted proposals	Ineligible (% of submitted proposals)	Main list – invited (not reserve)	Success rate	Number	EUR Mio		
ERC-2021-StG – Starting Grant	HE	25/02/2021	12/04/2021	619	4 066	0.96%	397	9.8%	470	730.37	97	431.8
ERC-2021-CoG – Consolidator G	HE	11/03/2021	20/04/2021	633	2 652	1.8%	313	11.8%	318	641.31	72	312.3
ERC-2021-AdG Advanced Grant	HE	20/05/2021	31/08/2021	626	1 735	2.1%	253	14.6%	255	624.85	57	323.0
ERC-2022-StG-Starting Grant	HE	23/09/2021	13/01/2022	749	2932	0.9%	408	13.9%	121	185.59	4	46.1
ERC-2022-CoG-Consolidator Grant	HE	19/10/2021	17/03/2022	776	2222	1.1%	321	14.4%	0	0	0	0
ERC-2022-AdG – Advanced Grant	HE	20/01/2022	28/04/2022	555	1647	1.2%	On-going	On-going	0	0	0	0
ERC-2022-SyG – Synergy Grant	HE	15/07/2021	10/11/2021	297	359	0.4%	29	7.5%	6	54.47	0	11.1
ERC-2022-PoC Proof of Concept Grant	HE	15/07/2021	14/10/2021	25	352	0.9%	166	47.2%	227	34.05	34	25.7
		16/11/2021	1/ 15/02/2022	25	100	2%	55	55%				
			2/ 19/05/2022	25	123	1.6%	55	44,7%				
			3/ 29/09/2022		234	0.9%	On-going	On-going				

¹⁴ Results in light grey were already reported in the 2021 AAR, while those in light orange refer to 2022.

The following table provides an overview on the implementation of calls from FP7, H2020 and HE charged to the previous year's budget, highlighting the volume of ERCEA's grant preparations, pre-financings, interim and final payments.

Calls	Running projects 01/01/2022		Grants signed in 2022		Payments made in 2022		Projects closed in 2022		Running projects 31/12/2022	
	Number	Open balance Mio EUR	Number	Mio EUR	Number	Mio EUR	Number	De-commitments Mio EUR	Number	Open balance Mio EUR
FP7										
Total FP7	38	14.7	0	0.00	16	8.1	27	1.7	11	4.9
H2020										
StG	2 402	1 177	0	0.0	1 513	357.5	365	11.5	2 037	808.0
CoG	1 999	1 359.4	1	1.7	1 263	411.7	299	12.4	1 701	937.0
AdG	1 470	1 198.4	0	0.0	840	350.4	212	9.5	1 258	838.5
PoC	319	9.5	0	0.0	203	6.0	203	0.1	116	3.4
SyG	99	537.6	0	0.0	61	108.5	0	0.0	99	429.1
Total H2020	6 289	4 281.9	1	1.7	3 880	1 234.1	1 079	33.5	5 211	3 016
HE										
StG	0	0.0	591	914.4	519	477.9	1	0.0	590	436.5
CoG	0	0.0	318	641.3	243	312.3	0	0.0	318	329.0
AdG	0	0.0	255	624.8	204	323.0	0	0.0	255	301.8
SyG	0	0.0	6	54.5	3	11.1	0	0.0	6	43.4
PoC	0	0.0	227	34.1	214	25.7	0	0.0	227	8.4
Total HE	0	0.0	1 397	2 269.1	1 183	1 150.0	1	0.0	1 396	1 119.1
Grand total	6 327	4 296.6	1 398	2 270.8	5 079	2 392.2	1 107	35.2	6 618	4 140

Each financial year, the Agency processes grant agreements and budgetary commitments (so-called C8 credits) from the calls of the previous year. Also, it proceeds with the global commitments (per call - under C1 credits) and the granting for the calls of the given year as soon as the evaluation results become available.

Overall, the Agency concluded 1 398 grant agreements in 2022 totalling EUR 2.3 billion from credits of the current year and from carried forward credits of the previous year.

The table displayed on the previous page shows that at year-end, the total ERCEA grant portfolio encompassing HE, H2020 and FP7 projects counted a total of 6 618 running grant agreements.

Regarding payments, the ERCEA carried out 5 079 of them in 2022¹⁵ (vs. 4 419 in 2021), representing an increase of 14.9% compared to 2021. They were mainly H2020 interim payments - in line with the programmes' maturity - namely 2 746 compared to 2 806 in 2021, for an amount of EUR 994 million. 1 134 H2020 final payments for an amount of EUR 240 million were processed in 2022 compared to 663 in 2021 (+171%). Payments related to HE concerned pre-financing payments (1 183) for an amount of EUR 1.2 billion. Payments related to FP7 concerned final payments (14 vs 70 in 2021) and two interim payments (vs. 9 in 2021).

Furthermore, 6 229 expert payments were made throughout 2022¹⁶, summing up to EUR 16.4 million.

During 2022, 1 662 new amendments were requested (1 565 for H2020, 96 for HE, and one for FP7) by beneficiaries, and 1 607 amendments were signed¹⁷. The simplified rules regarding COVID-19 linked amendments¹⁸ were not applicable anymore to grants signed after 1st April 2022. Overall, 2022 experienced a gradual return to normal since the amendment activity decreased in comparison to 2021 where 1 895 amendments were signed.

In terms of typology of amendments, changes are mostly related to the actions' duration for H2020, closely followed by changes of Annex 1 - description of the action. Most of HE amendments concerned changes of the project start date.

Finally, the Agency registered 15 grants terminations for H2020, and two for HE, mostly triggered by resignations of the PI, or their move to non-eligible third countries.

¹⁵ Expert payments excluded.

¹⁶ Similar to pre-pandemic volume (6 802 in 2019) and increasing by 60% compared to 2021.

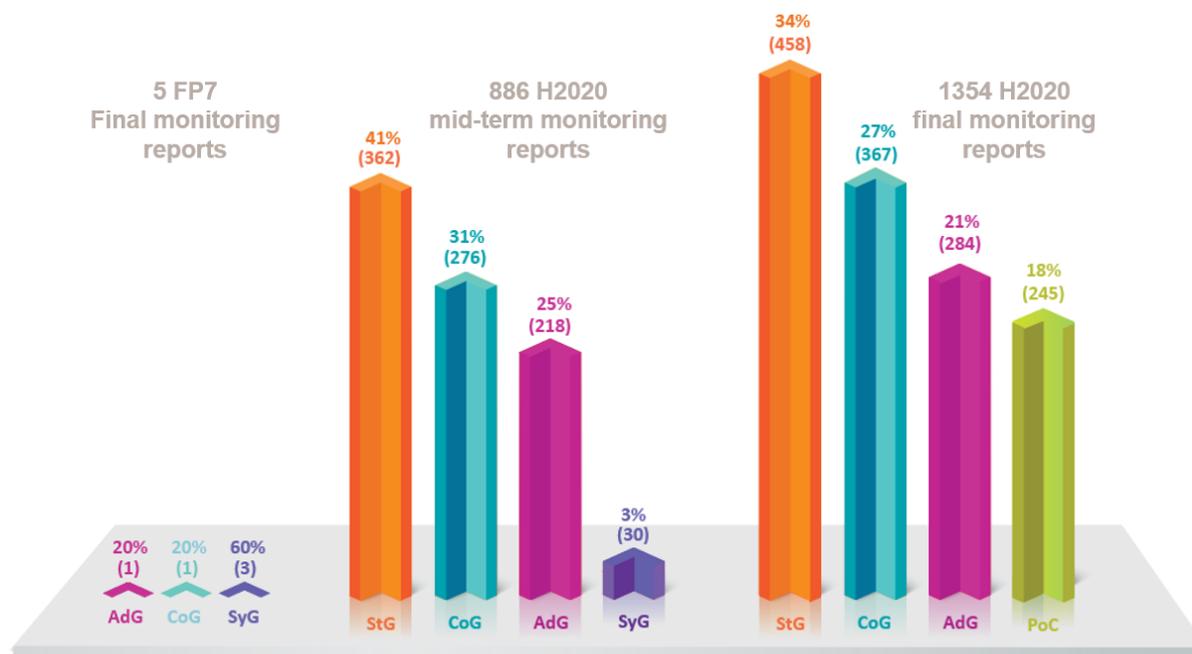
¹⁷ Time to amend (target 45 days): average of 4 days for HE grants, 7 days for H2020 grants and 2 days for FP7 grants.

