

ANNEXES

ANNEX 1: Statement of the Internal Control Coordinator

"I declare that in accordance with the Commission's communication on clarification of the responsibilities of the key actors in the domain of internal audit and internal control in the Commission¹, I have reported my advice and recommendations to the Director on the overall state of internal control in the Executive Agency.

I hereby certify that the information provided in Section 2 of the present AAR and in its annexes is, to the best of my knowledge, accurate and complete."

Brussels, 27 March 2018

Signed

Wilfried BEURMS

**Head of Department for
Administration, Finance and
Support Services,**

Internal Control Coordinator

¹ Communication to the Commission: Clarification of the responsibilities of the key actors in the domain of internal audit and internal control in the Commission; SEC(2003)59 of 21.01.2003.

ANNEX 2: Reporting – Human Resources, Better Regulation, Information Management and External Communication

This annex is the annex of section 2.2 "Other organisational management dimensions".

Human Resource Management

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

Indicator 1: Percentage of female representation in middle management

Source of data: Staff in place at 31/12/2017

Baseline 2016: 29.41%	Target 2019: 40% female representation in middle management (average target at European Commission level) ²
Situation at the end of the year:	Female in senior and middle management (HoD+HoU): Middle management: 1 HoD and 5 HoU posts out of the 17 posts: 35%

Indicator 2: Percentage of staff who feel that the REA cares about their well-being³

Source of data: Commission staff survey 2016 (data provided by DG HR)

Baseline 2016: 49%	Target 2020: above 50% In 2014 the indicator was at 41%. The target set for 2016 was 45%. It has been exceeded. The goal is to keep this upwards trend.
Situation at the end of the year:	49%. No further update available during the reporting period.

Indicator 3: Staff engagement index

Source of data: Commission staff survey 2016 (data provided by DG HR)

Baseline 2016: 67%	Target 2018: 70% The index was at 64% in 2014. Within the last two years it has increased by almost 3%. The goal is to keep this upwards trend.
Situation at the end of the year:	67% (according to Staff Survey 2016). No further update available during the reporting period.

Indicator 4: Time to fill vacant posts (new posts allocated for the year – from the decision on their allocation/posts falling vacant in the year – from their vacancy)

Source of data: REA HR

Baseline 2016: 4 months	Target 2017: within 4 months
Situation at the end of the year:	Time to fill in vacant posts is 6 months by 31/12/2017.

² The achievement of the target is not fully under the control of REA as the selection process of middle managers seconded to the agency is performed by the Parent DGs.

³ This indicator may be replaced by a fit@work index on which DG HR is currently working.

Main outputs in 2017:			
Output	Indicator	Target	Situation at the end of the year:
Output at REA level			
REA will perform its yearly workload assessment exercise.	The Staff allocated to REA for 2018 must be split between the different units in function of an assessment of the workload of the different units. The workload analysis is based on the budget delegated to REA.	The workload assessment needs to be completed by November 2017 in order to feed into the Annual Work Programme 2018.	In mid-October the exercise for fine-tuning the staff allocation and staff profiles by unit was completed and its final outcome was approved by the REA Management in November.
REA will harmonise the jobs descriptions in force in the Agency.	All job descriptions of REA should be revised in 2017.	Reduce the number of standard job descriptions significantly.	<p>The list of the standard job profiles has been reduced considerably (from 67 to 46).</p> <p>The agency worked with the different units to also harmonise the corresponding job descriptions, while also allowing some degree of flexibility in the job descriptions.</p> <p>On this basis, all units have been requested to revise their job descriptions by the end of 2017.</p> <p>At the end of 2017, around 85% of the Job Descriptions are validated and published (job descriptions missing for Units B2, C2 and C3). The remaining 15% will be finalised during Q1 2018.</p>
REA will organise a vitality week and 2 trainings on stress management in 2017.	Percentage of staff who feel that the Commission cares about their well-being and health. Enhance staff physical and mental well-being at work.	Progress in order to achieve 50% by end 2018.	<p>REA organised a vitality week in April which was received with a lot of enthusiasm by REA staff. Due its success, a second vitality action was organised in November, following a request made by the REA Staff Committee.</p> <p>One stress management training was organised in June (with follow-up in July), and another session was organised in October (with follow-up in November).</p>
Establish a working group to address the main issues coming out of the Commission Staff Survey 2016.	Staff engagement	Action plan to be issued in 2017.	The action plan has been elaborated after the work of three focus groups addressing issues related to (i) internal communication (ii) recognition, training, equal opportunities and (iii) mobility and career opportunity. The preparation of the action plan included the participation of both management and staff. The action plan with deadlines for deliveries and responsibilities has been agreed by REA Senior Management in June. Staff Survey results and action plan have been presented to REA Staff. Most of the key actions retained were implemented by the end of 2017 (either punctually or on a continuous basis). REA is still working on the implementation of actions retained (newcomers away day, exchange programs between EA or Parent DGs).