¹⁸ Procedure allowing for a quasi-automatic extension of the grant.

1.3. Scientific follow-up

Scientific monitoring of mid-term and final reports

During the reporting period, 1 354¹⁹ final scientific reports and 886 mid-term reports were assessed. The average percentage of H2020 final reports assessments that exceeded 60 days was 0% (AWP 2022 target: 3%) for all calls.



As the Scientific assessment of completed ERC projects (SAP) was not done in 2021, for the SAP 2022 exercise, 450 projects were randomly selected from a pool of 1 118 eligible completed projects. The evaluation panel meetings took place from June to December 2022. Experts assessed 21% of the projects as having made a scientific breakthrough, 59% as a major scientific advance, 18% as having incremental scientific contribution and 2% as not resulting in an appreciable scientific contribution.

Initiatives to support ERC applicants and international mobility agreements

A number of European countries fund research visits to established ERC projects in order to develop researchers' potential before applying for their first ERC grant. In 2022, ten countries were participating to the Visiting Fellowship Programmes, with the Hungarian National Research, Development and Innovation Office (NKFIH) re-joining the initiative this year. So far, 58 fellows submitted a total of 61 applications for an ERC grant, eight of them being funded (success rate: 13%).

In 2021, the ERC Mentoring Initiative was launched aiming at improving the number of successful applications from researchers based in European countries with a weaker performance in funded ERC projects. Nine countries participated in 2021 and more than

¹⁹ +5 FP7 final reports.

750 ERC PIs and former ERC panel members have expressed their interest to support applicants as mentors. In 2022, local offices²⁰ organised sessions for pre-selected applicants who worked on an ERC proposal, to help them strengthening the quality of their application, hence enabling them to get expert scientific feedback (or mock interviews) before submission.

The Implementing Arrangements are international agreements with non-EU funding agencies and science ministries supporting researchers to temporarily join ERC projects. In 2022, seventeen funding agencies from thirteen countries participated (AR, AU, BR, CA, CN, IN, JP, KR, MX, SG, TH, ZA, US)²¹, with more than 800 ERC PIs having expressed their interest to host a visiting researcher.

Intellectual Property Rights (IPR) in the ERC:

A new analysis²² conducted by a group of experts and commissioned by the ERC (as one of the measures to assess the impact of its funding beyond science) finds that more than 40% of ERC-funded projects²³ generated research that was subsequently cited in patents.

For H2020²⁴, the ERC programme (part of Pillar I of H2020) is the fourth²⁵ among all H2020 Programme parts (all Pillars included) that produced the highest number of IPR²⁶ with 379 patent applications.

In 2022, the ERCEA also received 6 requests for transfer of ownership or exclusive licensing of results produced under H2020 ERC funded projects to recipients established in a third country (non-associated to H2020) and did not object to any of those.

1.4. Feedback to policy

Feedback to policy (F2P) is a newly delegated activity under HE for all implementing bodies, with the overall purpose to develop and coordinate ERCEA's 'bottom up' F2P approach, as well as the related activities and outputs in close connection with the monitoring and analysis of scientific impacts of ERC funded research.

The Agency's overall F2P framework was established, as well as a first plan of activities for 2023 endorsed by the Scientific Council at their December 2022 plenary.

²⁰ NCP and universities based in 9 countries: Cyprus, Czech Republic, Estonia, Hungary, Italy, Malta, Poland, Slovakia and Turkey.

²¹ Argentina, Australia, Brazil, Canada, China, India, Japan, South Korea, Mexico, Singapore, South Africa, Thailand, United States.

²² <https://erc.europa.eu/news-events/news/new-study-reveals-how-frontier-research-spurs-patented-inventions>

²³ The report is based on data retrieved from 6 671 ERC-funded projects from all scientific domains, including all projects funded from 2007 until 2014 (FP7 and beginning of H2020).

²⁴ H2020 projects represent the bulk of ERC running grants; they have reached a level of maturity in terms of running years that allow the production of IPR (this is not the case yet of HE projects).

²⁵ %-age of patent applications / H2020 budget: 1/ SC5 - Climate action, environment, resource efficiency and raw materials (5.13%); 2/ LEIT-ICT/NMBP/SPACE (4.23%); 3/ SC3 - Secure, clean and efficient energy (3.91%); 4/ ERC - European Research Council (2.89%); 5/ SC4 - Smart, green and integrated transports (2.56%); 6/ MSCA - Marie Skłodowska-Curie Actions (2.30%), etc...

²⁶ Source BO standard report KPI 3-patents dated 20.02.2023.

Two exploratory meetings were held with other bottom-up programs (managed by EISMEA, REA and EACEA) and the parent-DG to develop possible synergies (e.g., on Missions). In addition, collaboration on F2P and foresight was discussed at the EIC-ERC Joint Working Group meeting.

The policy factsheets of the Science behind projects (SBP) has been developed proposing the policy tags to be used by SBP under HE. In the context of the ERC Annual Event “Citizen Science and Frontier Research” (December 2022), a factsheet on ERC funded research was published describing citizen science activities as well as an online showcase of such activities across scientific domains.

Invited by the parent-DG, two presentations were given at the workshop on use of Artificial Intelligence (AI) in research (October 2022) - organised by the EC AI Matrix Task Force - providing an overview of AI projects funded by the ERC as well as the latter’s challenges.

Mapping ERC Frontier Research

In 2022, the SBP exercise for H2020 was finalised, resulting in the classification of a total of 6 708 ERC funded projects, according to its unique methodology. In the first half of the year, in collaboration with the Scientific Council, the SBP team focused their efforts on the analysis of the data collected from this exercise and the publication of a set of factsheets presenting the results. This included 25 factsheets with data on each ERC evaluation panels, a factsheet focusing on projects funded under the SyG scheme and three policy factsheets, highlighting the rich and diverse ERC project portfolio. They were released in July 2022 during a press conference at the EuroScience Open Forum (ESOF 2022) chaired by the ERC President and with the contributions of Scientific Council members Dirk Inzé, chair of the SBP Working Group of the Scientific Council and Ben Feringa.

At the end of 2021, the Scientific Council acknowledged the strategic role of the SBP activity for capturing and exploring the scientific landscape of the ERC project portfolio and thus approved its continuity under HE. In its last plenary in December 2022, it agreed to rename this activity as Mapping Frontier Research.

1.5. Support to the ERC Scientific Council

ERCEA mandate to support the Scientific Council remains unchanged under HE. In 2022, the ERCEA continued to provide strategy support to the Scientific Council and its various Standing Committees, Working Groups, and the ERC Board with briefings, speeches, presentations, analyses, and reports in relation to the ERC's scientific strategy. In addition, it assisted the ERC President and Scientific Council Members in their activities related to institutional relations and networking. Furthermore, it coordinated the implementation of ERC's external communication on the ERC programme.

In 2022, the Agency provided input to the Scientific Council on strategic issues like the current public debate on reforming research assessment²⁷ and contributed to the portfolio

²⁷ This led to the endorsement of the Agreement on reforming research assessment by the ERC Scientific Council in its

analysis of ERC-funded research and the relevance of the latter to various policy fields of European interest. It assisted the Scientific Council in setting up administrative arrangements to foster collaboration between ERC grantees and researchers from Thailand, as well as in launching an appeal to ERC grantees to offer temporary employment for Ukrainian research and support staff fleeing the war. The ERCEA continued developing its monitoring and evaluation tools to assist the Scientific Council in assessing the impact of ERC funding on frontier scientific knowledge, technology transfer, national research policies, HIs and research careers.

Under the guidance of the Scientific Council Standing Committee on Programme Impact Monitoring and Evaluation (PRIME), the ERCEA is implementing the Scientific Council's Evaluation and Monitoring Strategy. As foreseen in the ERC's 2021 Work Programme, the ERCEA finalised two independent expert-led studies investigating the impact of ERC-funded research on the evolution of select fields of science, and its contribution to various breakthroughs in these fields, on the one hand, and on major innovations, on the other.

In addition, ERCEA continued to develop the ERC Funding Activities Report 2014-2020 (finalisation is planned for 2023), based on the analysis of applicant's data and the outcomes of the ERC's peer review process under H2020. It is also working with the Monitoring, Evaluation, and Analysis Virtual Entity (MEAVE) contributing to the Commission's H2020 ex-post assessment, in particular by assessing the implementation of the excellent science pillar. Finally, the Agency provided continuous support to the President of the ERC in promoting frontier research in Europe and beyond.

In terms of performance, over 80% of documents necessary for a Plenary Meeting were timely delivered a week in advance of the meeting, and the Scientific Council Members were compensated for their participation to the meetings within 30 days of said meetings, complying with the targets set for 2022.

1.6. Implementation of ERCEA operating budget

The administrative budget for 2022 was initially adopted on 17 December 2021 for a total amount of EUR 57.4 million and it was subsequently amended twice and modified six times by the ERCEA Steering Committee (StC) and the Director's decisions on budget line reallocations.

On 11 May 2022, the StC adopted through a written procedure a first budget transfer to increase the training credits. On 24 May 2022, the Director authorised a transfer within same chapters notably to reinforce the credits for the interims. The StC adopted through a written procedure a third transfer between titles on 7 July 2022 to optimise the budget consumption further to the completion of the annual budget revision exercise for 2022.

plenary of December 2022.

A first budget amendment was adopted through a written procedure by the StC on 26 September 2022, in the framework of the Global Transfer Exercise. This first amendment encompassed mainly an increase of the salaries of 6.2% because of the 2022 indexation. Hence, the administrative budget amounted to EUR 59.3 million.

The second budget amendment was adopted through written procedure by the StC on 20 October 2022 and entailed a small rectification of the 2022 salary indexation rate²⁸.

The Director approved a fourth budget transfer within budget lines of the same chapter, on 31 October 2022 in order to replace obsolete audio-visual equipment. The fifth budget transfer adopted by the StC through a written procedure on 2 December 2022 aimed at reinforcing Chapter 11 and the salary costs after the final salary payments of December, which included the final indexation amount and additional delayed allowances.

The sixth and final budget transfer, adopted by the StC on 16 December 2022 aimed at best optimising the final budget execution of the year. The administrative budget structure remained largely consistent with the ones from previous years, with the staff expenditure representing 80% (against 78.84% in 2021) whereas the budget costs for the building, ICT and other operating expenditure represented 17% (against 18.6% in 2021) and the programme management expenditure representing 2.9% (against 2.6% in 2021). Hence, the Agency stayed within its benchmark of six budget transfers per year and reached a budget execution of 99.81% in commitment credits.

²⁸ Reduced to 4.5% instead of 6.2% following the instructions received from Commission's Central Services.

1.7. Example(s) of EU-added value of ERC funded projects

Examples that illustrate the contribution of the ERC to the six thematic headline's priorities of this Commission (click on to discover each project):

Green deal



Call details
ERC-2020-SyG
ERC Funding
9 187 902 €

[Project GENIE](#)

A Europe fit for the digital age



Call details
ERC-2019-PoC
ERC Funding
150 000 €

[Project AT2](#)

An economy that works for people



Call details
ERC-2017-CoG
ERC Funding
1 422 375 €

[Project Electric Challenges](#)

A stronger Europe in the world



Call details
ERC-2020-StG
ERC Funding
1 447 389 €

[Project FORESTDIIET](#)

Promoting our European way of life



Call details
ERC-2014-AdG
ERC Funding
2 072 000 €

[Project uPET](#)

A new push for European democracy



Call details
ERC-2018-StG
ERC Funding
1 474 594 €

[Project IMAGIDEM](#)

2. MODERN AND EFFICIENT ADMINISTRATION AND INTERNAL CONTROL

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

The first subsection reports the control results and other relevant information that supports the management's assurance on the achievement of the financial management and internal control objectives²⁹. It includes additional information necessary to establish that the available evidence is reliable, complete and comprehensive. It covers all activities, programmes and management modes relevant to the Agency.

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

2.1. Financial management and internal control

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

This examination is carried out by the 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. The following reports have been considered:

- Management reports on control results;
- The contribution of the Head of Department in charge of Risk Management and Internal Control (RMIC), including the results of internal control monitoring at the Agency, in particular the reports on recorded exceptions, non-compliance events and cases of 'confirmation of instructions' (Art 92.3 FR);
- The ERCEA reports of the ex-post audits results for FP7;
- The Common Audit Service (CAS) reports of the ex-post audits results for H2020;
- The limited conclusion of the Internal Auditor on the state of control;
- The observations and recommendations reported by the Internal Audit Service (IAS);
- The observations and the recommendations reported by the European Court of Auditors (ECA).

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

²⁹ 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, taking into account the multiannual character of programmes as well as the nature of payments concerned.

This section covers the control results and other relevant elements that support the management's assurance. It is structured into 2.1.1 Control results, 2.1.2 Audit observations and recommendations, 2.1.3 Effectiveness of internal control systems, and resulting in 2.1.4 Conclusions on the assurance.

2.1.1. Control results

This section reports and assesses the elements identified by the management and support the assurance on the achievement of the internal control objectives. The Agency's assurance building and materiality criteria are outlined in 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.

The FP7, H2020 and HE programmes are implemented under direct management mode.

Operational and administrative payments 2022							
		Payments made³⁰				Total administrative Expenditure (EUR)	% of total (adm-in/operational)
		Pre-financing (EUR)	Payments against cost statements (EUR)	Experts' payments (EUR)	Total operational expenditure (EUR)		
2022	FP7	0.00	8 146 977.26	0.00	8 146 977.26	59 067 434.81	2.5%
	H2020	111 478 408.65	1 122 569 406.30	0.00	1 234 047 814.95		
	HE	1 150 067 799.07	0.00	16 371 541.17	1 166 439 340.24		
	Total	1 261 546 207.72	1 130 716 383.56	16 371 541.17	2 408 634 132.45		

The final voted payment credits of EUR 4.2 million for FP7, EUR 1 144.5 million for H2020 and EUR 1 163 million for HE³¹ were fully consumed and were complemented by external and internal assigned revenues.

Payment transactions for operational expenditures consist of pre-financings, interim and final payments as well as regularisation and expert payments. Usually, a grant agreement of five years is financed by a pre-financing, paid at the start of the project, followed by three interim payments and one final payment. For HE, the schedule of payment consists of one pre-financing, one interim payment and a final one.

In 2022, 46.9%³² of the total amount executed were payments against cost statements, while the remaining 53.1%³³ of payments were pre-financings and expert payments, both assessed as low risk transactions regarding the control objective related to the legality and

³⁰ The figures in this table include all types of credits (fund sources), like the voted credits and assigned revenue.

³¹ Commitments voted for the year and EFTA ones (C1/EO).

³² In 2021, 58.6% of the total amount executed concerned payments against cost statements, while the remaining 41.4 payments executed concerned pre-financings and expert payments.

³³ 43.3% of payments executed concerned pre-financings and expert payments in 2020.

regularity of underlying transactions. In addition, out of all 2022 payments against cost statements, 0.7% related to FP7, and 99.3% to H2020, compared to 1.9% for FP7 and 98.1% for H2020 at year-end 2021.

The 2018 Financial Regulation introduced additional reporting requirements in the AAR, which are presented hereafter:

- **Case of ‘confirmation of instructions’ (new FR Article 92.3)**

No cases reported.

- **Cases of financing not linked to costs (new FR Article 125.3)**

No cases reported.

- **Cases of flat rates >7% for indirect costs (new FR Article 181.6)**

According to the H2020 and HE Rules for Participation³⁴, indirect eligible costs of grants are determined by applying a flat rate of 25% of the total direct eligible costs. It is not a Commission decision, but the basic act that derogates from the FR in this case. This applies to all H2020 and HE grants, although in some cases the 25% could be directly embedded within a unit cost (e.g. unit cost for clinical studies).

- **Derogations from the principle of non-retroactivity pursuant to Article 193 of the Financial Regulation**

Nine grant agreements signed in 2022 derogated³⁵ from the principle of non-retroactivity pursuant to Article 193 of the Financial Regulation.

- **There are no Financial Framework Partnerships with a duration of more than 4 years³⁶ that entered into force during the reporting year 2022.**

1. Effectiveness of controls

In order to be considered effective, controls are expected to meet the internal control objectives (detailed hereafter) and for each of those controls, objectives result in benefits.

a. Legality and regularity of the transactions

The ERCEA uses internal control processes to ensure sound management of the risks relating to the legality and regularity of its underlying transactions. It is responsible for, taking into account the multiannual character of programmes and the nature of the payments concerned.

³⁴ Article 29 of Regulation (EU) No 1290/2013 of the European Parliament and of the Council of 11 December 2013 laying down the rules for participation and dissemination in “Horizon 2020 – the Framework Programme for Research and Innovation (2014-2020)” and Article 39 Regulation (EU) 2021/65 of the European Parliament and of the Council of 28 April 2021 establishing Horizon Europe – the Framework Programme for Research and Innovation, laying down its rules for participation and dissemination.