Information management

Objective: Information and knowledge in your EA is shared and reusable by other DGs. Important documents are registered, filed and retrievable	
Indicator 1 (data provided by DG DIGIT): Percentage of registered documents that are not filed⁴ (ratio)	
Source of data: <i>Hermes-Ares-Nomcom (HAN)⁵ statistics</i>	
Baseline	Target
2016: 0.03%	< 0.1 %
Situation at the end of the year:	0.02%
Indicator 2 (data provided by DG DIGIT): Percentage of HAN files readable/accessible by all units in the EA	
Source of data: <i>HAN statistics</i>	
Baseline	Target
2016: 7.41%	N/A
Situation at the end of the year:	94.1% of files, if validation- and expert-related files are <u>excluded</u> 3.68% of files, if validation- and expert-related files are <u>included</u>
Comments:	<p>The files related to the validation of participants (PDM/ERIS files) and expert-related files (mainly contracts and payment transactions), need to be both restricted due the protection of personal data. These represent a large majority of REA files (>96%) and the proportion of those files is continuously increasing. As such, the relevant share of REA files accessible by all REA units needs to exclude validation- and expert-related files.</p> <p>It should be noted that a majority of the remaining files which have a "limited" access (5.9%, if validation and expert files are excluded) are files which have been protected due to justified confidentiality reasons (i.e. HR, legal, anti-fraud or audit related).</p> <p>To note: statistics, as provided by the SG for 2016 (see the baseline date) included restricted validation- and expert-related files. Moreover, in 2016 expert files were open to the REA units, while in the second semester of 2017 it was decided to restrict the access further for data protection reasons.</p>
Indicator 3 (data provided by DG DIGIT): Percentage of HAN files shared with other Commission services	
Source of data: <i>HAN statistics</i>	
Baseline	Target
2016: 2.67%	N/A
Situation at the end of the year:	0.72%
Comments:	As mentioned above, the large majority of REA files concern validations and expert-related transactions. The majority of the remaining files are from the domains of HR, legal, anti-fraud or audit. For all these files, there are justified reasons to keep the access limited not only to the Commission services, but also to most of the REA units.

⁴ Each registered document must be filed in at least one official file of the *Chef de file*, as required by the [e-Domec policy rules](#) (and by ICS 11 requirements). The indicator is to be measured via reporting tools available in Ares.

⁵ Suite of tools designed to implement the [e-Domec policy rules](#).

<p>The rest of the files which could be in principle accessed by the Commission services mainly concern REA projects (>99.5%). There are discussions ongoing with the RTD's Common Support Centre (CSC) to enable access to these files in the context of the HORUS-IRIS project. This may not lead to an opening of the files as such, but it would enable the Commission services, in line with Commission strategy on Data, Information and Knowledge management, to exploit through a dedicated tool the relevant content of these files.</p> <p>A number of data protection aspects still need to be clarified with the involvement of the Executive Agencies' DPOs, before any accesses can be granted.</p> <p>To note: the 2016 results serving as a baseline included some validation-related files, which were restricted in the early 2017 for data protection reasons.</p>			
Main outputs in 2017:			
Output	Indicator	Target	Situation at the end of the year:
<i>Output at REA level</i>			
Gain better insights into evaluation of FPs' results and subsequently improve policy making.	Index the textual content of research project documents via HORUS-IRIS application and structure data reports for policy-making purposes. REA DMO team will grant access (in read mode only) to DG RTD. CSC - Unit J5. Results exploitation team (via the "HORUS-IRIS job user") to the FP7 and H2020 HERMES grant files for which the REA is lead department.	Q4 2017	Postponed to 2018. The access rights' structure of the relevant ARES folders which facilitate access to HORUS/IRIS was established. This is now under the assessment of the DPO network, on the basis of which the accesses will be granted.
Make information more easily accessible in ARES.	REA DMO Team will assess the REA filing plan in order to identify files that could be made more widely accessible.	Q2 2017	The assessment of the REA filing plan was completed in June. The analysis showed that there is very little margin with a view to further increasing the share of open files.

External Communication

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

Indicator 1 (provided in a ready-to-use form by DG COMM): Percentage of EU citizens having a positive image of the EU

Every DG should aim to contribute to it and, considering its area of work, explain how it aims at enhancing the positive image of the EU.

Definition: Eurobarometer measures the state of public opinion in the EU Member States. This global indicator is influenced by many factors, including the work of other EU institutions and national governments, as well as political and economic factors, not just the communication actions of the Commission. It is relevant as a proxy for the overall perception of the EU citizens. Positive visibility for the EU is the desirable corporate outcome of Commission communication, even if individual DGs' actions may only make a small contribution.

Source of data: Standard Eurobarometer (DG COMM budget) [monitored by DG COMM [here](#)].

Baseline: November 2014	Interim milestone: November 2016	Target: 2020
Total "Positive": 39% Neutral: 37% Total "Negative": 22%	Total "Positive": 35% Neutral: 38% Total "Negative": 25%	Positive image of the EU ≥ 50%

Indicator 2: number of success stories communicated to the parent DGs

Source of data: REA Communication Sector

Baseline:	Target:
2015: 60 2016: 115	2017: 90 (interim milestone) 2020: 250
Situation at the end of the semester :	234 (delivered in 2017)

Main outputs in 2017:

Output	Indicator	Target 2017	Situation at the end of the year:
Output at REA level			
Success stories communicated to the parent DGs	Number of success stories communicated to the parent DGs	90	234
Events organised	Number of events organised by REA in order to improve communication to participants	15 (mainly coordinators days and info days organised by REA)	REA Operational Units organised or co-organised the following events: Coordinators' Days (5), Briefing for Experts (2), NCP meetings (3), Info-days for applicants and beneficiaries (13), Attended/co-organised conferences and workshops (10) In 2017, 2 training sessions organised by REA COMM on success stories 1 training event organised by CSC (RTD and REA as speakers)