³⁵ Anticipated project starting date is exceptionally accepted by the Agency for duly justified reasons, such as restricted periods to perform fieldwork, specific excavation periods or strong business opportunities relevant to PoC or even important administrative delays, as well as to timely purchase equipment, recruit new staff or to maintain the continuity of the research team in case of successive grants.

³⁶ FR Article 130.4.

ERCEA FP7 and H2020 operational expenditures

The main indicators on legality and regularity³⁷ of EU Framework Programmes for Research and Innovation are:

- **Cumulative representative detected error rate**, based on errors detected by ex-post audits on a Common Representative Sample of cost claims across the Research Family.
- **Cumulative residual error rate**, which is the extrapolated level of error after corrective measures have been implemented by the Commission services following the audits, accumulated on a multi-annual basis.

The **targets** set for this control system are respectively:

- for H2020, to ensure that the cumulative residual error rate remains within a range of 2-5 %, aiming to be as close as possible to 2%. Progress against H2020 targets is assessed annually based on the results of the implementation of the ex-post audit strategy and taking into account the frequency and importance of the detected errors along with cost-benefit considerations regarding the effort and resources needed to detect and correct the errors.
- for FP7 and HE, to ensure that cumulative detected and residual error rates do not exceed 2%³⁸.

It should be noted, however, that due to its multi-annual nature, the effectiveness of the control strategy of the Research Family can only be measured and assessed fully in the final stages of the EU R&I Framework Programme, once the ex-post audit strategy has been fully implemented, and errors, including those of a systemic nature, have been detected and corrected. Despite objective challenges due to carry over from the COVID-19 pandemic, the foreseen audit target was achieved. The CAS managed to finalise audits on 633 participations corresponding to 103.6% of the planned most probable scenario for the 2022 target.

The following table presents the error rates calculated for the FP7 and H2020 Framework Programmes by the end of 2022:

	FP7 EX-POST AUDITS	H2020 EX-POST AUDITS
REPRESENTATIVE DETECTED ERROR RATE	1.51%	1.96%
CUMULATIVE RESIDUAL ERROR RATE	1.10%	1.11%

³⁷ These indicators are described in point 1.1 of Annex 5.

³⁸ No representative error rate for HE will be available in 2022 and 2023 as the ex-post audit campaign for the Programme is planned to be launched by the end of 2023, at the earliest.

ERCEA results of the ex-post audits for FP7

The starting point for the calculation of the residual error rate in the Research Family is the Common Representative Audit Sample (CRaS), which aims at estimating on a multi-annual basis the error rate at the level of the programmes, across all the services involved in their management. However, since the risk profile of the "Ideas" programme is inherently lower when compared to the rest of FP7³⁹, the ERCEA has adopted, since 2015, an alternative assessment to provide additional assurance on the ERC specific population. This is in line with Annex 7, in particular for the multi-annual (2009-2019) ERCEA residual error rate (based on ERCEA MUS sample).

In December 2020, the MUS sample was already fully completed with a multi-annual detected error rate that amounted to 1.51 % and a final residual error of 1.10%, positively supporting the ERCEA Declaration of Assurance for 2020 and 2021. 2022 FP7 ex-post activity was mainly dedicated to finalise remaining audits of the corrective strand and non-joint ECA audits, with no impact on already known 2020 results, as these audits are not included in the MUS. The FP7 audit campaign is now fully completed with the last technical audit closed in September 2022 and the last audit on FP7 ERCEA project carried out by the Court of Auditors, closed on 14 December 2022.

Research family results⁴⁰ of the H2020 ex-post audits and expectations for H2020

In 2020, the Commission refined its methodology for calculating the H2020 error rates in line with the ECA's observations in its 2018 and 2019 Annual Reports⁴¹. The methodology applied is described in Annex 5 'Materiality criteria'. As of January 2020, the parent-DG applied the revised methodology on a sample of 1 937 audit conclusions. This results in the following error rates for H2020⁴² on 31 December 2022:

- Cumulative representative detected error rate: **2.71%**⁴³ (1.96% based on ERCEA local representative sample),
- Cumulative residual error rate for the Research Family: **1.67%** (1.11 % for ERCEA, based on the CRaS).

In line with the Financial Statement⁴⁴ accompanying the Commission's proposal for the H2020 regulation, a reservation is not necessary for the related expenditure if the

³⁹ Please refer to annex 5 for details.

⁴⁰ Source of information: DG Research and Innovation - Common Audit Service.

⁴¹ When calculating the multi-annual error rate, the Commission took into account the results of the audit re-performed by the ECA as part of Module 2 of the DAS 2018-2019.

⁴² The H2020 audit campaign started in 2016. At this stage, 4 CRS with a total of 628 expected results have been selected. By the end of 2022, cost claims amounting to EUR 40.8 b. have been submitted by the beneficiaries to the services. The audit coverage for H2020 is presented in annex 7. In addition to the CRS, Common Risk Samples and Additional Samples have also been selected. The audits of 4 060 participations were finalised by 31/12/2022 (of which 633 in 2022).

⁴³ Based on the 479 representative results out of the 628 expected in the 4 CRS.

⁴⁴ The legislative Financial Statement accompanying the Commission's proposal for the H2020 regulation states: "The Commission considers therefore that, for research spending under H2020, a risk of error, on an annual basis, within a range between 2-5% is a realistic objective taking into account the costs of controls, the simplification measures proposed to reduce the complexity of rules and the related inherent risk associated to the reimbursement of costs of the research projects. The ultimate aim for the residual level of error at the closure of the programmes after the financial impact of all audits, corrections and recovery measures will have been taken into account is to achieve a level as close as possible to 2%."

cumulative residual error rate for the programme falls within the target range of 2-5%. In 2022, and despite the above-mentioned caveats, the parent-DG cumulative residual error rate for H2020, calculated at 2.71%, more than fulfils this condition and is below the materiality threshold. Despite the absence of reservation, the root causes of errors have been identified and targeted actions taken to address any identified weaknesses.

Since H2020 is a multi-annual programme, the error rate, and the residual error rate in particular, should be considered within a time perspective. Specifically, the correcting effect of audits will tend to increase the difference between the representative detected error rate and the cumulative residual error rate, the latter finishing at a lower value.

These error rates are calculated based on the audit results available when drafting the AAR. They should be treated with caution as they may change subject to the availability of additional data resulting from audits.

Given the results of the audit campaign, and the observations the ECA made in its Annual Reports, the CIC, in close cooperation with the central Commission services, defined actions aiming at significantly simplifying the rules, and paving the way for a significant reduction of the error rates in HE. Apart from the use of a Corporate Model Grant Agreement and a common Annotated Grant Agreement for all programmes directly managed by the Commission, other actions include further simplification: such as the increased use of simplified forms of funding (including lump sums and unit costs), focused communication campaigns to more “error-prone” types of beneficiaries with higher than average error rates, such as SMEs and newcomers, and enhanced training to external audit firms performing audits on behalf of the Commission (the last three measures also target H2020 grants and beneficiaries). Focusing on the most common errors, these events will be straightforward, reaching more participants and achieving higher impact.

In addition, the ECA recommended certain improvements related to the quality of the audit process. Following the recommendation of the ECA, the Commission reinforced or introduced a number of actions to remedy the risks identified by the ECA. The ECA has acknowledged all these efforts to improve the quality of audits and considers its recommendation to be fully implemented.

ERCEA specific error rates for H2020

The CAS reported the ERCEA representative detected error rate of 1.96%. For this specific ERCEA random selection, 417 participations were selected so far since 2017 until December 2022, and 350 participations were audited by the end of 2022. The error rate represents the average of all negative error rates of each audited participation in the local representative selection. The impact of the pandemic prevented the completion of 100 % of this multi-annual target, but the 84% completion rate provides a reliable audited sample, although not yet representative, to support the ERCEA detected error rate.

In line with the Financial Statement⁴⁵ accompanying the Commission’s proposal for the H2020 regulation, a reservation is not necessary for the related expenditure if the cumulative residual error rate for the programme falls within the target range of 2-5%. In 2022, and despite the above-mentioned caveats, the cumulative residual error rate for H2020, calculated at 1.11%, more than fulfils this condition and is below the materiality threshold.