Public events to which REA participates	Support to communication of the parent DGs and participation to events organised by the parent DG's, National Contact Points or Member States	34 (including the participation to the Open door of EU institutions (May 2017))	Open Door in May 2017 – 5 out of 8 projects featured on R&I stand were from REA. 34 events organised or co-organised to support the programmes REA manages/support it provides
International events to which REA participates	Support to communication of the parent DGs	MIT European Career Fair 2017	MIT Career Fair (MSCA represented) Moreover, in November 2017, MSCA has been also represented at the Naturejobs Career Fair in New York.
Annual communication spending:			
Baseline (2016)	Estimated commitments (2017)		Situation at the end of the year:
€116,337	€220,000		€243,783 ⁶

⁶ REA has increased its budget for communication, in particular for promotional products and for the creation of information products.

Human resources allocated by activity

Table 1: Human resources allocated to H2020 – by 31 December 2017

Activities	Total staff planned (AWP 2017)	Total Staff in place (31/12/2017)	TAs	Of Which seconded officials	CAs	% planned (AWP 2017)	% in place (31/12/2017)
H2020 Excellent Science							
Marie Skłodowska-Curie actions – EAC	160.37	163.41	39.96	5.35	123.45	23.01%	23.58%
Future and Emerging Technologies (FET Open) – CNECT	37.80	40.41	11.24	3.79	29.17	5.42%	5.83%
FP7 People – Marie Curie Actions (legacy) – EAC	68.73	65.90	16.02	2.19	49.88	9.86%	9.51%
Subtotal	266.90	269.72	67.22	11.22	202.50	38.29%	38.92%
Industrial Leadership							
Space Research – GROW	21.57	26.34	8.39	1.88	17.95	3.10%	3.80%
FP7 Cooperation – Space Research (legacy) – GROW	15.62	8.89	2.82	0.63	6.07	2.24%	1.28%
Subtotal	37.19	35.22	11.21	2.51	24.02	5.34%	5.08%
Societal Challenges							
Societal Challenge 2							
Societal Challenge 2 – RTD	16.44	22.53	5.82	2.27	16.71	2.36%	3.25%
Societal Challenge 2 –AGRI	24.84	24.43	6.32	2.46	18.11	3.56%	3.53%
Societal Challenge 6							
Societal Challenge 6 – RTD	19.65	18.30	5.44	1.57	12.86	2.82%	2.64%
Societal Challenge 6 –CNECT	11.52	13.35	3.96	1.14	9.40	1.65%	1.93%
Societal Challenge 7							
Societal Challenge 7 – HOME	13.30	16.87	4.99	1.85	11.88	1.91%	2.43%
Societal Challenge 7 – CNECT	6.94	7.80	2.32	0.86	5.48	1.00%	1.13%
FP7 Cooperation – Security Research (legacy) – HOME	20.24	16.36	4.87	1.81	11.49	2.90%	2.36%
Subtotal	112.92	119.65	33.71	11.76	85.93	16.20%	17.27%

Activities	Total staff planned (AWP 2017)	Total Staff in place (31/12/2017)	TAs	Of Which seconded officials	CAs	% planned (AWP 2017)	% in place (31/12/2017)
H2020 Spreading Excellence, Widening Participation and Science with and for Society							
SEWP - RTD	24.21	24.70	6.78	1.67	17.91	3.47%	3.56%
SWAFS - RTD	10.79	12.20	3.35	0.82	8.84	1.55%	1.76%
Subtotal	35.01	36.89	10.14	2.00	26.76	5.02%	5.32%
FP7 Capacities – Research for the benefit of SMEs (legacy) – RTD	32.96	26.21	7.27	2.44	18.95	4.73%	3.78%
Support Services	139.03	130.28	15.91	5.37	114.37	19.95%	18.80%
Horizontal Activities	73.00	75.03	17.55	4.70	57.48	10.47%	10.83%
Total	697.00	693.00	163.00	40.00	530.00	100.00%	100.00%

ANNEX 3: Draft annual accounts and financial reports

AAR 2017 Version 2

Annex 3 Financial Reports - DG REA - Financial Year 2017

Table 1 : Commitments

Table 2 : Payments

Table 3 : Commitments to be settled

Table 4 : Balance Sheet

Table 5 : Statement of Financial Performance

Table 5 Bis: Off Balance Sheet

Table 6 : Average Payment Times

Table 7 : Income

Table 8 : Recovery of undue Payments

Table 9 : Ageing Balance of Recovery Orders

Table 10 : Waivers of Recovery Orders

Table 11 : Negotiated Procedures (excluding Building Contracts)

Table 12 : Summary of Procedures (excluding Building Contracts)

Table 13 : Building Contracts

Table 14 : Contracts declared Secret

Additional comments

Tables 1 and 2 on the execution of the budget for commitment and payment appropriations refer to all type of fund sources. In the AAR body text, the REA refers to a 100% execution of fund sources C1 only (i.e. EU budget).