Horizon Europe Framework Programme

2022 was the second year of implementation of the HE Framework Programme. No representative error rate for HE is available in 2022 as the ex-post audit campaign for the Programme is planned to be launched by the end of 2023 at the earliest, once a meaningful number of payments can be audited. Consequently, without elements allowing an assessment of the level of errors and taking into account the simplifications introduced for HE that aim at reducing the error rate, the detected and residual error rate will be estimated to 2%⁴⁶ for the parent-DG.

ERCEA administrative expenditure

The 2022 result for the ERCEA’s administrative expenditure’s error rate is 0.66%, thus below the target value of 1% and lower than the 2021 result (0.69%).

Conclusion on the overall risk at payment / closure

In the context of the protection of the EU budget, the Agency’s estimated overall risk at payment, estimated future corrections and risk at closure are consolidated at Commission level. ERCEA’s portfolio consists of segments with a relatively low error rate. This is, respectively, thanks to the inherent risk profile of the programmes and the performance of the related control systems.

Through recoveries and financial corrections, the ERCEA has in place an effective mechanism for correcting errors. During the reporting year, the executed corrective capacity amounted in total to EUR 5.9 million representing 1.24% of the relevant expenditure (interim and final payments).

The benefit at ex-ante level control reached EUR 4.7 million, whilst recoveries and financial corrections following the results of ex-post controls amounted to EUR 1.2 million in 2022.

Please see table below for details:

	Preventive Measures (m EUR)	Corrective measures (m EUR)
Implemented by the Commission		
<i>of which from EU controls</i>	4.7	1.2
ERCEA grand total	5.9	

⁴⁵ A cumulative residual error rate within a range of between 2-5 % and at the same time as close as possible to 2%, without necessarily expecting it to be under 2%.

⁴⁶ These rates correspond to the objective set for Horizon Europe.

Based on all the above, the Agency presents in the following Table 1 an estimation of the risk at payment and risk at closure for the expenditure managed during the reporting year:

Table 1. Estimated risk at payment / closure (amounts in EUR million)

The full detailed version of the table is provided in Annex 9.

ERCEA	Payments made	Relevant expenditure	Estimated risk (error rate %) at payment		Estimated future corrections and deductions		Estimated risk (error rate %) at closure	
	m EUR	m EUR	m EUR	%	m EUR	%	m EUR	%
Operational budget:								
FP7	8.15	15.63	0.24	1.51	0.06	0.41	0.17	1.09
H2020	1 234.05	1 769.72	34.69	1.96	15.04	0.85	19.64	1.11
HE	1 166.44	16.37	0.33	2	0.14	0.85	0.19	1.89
Sub-total	2 408.63	1 801.72	35.25	1.89%	15.25	0.85%	20.00	1.11%
<i>Operating budget</i>	<i>59.07</i>	<i>59.07</i>	<i>0.37</i>	<i>0.62%</i>			<i>0.37</i>	
Total EA (operational + operating)	2 467.70	1 860.79	35.62	1.91%	15.25	0.82%	20.37	1.09%

The estimated overall risk at payment for 2022 expenditure is the AOD's best conservative estimate 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. This amount corresponds to the conservatively estimated future corrections for 2022 expenditure.

The difference between those two amounts results in the estimated overall risk at closure⁴⁷ of EUR 20.37 million. There is a small increase of 0.8% compared to 2021 (EUR 20.2 million) mainly due to the evolution of the relevant expenditure (EUR 1 802 million compared to EUR 1 665 million in 2021).

For an overview at Commission level, the departments' estimated overall risk at payment, estimated future corrections and risk at closure are consolidated in the AMPR.

b. Fraud prevention, detection and correction

The ERCEA developed and implemented its anti-fraud strategy since 2011, based on the methodology provided by OLAF and was last updated on May 2020. Its implementation is

⁴⁷ This is the AOD's best, conservative estimation of the expenditure authorised during the year that would remain not in conformity of applicable regulatory and contractual provisions by the end of implementation of the programme.

being monitored and reported to the management on a regular basis. All actions have been implemented such as the fraud risk assessment, case handling and providing fraud prevention and detection awareness trainings.

The ERCEA also contributed to the Commission anti-fraud strategy. It implemented 100% of OLAF’s financial recommendations (recovery and liquidated damages for one case).

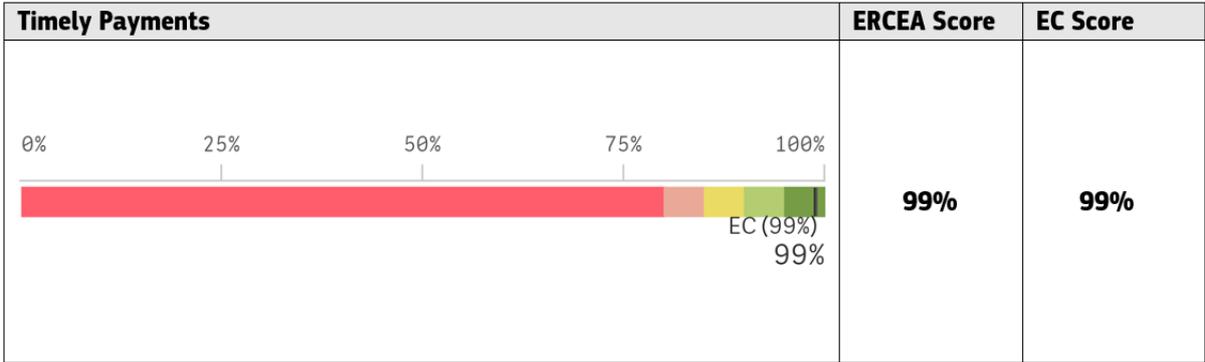
At year-end, the ERCEA’s register of irregularities and potential fraud (“ERCEA Fraud Register”) showed four open cases, all related to the management of ERC grants/proposals. In addition, one OLAF case was closed end of December, two cases were under reinforced monitoring⁴⁸ and one EDES case was on-going. Finally, OLAF dismissed in 2022 two cases at the pre-selection phase because there was no sufficient suspicion to open an investigation. Based on the available information, the ERCEA has reasonable assurance regarding the effectiveness of the anti-fraud measures implementation.

The main outputs of 2022 are available in Annex 10.

c. Other control objectives: reliability of reporting

Regarding the validation of local systems, DG BUDG assesses on a continuous basis the accounting risk for each DG, service, or executive Agency. This methodology aims at ensuring the appropriate documentation and reporting of controls results, the correction of any detected errors, the analysis of underlying causes for correction and that the comprehensiveness of the annual risk assessment scope. In 2021, the accounting risk for ERCEA, as assessed by DG BUDG, was low⁴⁹. No assessment was received for 2022.

2. Efficiency of controls



In 2022, the “time to sign” (TTS) and “time to grant” (TTG) of 2021 calls met their AWP targets, confirming the excellent results.

The ERCEA achieved its high efficiency in terms of “time to pay” as in the previous years, all types of payments⁵⁰ being well below their legal targets (detailed results in section 2.1.1.1).

⁴⁸ As a precautionary measure to protect the Agency financial interests.

⁴⁹ Assessment of accounting risk – ERCEA – 02/12/2021

⁵⁰ i.e. pre-financing, interim, final and expert payments.

3. Economy of controls

The result of the overall cost effectiveness indicator in 2022 amount to 2.5% (EUR 59.07 million divided by EUR 2 408.63 million).

Operational budget	31/12/2022	31/12/2021
Total cost of fin. management & control⁵¹ / total value of operational payments made (Target: <3%)	2.5%	2.8%

4. Conclusion on the cost-effectiveness of controls

Cost-effectiveness indicators are provided for each control stage based on the number of posts allocated to activities, which results from a workload assessment performed during the last quarter of the year. In addition, an overall, agency-wide cost effectiveness indicator, comparing the 2021 administrative versus operational payments, was taken into account as well as an indicator per Framework Programme.

The result of the overall cost effectiveness indicator in 2022 (2.5%⁵²), is lower than in 2021 (2.8%), and is meeting the target of 3%.

While most costs of controls are quantifiable in monetary terms, most of their undeniable benefits are not. The controls related to the scientific evaluation of applications ensure that the most meriting projects are funded following the sole criterion of “excellence”. They allow the ERCEA to fulfil its mission statement and operational objectives. Benefits of grant implementation controls can be measured by the low error rate resulting from ex-ante controls (0.22%) - even if these are weakened by the deliberate limitation of the depth of the ex-ante controls as part of the overall control framework established for H2020⁵³. This is also supported by the level of the ex-ante error rate on the operating budget (0.62% versus 0.69% in 2021), which remained below its target. Non-quantifiable benefits of ex-post controls also bear an inherent deterrent effect, as beneficiaries will take extra care over the preparation of their cost claims knowing that on-the-spot audits may follow. Finally, the results of ex-post control provide valuable feedback regarding the effectiveness of ex-ante controls. Ex-post control audits also result in reducing the exposure to future errors, thanks to guidance that is provided to audited beneficiaries. Based on the most relevant key indicators and control results, the ERCEA has assessed the effectiveness, efficiency and economy of its control system and reached a positive conclusion on the cost-effectiveness of the controls for which it is responsible.

⁵¹ For a nearly 'pure' grant management DG/EA, this is approximated by comparing the administrative/operating budget to the total operational budget.

⁵² Details of the estimated cost of controls related to shared/pooled control activities carried out by DG Research and Innovation (Common Implementation Centre; Common Audit Service) for the Research and Innovation family are reported in the Annual Activity Reports of the parent-DG.

⁵³ and FP7 but with a very limited impact due to the very few FP7 payments made in 2022.

2.1.1.1 Implementation of the internal control system for the operational budget

1. Effectiveness

○ **Budget execution:**

The operational appropriations are dissociated appropriations, meaning that the ERCEA manages separate budgets for commitments and payments. In 2022, the global commitment budget of EUR 2 163.8 million was fully committed based on the 2022 ERC Financing Decision.

The execution of payments credits (FP7 of EUR 4,2 million, H2020 of EUR 1 144.5 million and HE of EUR 1 163 million) reached 100% for both grant implementation and experts.

In 2022, the Grant Management Department achieved its budget execution target, preserving its excellent KPIs as in previous years and a high satisfaction of beneficiaries and researchers.

Other effectiveness indicators:

In 2022, each proposal was reviewed an average by 3.6 remote referees in addition to the written reviews by ERC panel members. This was in line with 2021 data (3.4) and exceeded the 2022 target (2). These expert reviews guarantee the quality of the evaluation process.

2. Efficiency

Time to inform, time to sign & time to grant (TTI, TTS & TTG)

In line with expectations, the gradual lift of the restrictions imposed during the COVID-19 pandemic period, brought the performance of the operations back to the level of the pre-COVID period as demonstrated by TTS and TTG indicators, which have registered in average a faster granting activity in 2022 compared to 2021.

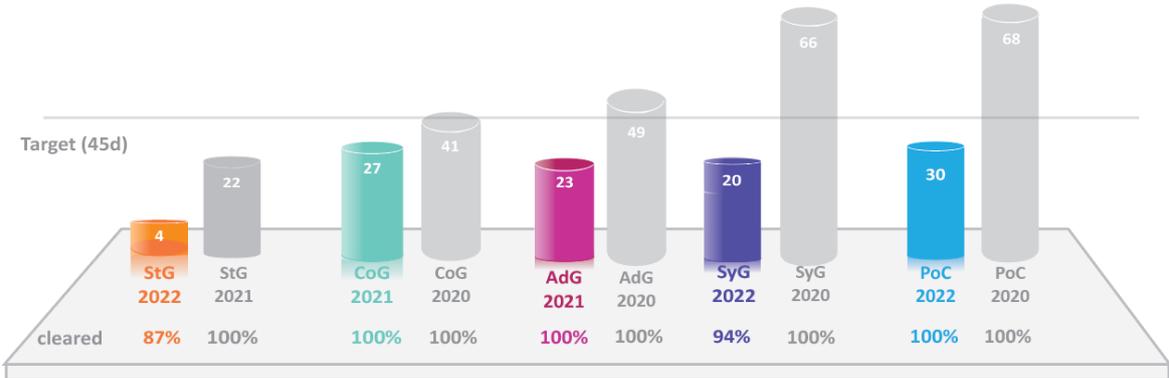


iStockphoto.com/TarapongS

Time to ethical clearance (TTEC)

During 2022, the new HE ethics process was fully implemented in the ERCEA. This new simplified ethics review process of the proposals selected for funding applied the “keep-on-file” strategy starting with the first step of the workflow - the ethics pre-screening. The review of the proposals from the 2021 and 2022 calls, except AdG-2022 call, which will close in 2023, went smoothly with a very successful rate of ethics clearance at the pre-screening, consistently between 65 and 70%. Consequently, there is a clear reduction in the number of grants signed with ethics deliverables and an increase of the number of proposals subject to ethical clearance, before being invited for the grant preparation. This simplification happened with an important decrease of the TTEC compared to the one achieved for the 2020/2021 calls and does reflect an increase in the efficiency of the ethics clearance process.

In 2022, all ethics’ panels were held remotely.



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Time to pay H2020 – grants and experts

In 2022, the ‘time to pay’ (TTP) results for all programmes were well below their respective targets since almost 100% of all types of payments were paid within the contractual timeframe, showing the achievement of the 99.5% on-time target. The only deviation concerns the final FP7 payments where the percentage is slightly below with 92.86%. This programme has reached the latest implementation stage thus only 14 payments were processed over the year. Therefore, extreme values are weighting more on the average. This is coupled with the fact that during the final stage of the programme lifecycle, the probability to process more complicated cases is higher compared to previous stages.

Additional information can be found on the performance tables available in Annex 2.

3. Economy

Research Family harmonised KPIs	31/12/2022	31/12/2021
Average project mngt cost per running* project (staff FTE * standard staff cost)⁵⁴ <i>(ALL projects - Range of EUR 5.000 – 10.000)</i>	EUR 5 302.89 0.8%⁵⁵	EUR 4 685.64 0.7%
Average number (Range of 15 – 35) & value of running projects managed 'per' staff FTE (Range of EUR 1 Mio – 50 Mio)	20.88 EUR 40.01 Mio	21.45 EUR 41.6 Mio

4. Conclusion on the cost-effectiveness of controls

The result of ERCEA's overall cost effectiveness indicator, which compares the administrative budget to the total operational budget, reached 2.5%⁵⁶ in 2022 (2.8% in 2021). It is below the agency's target of 3%.

Presented by process stages, the ERCEA costs related to call coordination, evaluation and selection of proposals is estimated at 0.75% of the total H2020 committed credits, and the costs related to grant preparation and signature at 0.29% of the total individual commitments. The ERCEA costs related to grant implementation stood at 1.47% of the total payments, while those of ERCEA ex-post controls were estimated at 0.03% of the total payments.

2.1.1.2 Implementation of the internal control system for the operating budget

1. Effectiveness

ERCEA 2022 AWP	2022 target	31/12/2022	31/12/2021
% budget execution commitments	100%	99.8%	100%
% budget execution payments (C1+C8)	100%	99.4%	97.19%

⁵⁴ FTE's accounted for are the staff intervening in the grant execution and monitoring process taking into account their contribution to the process and their work pattern. Running projects are those related to commitments with completion flag set to "no" in ABAC.

⁵⁵ Project management cost divided by the value of running projects.

⁵⁶ Details of the estimated cost of controls related to shared/pooled control activities carried out by DG Research and Innovation (CIC; CAS) for the Research and Innovation family are reported in the AAR of DG Research and Innovation.

2. Efficiency

ERCEA 2022 AWP	2022 target	31/12/2022	31/12/2021
Number (and % of total) of late payments for the administrative budget	<20 (<1%)	92 ⁵⁷ 15,18%	2 0.38%
Average time to pay (days)	15	18,25	12.1
% of error in transactions related to staff expenditure (salaries) detected through ex-ante checks	1.5%	0.62%	0.69%

3. Economy

Administrative budget	31/12/2022
Total cost of fin. management & control of the operating budget / total value of operating payments made	2.5%

4. Conclusion on the cost-effectiveness of controls

The result of the cost-effectiveness of managing ERCEA's administrative budget of 2.5% is assessed positively as the intensity of the ex-ante controls performed were commensurate to the related risks (in particular reputational ones), covering a similar volume of transactions than in 2021 (about 850⁵⁸) of low value (about EUR 19 843).

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 the 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 the management's assurance.

The IAS issued on 27 January 2022 the audit report on the implementation of the audit results in H2020 with three important recommendations related to the awareness raising of PO's on H2020 Guidance (e-grants Vademecum), to the monitoring of the implementation of audit results and audit extensions and to the adequate monitoring of the timely implementation of ECA audit results. The ERCEA has accepted all recommendations.

⁵⁷ Explanation: Out of 92 late payments, 83 are missions liquidated with delay by our stakeholder (PMO). Only 9 payments were processed with delay by the Agency.

⁵⁸ Excluding salaries, 823 payments in 2021 of low value (about EUR 18 276).