TABLE 1: OUTTURN ON COMMITMENT APPROPRIATIONS IN 2017 (in Mio €)					
			Commitment appropriations authorised	Commitments made	%
			1	2	3=2/1
Title 02 Internal market, industry, entrepreneurship and SMEs					
02	02 04	Horizon 2020 - Research relating to enterprises	97.77	97.23	99.45 %
Total Title 02			97.77	97.23	99.45%
Title 05 Agriculture and rural development					
05	05 09	Horizon 2020 - Research and innovation related to agriculture	238.26	238.21	99.98 %
Total Title 05			238.26	238.21	99.98%
Title 06 Mobility and transport					
06	06 03	Horizon 2020 - Research and innovation related to transport	0.15	0.15	100.00 %
Total Title 06			0.15	0.15	100.00%
Title 08 Research and innovation					
08	08 02	Horizon 2020 - Research	491.35	473.47	96.36 %
Total Title 08			491.35	473.47	96.36%
Title 09 Communications networks, content and technology					
09	09 04	Horizon 2020	202.96	202.33	99.68 %
Total Title 09			202.96	202.33	99.68%
Title 15 Education and culture					
15	15 03	Horizon 2020	925.58	901.68	97.42 %
Total Title 15			925.58	901.68	97.42%
Title 18 Migration and home affairs					
18	18 05	Horizon 2020 - Research related to security	98.30	96.09	97.75 %
Total Title 18			98.30	96.09	97.75%
Total DG REA			2,054.38	2,009.15	97.80 %

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

% Outturn on commitment appropriations

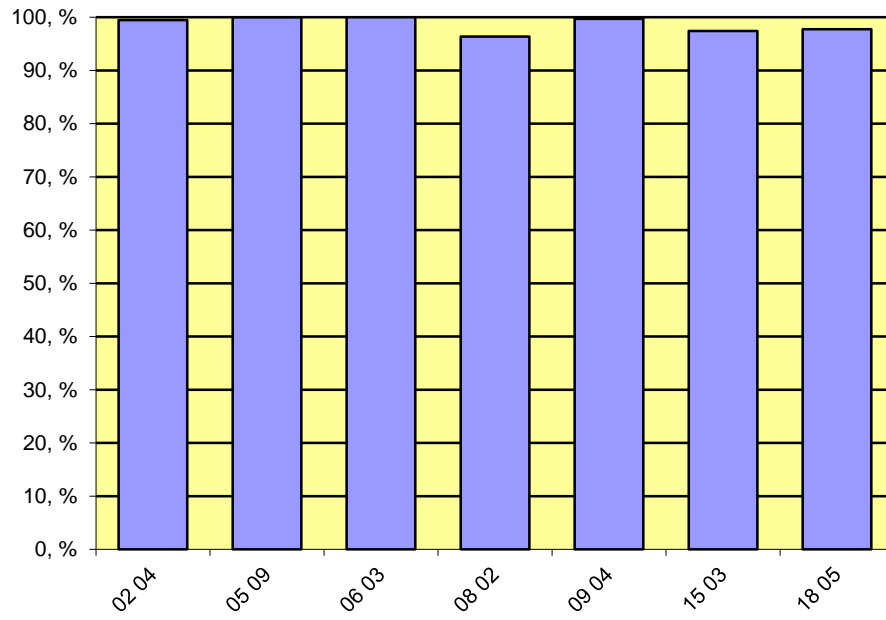


TABLE 2: OUTTURN ON PAYMENT APPROPRIATIONS IN 2017 (in Mio €)					
Chapter			Payment appropriations authorised *	Payments made	%
			1	2	3=2/1
Title 02 Internal market, industry, entrepreneurship and SMEs					
02	02 04	Horizon 2020 - Research relating to enterprises	103.27	84.81	82.12 %
Total Title 02			103.27	84.81	82.12%
Title 05 Agriculture and rural development					
05	05 09	Horizon 2020 - Research and innovation related to agriculture	145.17	130.18	89.67 %
Total Title 05			145.17	130.18	89.67%
Title 06 Mobility and transport					
06	06 03	Horizon 2020 - Research and innovation related to transport	0.28	0.16	57.17 %
Total Title 06			0.28	0.16	57.17%
Title 08 Research and innovation					
08	08 02	Horizon 2020 - Research	387.87	350.13	90.27 %
Total Title 08			387.87	350.13	90.27%
Title 09 Communications networks, content and technology					
09	09 04	Horizon 2020	154.96	132.04	85.20 %
Total Title 09			154.96	132.04	85.20%
Title 15 Education and culture					
15	15 03	Horizon 2020	1,008.15	893.79	88.66 %
Total Title 15			1,008.15	893.79	88.66%
Title 18 Migration and home affairs					
18	18 05	Horizon 2020 - Research related to security	116.56	106.07	91.00 %
Total Title 18			116.56	106.07	91.00%
Total DG REA			1,916.27	1,697.18	88.57 %

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

"% Outturn on payment appropriations"