The related action plan is under implementation with due date on 30 June 2023 for the last actions.

On 15 July 2022, the IAS issued the final report on the protection of personal data under the responsibility of executive agencies which resulted in six important recommendations⁵⁹, that the ERCEA accepted. The ERCEA has submitted the related action plan to the IAS that has accepted it on 29 September 2022. While three recommendations have been submitted to the auditors' review at year-end 2022, the other three will be implemented in 2023⁶⁰. Finally, the results of the implementation of the IAS recommendation related to H2020 grant management (phase III) audit were submitted to the auditor's review in 2022.

IAS concluded⁶¹ in its contribution to the 2022 AAR process, based on the work undertaken in the period 2018-2022, that the internal control system audited are effective.

For 2022, the Agency has nothing to report from the ECA.

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 the management of its objectives. Compliance with this Internal Control Framework is a compulsory requirement.

The ERCEA 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 with due regard to the risks associated with the environment in which it operates.

In 2022, to raise awareness on internal control within the Agency, the ERCEA intranet pages have been enhanced with videos on specific topics.

The ERCEA assessed its internal control system during the reporting year and concluded that it is effective. All components and principles were present and functioning as intended.

As a first source of the annual effectiveness assessment, the ERCEA considered the results of its internal control monitoring criteria (ICMC), which allowed concluding the overall effectiveness of all principles. To complement this information, the ERCEA launched an internal control assessment (ICAT 2022) survey that involved the entire management team together with all the Heads of Sectors. The participation rate amounted to 61% and resulted in an overall effectiveness of 88%.

⁵⁹ Six recommendations related to the follow-up with EDPS, the procedure for data subject requests, transfer of personnel data, record management, retention of digital files and controllership of the funding and tender portal.

⁶⁰ One with deadline at 31/03/2023 and 2 at 30/06/2023.

⁶¹ IAS contribution to the 2022 AAR process (limited opinion) – 13/02/2023.

The ICMC result regarding the percentage of staff having attended the training on ethics and integrity remained below its target (43%⁶² versus a target of 80%), but was assessed as effective, considering the corresponding ICAT result of 95%. Also, the ICMC result of 47%⁶³ (target: 80%) of staff members dealing with financial operations having attended a fraud training was assessed as effective looking at the related ICAT results (93%), echoed by the IAS report on the implementation of anti-fraud actions. To reach a better result, in 2023 a presentation on anti-fraud prevention and detection will be included in the “induction days for newcomers” and additional anti-fraud trainings organised by the Agency.

Finally, the IT Masterplan activities reached 100% at year end.

During the year, the Agency registered 24 non-compliances and requests for exceptions (vs 15 in 2021). However, as eight concerned experts payments, the Agency launched a specific assessment in early January 2023 in order to identify and address potential shortcomings. None of the non-compliances and requests for exceptions was considered as the result of an internal control weakness.

The RMIC performed its continuous monitoring, using the quarterly management reviews of the Agency's performance and indicators supported by the internal scorecards. In addition, the Agency reached an implementation rate of audit recommendations within their deadline of 100%. Finally, the two-yearly risks updates foreseen by the Agency's risk management process were performed. At year-end, the risk register showed an implementation rate of mitigating measures related to medium and high risks within deadline of 100%. It is underlined that none of the related identified risks materialised in 2022.

In summary, the ERCEA assessed the internal control system during the reporting year and concluded that the internal control principles are present and functioning well overall supporting the Declaration of Assurance.

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

The information reported in the AAR covers both the operational and the operating budgets managed by the ERCEA in 2022 and supports the statements of the Declaration of Assurance. It derives from the management's and auditors' monitoring, based on the

⁶² Results based on a new methodology which considers only the trainings followed by staff since their arrival at the ERCEA whilst until end 2021 trainings attended in other EU entities were counted. Revised results for 2021: 33%.

⁶³ Results based on a new methodology which considers only the trainings followed by staff since their arrival at the ERCEA whilst until end 2021 trainings attended in other EU entities were counted. Revised results for 2021: 10%.

systematic analysis of the evidence available as reflected in the reports listed above in part 2.

The management's assessment is based on the results of key indicators related to the budget execution addressing the statement on the "use of resources for the intended purpose". It further assesses the "sound financial management" and the "legality and regularity of underlying transactions" and reports on measures implemented to prevent, detect and mitigate fraud.

As demonstrated throughout the report, the results of the performance and control indicators positively support the five statements of the Declaration of Assurance. The Agency effectively achieved its operational objectives and its granting and payment efficiency. It was providing evidence of the legality and regularity of its underlying transactions and of its overall cost-effectiveness.

The assessment of the internal control system resulted in an overall positive conclusion, supporting the Declaration of Assurance.

Moreover, the fraud prevention and detection mechanisms in place did not reveal any matter that would adversely impair the Declaration of Assurance.

The report has been prepared with the objective of providing the reader with reliable, complete, and correct information on ERCEA's state of affairs for the reporting period ("true and fair view"). Finally, it does not knowingly contain any material inaccuracy or omit any significant information ("non-omission of significant information"). The management confirms the non-occurrence in 2022 of any significant weakness or reputational events that would have adversely affected the assurance provided below.

The RMIC reported her advice and recommendations on the overall state of internal control in the Executive Agency to the Executive Director and certified that the information provided in the present report and in its annexes is, to the best of her knowledge, accurate and complete⁶⁴.

In conclusion, the management has reasonable assurance that, overall, suitable controls are in place and working as intended; risks are being appropriately monitored and mitigated; and necessary improvements and reinforcements are being implemented.

Further to the adoption of the 2022 ERCEA Annual Activity Report by the Steering Committee on 30 March 2023⁶⁵, the Director, in her capacity as authorising officer for the operating (administrative) budget and authorising officer by delegation for the operational budget has signed the Declaration of Assurance⁶⁶.

Finally, the publication of the final AAR 2022 will be published by Commission services⁶⁷.

⁶⁴ See Annex 1 of the AAR.

⁶⁵ Steering Committee decision StC-270223/3b.

⁶⁶ See section 2.1.5.

⁶⁷ https://commission.europa.eu/info/strategy/reporting/annual-activity-reports_en?page=1

2.1.5. Declaration of Assurance

Declaration of Assurance

I, the undersigned,

Executive Director of ERCEA,

In my capacity as authorising officer for the operating (administrative) budget and authorising officer by delegation for the operational budget,

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

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 and the lessons learnt from the reports of the Court of Auditors for years prior to the year of this declaration.

Confirm that I am not aware of anything not reported here which could harm the interests of European Research Council Executive Agency.

Brussels, 31/03/2023,

(Ares signed)

Laurence MOREAU.

2.2. Modern and efficient administration – other aspects

This section covers the human resources, digital transformation and information management as well as sound environmental management. For an extensive reporting on all components, please refer to annex 10.

2.2.1. Human resources management

The staff allocation of the ERCEA foresees a total of 526 posts in 2022: 517 posts on credits from the voted EU budget and nine posts on credits from third countries' contributions.

The ERCEA numbered 516 staff on 31 December 2022, thus reaching the recruitment target of 98.1%. The overall turnover rate for 2022 was 6.9%, which is lower than the 2021 turnover rate (7.67%). 35 colleagues left the ERCEA in 2022 whereas 71 recruitment files, including also internal staff changing contract, were completed.

The procedure for selection was slightly amended to allow candidates from a given grade and candidates on a reserve list for the concerned grade to apply to a vacancy notice simultaneously instead of consecutively. This was an improvement both for the recruiting and the selection teams in terms of efficiency and time constraints.

The Agency organised and completed 15 selection processes including a total of 196 candidates on the resulting Reserve Lists. It also continued to support the professional engagement and development of its staff. Notably, 20 ERCEA staff members changed contracts within the Agency after succeeding in staff selection processes. Vacant posts were generally published internally first, with 39 internal publications throughout the year leading to 10 internal moves. Finally, the Agency also started working on the Art. 13 of the GIPS⁶⁸ selection procedure, which will be finalised in the course of 2023.

In the context of the common HR strategy of all executive agencies, the ERCEA together with EACEA took the lead in the working group on “career prospects”. The strategy document received is still under discussion with the Common Staff Committee of the executive agencies and foreseen to be adopted by the Agency Directors in February 2023. Also, in cooperation with the other executive agencies, the ERCEA prepared a pilot staff exchange programme between the agencies and the Commission to foster sharing best practice and support feedback to policy. The programme was successfully launched in January 2023. Finally, it contributed to the setting up of a pilot Women Talent Programme which was implemented in 2022 and had 36 participants from all executive agencies.