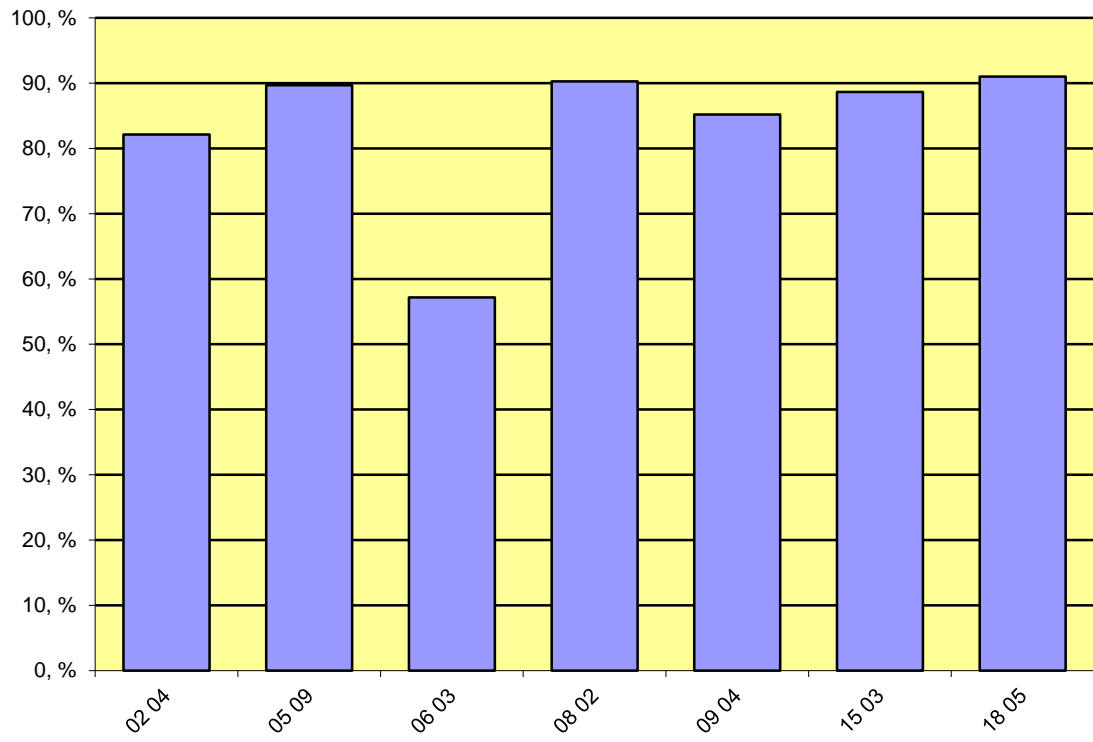


TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2017 (in Mio €)

Chapter			2017 Commitments to be settled				Commitments to be settled from financial years previous to 2017	Total of commitments to be settled at end of financial year 2017	Total of commitments to be settled at end of financial year 2016
			Commitments 2017	Payments 2017	RAL 2017	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
Title 02 : Internal market, industry, entrepreneurship and SMEs									
02	02 04	Horizon 2020 - Research relating to enterprises	97.23	41.43	55.80	57.39 %	82.27	138.07	136.16
Total Title 02			97.23	41.43	55.80	57.39%	82.27	138.07	136.16
Title 05 : Agriculture and rural development									
05	05 09	Horizon 2020 - Research and innovation related to agriculture	238.21	35.91	202.30	84.93 %	155.29	357.60	254.84
Total Title 05			238.21	35.91	202.30	84.93%	155.29	357.60	254.84
Title 06 : Mobility and transport									
06	06 03	Horizon 2020 - Research and innovation related to transport	0.15	0.15	0.00	0.00 %	0.12	0.12	0.23
Total Title 06			0.15	0.15	0.00	0.00%	0.12	0.12	0.23
Title 08 : Research and innovation									
08	08 02	Horizon 2020 - Research	473.47	131.70	341.77	72.18 %	354.16	695.93	610.00

Total Title 08			473.47	131.70	341.77	72.18%	354.16	695.93	610.00
Title 09 : Communications networks, content and technology									
09	09 04	Horizon 2020	202.33	61.55	140.77	69.58 %	124.93	265.70	196.05
Total Title 09			202.33	61.55	140.77	69.58%	124.93	265.70	196.05
Title 15 : Education and culture									
15	15 03	Horizon 2020	901.68	262.60	639.08	70.88 %	923.38	1,562.46	1,723.06
Total Title 15			901.68	262.60	639.08	70.88%	923.38	1,562.46	1,723.06
Title 18 : Migration and home affairs									
18	18 05	Horizon 2020 - Research related to security	96.09	0.60	95.49	99.38 %	101.71	197.20	229.75
Total Title 18			96.09	0.60	95.49	99.38%	101.71	197.20	229.75
Title 32 :									
32	32 04	Horizon 2020 - Research and innovation related to energy	0.00	0.00	0.00	0.00 %	0.00	0.00	0.01
Total Title 32			0.00	0.00	0.00	0.00%	0.00	0.00	0.01
Total DG REA			2,009.15	533.94	1,475.21	73.42 %	1,741.86	3,217.07	3,150.11

= "Breakdown of Commitments remaining to be settled (in Mio EUR)"

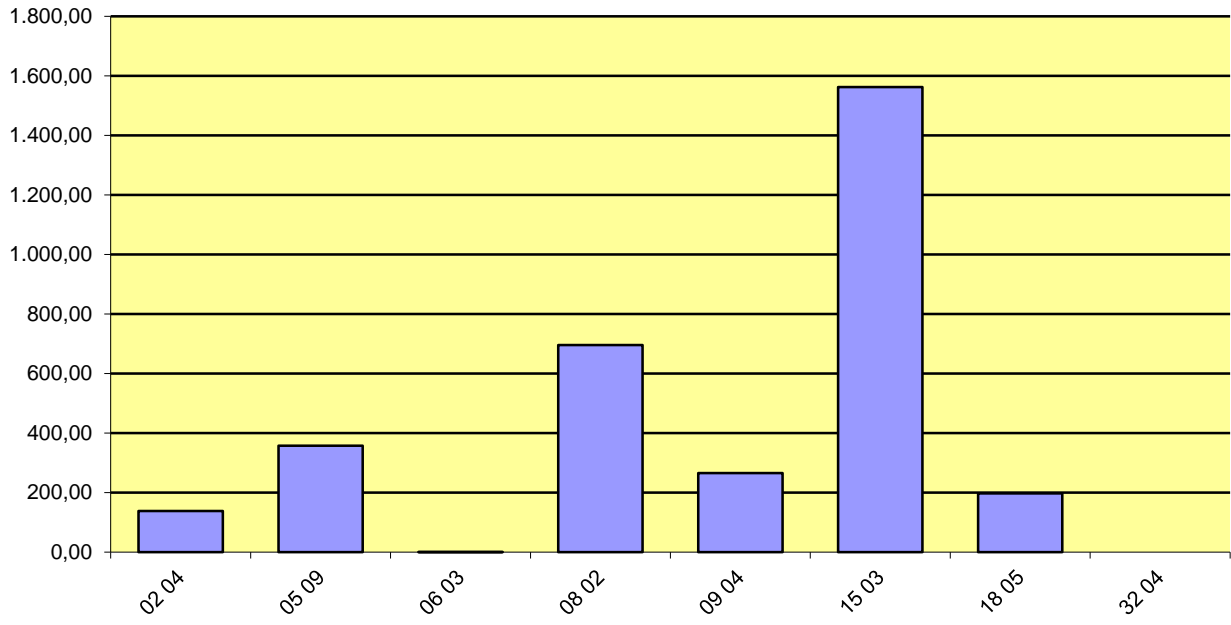


TABLE 4 : BALANCE SHEET REA

BALANCE SHEET	2017	2016
A.I. NON CURRENT ASSETS	577,902,308.50	456,119,427.37
A.I.5. Non-Current Pre-Financing	577,902,308.50	456,119,427.37
A.II. CURRENT ASSETS	965,402,832.77	873,765,122.27
A.II.2. Current Pre-Financing	952,432,371.04	867,675,062.95
A.II.3. Curr Exch Receiv & Non-Ex Recoverables	12,970,461.73	6,090,059.32
ASSETS	1,543,305,141.27	1,329,884,549.64
P.II. CURRENT LIABILITIES	-223,355,824.54	-176,259,698.59
P.II.4. Current Payables	-86,151,758.44	-89,970,428.72
P.II.5. Current Accrued Charges & Defrd Income	-137,204,066.10	-86,289,269.87
LIABILITIES	-223,355,824.54	-176,259,698.59
NET ASSETS (ASSETS less LIABILITIES)	1,319,949,316.73	1,153,624,851.05
P.III.2. Accumulated Surplus/Deficit	5,169,948,160.75	3,745,285,519.00
Non-allocated central (surplus)/deficit*	-6,489,897,477.48	-4,898,910,370.05
TOTAL	0.00	0.00

It should be noted that the balance sheet and statement of financial performance presented in Annex 3 to this Annual Activity Report, represent only the assets, liabilities, expenses and revenues that are under the control of this Directorate General. Significant amounts such as own resource revenues and cash held in Commission bank accounts are not included in this Directorate General's accounts since they are managed centrally by DG Budget, on whose balance sheet and statement of financial performance they appear. Furthermore, since the accumulated result of the Commission is not split amongst the various Directorates General, it can be seen that the balance sheet presented here is not in equilibrium.

Additionally, the figures included in tables 4 and 5 are provisional since they are, at this date, still subject to audit by the Court of Auditors. It is thus possible that amounts included in these tables may have to be adjusted following this audit.

TABLE 5 : STATEMENT OF FINANCIAL PERFORMANCE REA

STATEMENT OF FINANCIAL PERFORMANCE	2017	2016
II.1 REVENUES	-8,849,946.73	-5,029,801.14
II.1.1. NON-EXCHANGE REVENUES	-9,134,897.58	-5,818,262.66
II.1.1.5. RECOVERY OF EXPENSES	-9,002,632.60	-5,711,615.07
II.1.1.6. OTHER NON-EXCHANGE REVENUES	-132,264.98	-106,647.59
II.1.2. EXCHANGE REVENUES	284,950.85	788,461.52
II.1.2.1. FINANCIAL INCOME	-308,183.47	46,611.25
II.1.2.2. OTHER EXCHANGE REVENUE	593,134.32	741,850.27
II.2. EXPENSES	1,518,499,276.50	1,429,692,442.89
II.2. EXPENSES	1,518,499,276.50	1,429,692,442.89
II.2.10. OTHER EXPENSES		203.38
II.2.2. EXP IMPLM BY COMMISS&EX.AGENC. (DM)	1,518,488,419.43	1,429,670,263.08
II.2.8. FINANCE COSTS	10,857.07	21,976.43
STATEMENT OF FINANCIAL PERFORMANCE	1,509,649,329.77	1,424,662,641.75

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TABLE 5bis : OFF BALANCE SHEET REA