Many Learning & Development actions took place with a view of supporting the leadership, collaboration, and agility capacities of the Agency: management gathering and workshops, recurrent peer-to-peer sessions for Heads of Sector; individual coaching for managers at all

⁶⁸ GIPS: General Implementing Provisions.

levels; training support to Continuous Improvement Working Groups. In order to make sure all staff is aware of the available learning offer, a Training News email is sent weekly advertising ERCEA learning actions as well as other interesting trainings available at corporate level (HR, EuSA, DIGIT).

Since January 2022, ERCEA staff is accommodated at 80% compression rate. The change was smoothly accepted, and staff appreciated the participative way of arranging their new workspace and desk sharing rules. End of 2022, OIB announced plans to move ERCEA together with the REA and the EACEA to the North Light building after the expiration of the existing usufruct contract (September 2023). ERCEA management is in the process of assessing such a move and the implications it has for the smooth running of ERC & ERCEA core business.

The 2021 staff survey that delivered its results in April 2022 had the highest response rate ever with ERCEA ranking at the sixth place with 53% participating rate, among all DGs and all executive agencies. The identified strengths in comparison with 2018 are: “the appropriate information” (80% +2 points), “the committed colleagues” (82% +1 pt), “clear understanding” (94%; +2 pts), “regular recognition” (72% +7 pts), “my opinion is valued” (76% +5 pts, “my manager cares” (70% +2 pts). The more visible drop is “I can learn and develop” at 41% (-12 pts). Consequently, the action plan sent by ERCEA to DG HR will focus on important matters such as career development, staff wellbeing, flexible working conditions, transparency, fairness (workload distribution, recognition, tackling underperformance), enhancing leadership and sense of belonging. Those are convergent with the Inter executive agencies HR Strategy action plan three main pillars: attractiveness & staff retention – selection & recruitment and career development.

2.2.2. Digital transformation and information management

Results related to document management are provided in annex 10.

The ERCEA continued to update its inventory of the data processing operations, in compliance with the Data Protection Regulation. Coordinated with the other executive agencies, dedicated info sessions took place with staff. Additionally, in June and December 2022, the ERCEA Data Protection Officer (DPO) participated in the EDPS⁶⁹ DPO meeting and the international conference hosted by the EDPS. Finally, the DPO provided advice on access to documents cases involving personal data as well as on requests from citizens.

A major focus of 2022 IT activities was the adaptation of the IT solutions to the HE Framework Programme. To accomplish its tasks, the ERCEA relied heavily on the corporate eGrants software suite. The ERCEA worked with the Common Implementation Centre of its parent-DG to integrate its specific requirements into the common evaluation, expert, and grant management systems. Improving financial reporting by improving data quality and covering new business needs was a key part of this process. The improvements included moving to corporate reporting solutions.

⁶⁹ EDPS: European Data Protection Supervisor.

The ERCEA maintains a local set of IT tools to manage its administration, resources, and support services. The strategy is to migrate local IT tools to corporate systems when the required functionality will be available. A major development in this area is the upcoming introduction of SUMMA⁷⁰. This will transform the business and IT landscape starting in 2023 and culminating in 2024 with its introduction on European Commission budget (on executive agencies administrative budget a year later). Since this will have an impact on some of its own developed tools, such as Bluebell, the Agency started exploring the implications of this change (first to integrate with SUMMA).

The ERC maintains its own front line service desk supporting the scientific evaluation function of the Agency, providing first line support for both internal colleagues and external experts, being also an important actor in the remote referee recruitment process. For the new ERC Archive project, which requires the identification and secure storage of all data collected within the framework of the ERC's activities, most of the archivable data have been identified and extracted from the various ERC and Commission's common services' IT systems. Under appropriate safeguards, the data can then be processed for historical, statistical, or scientific research.

The ERCEA intends to create better cooperation across the Agency regarding Business Intelligence (BI). The idea is to establish common practices, methodologies, and tools by establishing a BI community of practice. It is expected that BI related work will increase in 2023. In 2022, the Agency has successfully established a reserve list for Data Analytics / BI specialists and launched the recruitment of a colleague who will start in March 2023. Trainings were also organized at Agency level (across units involved in BI activities) on the modern data visualization solution "Qlik Sense" which is part of the corporate offering.

The ERCEA reinforced its posture on (cyber)security by activating multi-factor authentication (MFA) on public systems dealing with sensitive non-classified data (SNC), by adopting GRC (Governance, Risk, and Compliance) for the central collection of compliance declarations, and by staff awareness trainings on Information & Technology Risks and Security.

2.2.3. Sound environmental management

In 2022, the ERCEA continued its actions under the EMAS⁷¹ scheme and ERCEA Greening. Its actions included 2 BEST⁷² actions (one in summer and one in winter), the use of sorting stations and filtered water machines to reduce plastic bottled water use, the revision of internal rules for Missions and the ERCEA cycling contribution scheme. In addition, the ERCEA requested OIB to install in the building charging stations for electric cars/ bikes. It has invested in actions towards increasing the number of the video-conference facilities and personal printers were removed. Moreover, various awareness greening actions took

⁷⁰ SUMMA is the European Commission's next generation corporate financial system. It will replace ABAC.

⁷¹ EMAS: Commission's environmental management system.

⁷² BEST: Building Energy Savings Together.

place, such as: workshops, presentations, tips for sustainable holidays, waste reduction week, toys exchange, Green Friday etc.

The ERCEA ECOR⁷³ regularly published entries in the weekly ERCEA newsletter and highlighted greening events advertised by central services. The ERCEA Greening group collaborated with the Greening groups of the other EAs to produce a series of videos on digital frugality, published in the intranets of the agencies.

2.2.4. Initiatives to improve economy and efficiency of financial and non-financial activities

The Agency's Continuous Improvement (CI) Programme launched two new projects in 2022, one related to the job profiles of assistants throughout the Agency, aiming at defining the required training for an evolving job, honing digital skills and accessing the assistants' skillsets fully. The second project aims to make the admissibility and eligibility check processes more efficient. At the end of 2022, the project team defined and agreed on the root causes of the problem.

In addition, the CI groups reviewing the ethics process and the lump sum funding for ERC frontier research grants finished their work with presentations to the management team and the Scientific Council. Two different task forces were created to handle both projects and develop them further. The ethics task force finished its work, and an ethics action plan was formally approved in October 2022. The lump sum task force continues developing a lump sum model for the Advanced Grants, which will be presented for endorsement to the Scientific Council's next plenary meeting in February 2023.

Furthermore, the CI team closely followed up on the outcomes and results of the projects that started in 2021. The amendment project's outcomes to improve the amendment process were implemented, resulting in 80% of surveyed participants to welcome quicker and simpler procedures. The Knowledge Management Steering Committee, an outcome of the Feedback to Policy project, prioritised 9 of the 16 actions. The project on the IT tool to detect conflicts of interest for remote referees was completed, allowing a reduction of manual workload by 50%.

An area of efficiency gains implemented in 2022 relates to the identification, nomination and recruitment of remote referees. Prophy, is a Software as a Service (SaaS) solution that has been purchased for the identification, nomination and recruitment of remote referees for the step 2 evaluation and supporting the Scientific Council for the identification of panel members. Both tasks are critical for the quality of the evaluation and a high-volume and high-importance tasks for the Scientific Council, ERC panel members and Scientific Officers (SOs). Assisting panel members in selecting the most appropriate experts for the remote referee tasks may significantly increase the rate of successfully recruited remote referees, thus improving the efficiency and economy of the related tasks of SOs.

⁷³ ECOR: EMAS correspondent.

Moreover, the Scientific Management Department will continue the development of tools (e.g., re-applicant eligibility for all calls, domain pre-classification and scheduling for SyG calls) using algorithms and machine learning techniques, developed by the Data Analysis Group to improve the efficiency of evaluation operations.

The Grant Management Department will continue to review, simplify and improve, where needed, the ERC procedures and internal procedures, guidelines and templates for H2020 and HE in cooperation with the Scientific Management Department and in line with the guidance of the CIC (e.g. the Guidance Horizon Europe-ex-ante controls), but reflecting the ERC scheme needs, financial circuits and workflows.

The Grant Management Department worked intensively on the preparation of the granting modalities and technical implementation aspects of the new AdG lump sum scheme to be implemented in 2024, as to further improve the economy and efficiency. This process, involving intense inter-departmental discussions as well as communication with the CIC, will continue in 2023.