OFF BALANCE	2017	2016
OB.1. Contingent Assets	5,055,155.00	5,690,612.6
GR for pre-financing	5,055,155.00	5,690,612.60
OB.2. Contingent Liabilities	0	-1,907,645.00
OB.2.7. CL Amounts relating to legal cases	0.00	-1,907,645.00
OB.3. Other Significant Disclosures	-2,993,765,417.00	-2,974,273,381.00
OB.3.2. Comm against app. not yet consumed	-2,993,765,416.73	-2,974,273,381.40
OB.4. Balancing Accounts	2,988,710,262.00	2,970,490,414.00
OB.4. Balancing Accounts	2,988,710,261.73	2,970,490,413.80
OFF BALANCE	0.00	0.00

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It should be noted that the balance sheet and statement of financial performance presented in Annex 3 to this Annual Activity Report, represent only the assets, liabilities, expenses and revenues that are under the control of this Directorate General. Significant amounts such as own resource revenues and cash held in Commission bank accounts are not included in this Directorate General's accounts since they are managed centrally by DG Budget, on whose balance sheet and statement of financial performance they appear. Furthermore, since the accumulated result of the Commission is not split amongst the various Directorates General, it can be seen that the balance sheet presented here is not in equilibrium.

Additionally, the figures included in tables 4 and 5 are provisional since they are, at this date, still subject to audit by the Court of Auditors. It is thus possible that amounts included in these tables may have to be adjusted following this audit.

TABLE 6: AVERAGE PAYMENT TIMES FOR 2017 - DG REA

Legal Times							
Maximum Payment Time (Days)	Total Number of Payments	Nbr of Payments within Time Limit	Percentage	Average Payment Times (Days)	Nbr of Late Payments	Percentage	Average Payment Times (Days)
30	23,404	23,190	99.09 %	10.15	214	0.91 %	42.43
45	1				1	100.00 %	189.00
90	2,636	2,513	95.33 %	60.71	123	4.67 %	118.80

Total Number of Payments	26,041	25,703	98.70 %		338	1.30 %	
Average Net Payment Time	15.82			15.10			70.66
Average Gross Payment Time	20.34			19.19			107.62

Suspensions							
Average Report Approval Suspension Days	Average Payment Suspension Days	Number of Suspended Payments	% of Total Number	Total Number of Payments	Amount of Suspended Payments	% of Total Amount	Total Paid Amount
0	44.11	2671	10.26 %	26,041	464,329,855.76	28.84 %	1,609,750,374.34

Late Interest paid in 2017			
DG	GL Account	Description	Amount (Eur)
REA	65010100	Interest on late payment of charges New FR	10,857.07
			10,857.07

TABLE 7 : SITUATION ON REVENUE AND INCOME IN 2017

Chapter		Revenue and income recognized			Revenue and income cashed from			Outstanding balance
		Current year RO	Carried over RO	Total	Current Year RO	Carried over RO	Total	
		1	2	3=1+2	4	5	6=4+5	7=3-6
52	REVENUE FROM INVESTMENTS OR LOANS GRANTED, BANK AND OTHER INTEREST	307,693.97	11,137.69	318,831.66	20,161.95	11,035.66	31,197.61	287,634.05
66	OTHER CONTRIBUTIONS AND REFUNDS	24,177,889.58	5,645,975.13	29,823,864.71	17,919,685.19	3,400,910.68	21,320,595.87	8,503,268.84
71	FINES AND PENALTIES	0.00	37,730.00	37,730.00	0.00	0.00	0.00	37,730.00
90	MISCELLANEOUS REVENUE	142,264.98	139,163.37	281,428.35	-2,237.47	57,306.13	55,068.66	226,359.69
Total DG REA		24,627,848.53	5,834,006.19	30,461,854.72	17,937,609.67	3,469,252.47	21,406,862.14	9,054,992.58

TABLE 8 : RECOVERY OF PAYMENTS
(Number of Recovery Contexts and corresponding Transaction Amount)

INCOME BUDGET RECOVERY ORDERS ISSUED IN 2017	Error		Irregularity		OLAF notified		Total undue payments recovered		Total transactions in recovery context(incl. non-qualified)		% Qualified/Total RC	
	Nbr	RO Amount	Nbr	RO Amount	Nbr	RO Amount	Nbr	RO Amount	Nbr	RO Amount	Nbr	RO Amount
Year of Origin (commitment)												
2007			1	4,630.04			1	4,630.04	1	4,630.04	100.00%	100.00%
2008			18	622,662.57			18	622,662.57	29	700,094.96	62.07%	88.94%
2009			22	835,998.28			22	835,998.28	34	1,472,078.90	64.71%	56.79%
2010			16	206,930.80	1	260,580.94	17	467,511.74	32	3,272,181.45	53.13%	14.29%
2011	1	4,403.35	22	236,742.14			23	241,145.49	65	1,736,582.94	35.38%	13.89%
2012	1	26,032.49	12	1,398,345.03			13	1,424,377.52	119	6,004,995.65	10.92%	23.72%
2013			1	235.69			1	235.69	76	5,052,836.91	1.32%	0.00%
2014			1	11,699.86			1	11,699.86	42	2,043,584.24	2.38%	0.57%
2015									111	3,128,660.21		
2016									52	1,428,881.98		
2017									2	113.59		
Sub-Total	2	30,435.84	93	3,317,244.41	1	260,580.94	96	3,608,261.19	563	24,844,640.87	17.05%	14.52%

EXPENSES BUDGET	Error		Irregularity		OLAF Notified		Total undue payments recovered		Total transactions in recovery context(incl. non-qualified)		% Qualified/Total RC	
	Nbr	Amount	Nbr	Amount	Nbr	Amount	Nbr	Amount	Nbr	Amount	Nbr	Amount
INCOME LINES IN INVOICES												
NON ELIGIBLE IN COST CLAIMS			450	21,233,630.03			450	21,233,630.03	600	34,756,878.27	75.00%	61.09%
CREDIT NOTES									1	0.27		
Sub-Total			450	21,233,630.03			450	21,233,630.03	601	34,756,878.54	74.88%	61.09%

GRAND TOTAL	2	30,435.84	543	24,550,874.44	1	260,580.94	546	24,841,891.22	1164	59,601,519.41	46.91%	41.68%
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TABLE 9: AGEING BALANCE OF RECOVERY ORDERS AT 31/12/2017 FOR REA

	Number at 01/01/2017	Number at 31/12/2017	Evolution	Open Amount (Eur) at 01/01/2017	Open Amount (Eur) at 31/12/2017	Evolution
2014	3		-100.00 %	386,312.84		-100.00 %
2015	8	6	-25.00 %	103,640.80	64,797.19	-37.48 %
2016	72	15	-79.17 %	5,344,052.55	2,299,956.53	-56.96 %
2017		72			7,032,938.86	
	83	93	12.05 %	5,834,006.19	9,397,692.58	61.08 %

TABLE 10 : RECOVERY ORDER WAIVERS IN 2017 >= EUR 100.000

	Waiver Central Key	Linked RO Central Key	RO Accepted Amount (Eur)	LE Account Group	Commission Decision	Comments

Total DG REA	
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Number of RO waivers	
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Justifications:
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TABLE 11 : CENSUS OF NEGOTIATED PROCEDURES - DG REA - 2017

Negotiated Procedure Legal base	Number of Procedures	Amount (€)
Total		

No data to be reported

TABLE 12 : SUMMARY OF PROCEDURES OF DG REA EXCLUDING BUILDING CONTRACTS

Procedure Legal base	Number of Procedures	Amount (€)
Total		

Additional Comments:

No data to be reported

TABLE 13 : BUILDING CONTRACTS

Legal base	Contract Number	Contractor Name	Description	Amount (€)

No data to be reported

TABLE 14 : CONTRACTS DECLARED SECRET

Legal base	Contract Number	Contractor Name	Description	Amount (€)

No data to be reported

Annex 3 Financial Reports - REA - Financial Year 2017**Administrative Budget****Table 1 : Commitments****Table 2 : Payments****Table 3 : Commitments to be settled****Table 4 : Balance Sheet****Table 5 : Statement of Financial Performance****Table 5 Bis : Off Balance Sheet****Table 6 : Average Payment Times****Table 7 : Income****Table 8 : Recovery of undue Payments****Table 9 : Ageing Balance of Recovery Orders****Table 10 : Waivers of Recovery Orders**

Additional comments

TABLE 1: OUTTURN ON COMMITMENT APPROPRIATIONS IN 2017 (in Mio €)				
Chapter		Commitment appropriations authorised *	Commitments made	%
		1	2	3=2/1
Title 1 STAFF EXPENDITURE				
1111	TEMPORARY AGENTS - REMUNERATION, ALLOW. AND CHARGE	17.76	17.75	99.98 %
1121	CONTRACT AGENTS - REMUNERATION, ALLOW. AND CHARGES	25.89	25.88	99.96 %
1132	INTERIM SUPPORTIVE AGENTS AND TRAINEES	1.74	1.74	100.00 %
1211	SPECIFIC STAFF-RELATED CHARGES AND RECRUIT. EXP.	1.94	1.94	100.00 %
1221	TRAINING COURSES FOR PROF. AND PERS. DEV. OF STAFF	0.65	0.65	100.00 %
1222	MISSIONS FOR PROF. AND PERS. DEV. OF STAFF	0.01	0.01	100.00 %
1223	MEDICAL SERVICE	0.14	0.14	100.00 %
1224	MOBILITY AND OTHER SOCIAL EXPENSES	0.11	0.11	100.00 %
1231	REPRESENTATION EXP. EVENTS AND INTERNAL MEETINGS	0.02	0.02	100.00 %
Total Title 1		48.25	48.24	99.97%
Title 2 INFRASTRUCTURE AND OPERATING EXPENDITURE				
2111	RENT / USUFRUCT INSTALMENTS AND BUILDING CHARGES	6.27	6.27	100.00 %
2211	ICT ENVIRONMENT (INFRA, SYSTEMS AND SERVICES)	2.23	2.23	100.00 %
2221	DATA PROCESSING AND APPLICATION DEVELOPMENT	0.42	0.42	100.00 %
2311	FURNITURE, MATERIALS AND TECHNICAL INSTALLATIONS	0.15	0.15	100.00 %
2321	OFFICE SUPPLIES AND OTHER CURRENT OPERATING EXPEND	0.28	0.28	100.00 %
Total Title 2		9.35	9.35	100.00%
Title 3 PROGRAMME SUPPORT EXPENDITURE				
3111	COMMUN., INFO., PUB., LINGUIST. TRAINING P.M. REL.	0.27	0.27	100.00 %
3112	ICT INFRA., ENVIR. AND SYST. P.M. RELATED	0.25	0.25	100.00 %
3121	EXTERNAL AUDITS	0.52	0.52	99.13 %
3122	MISSIONS AND OTHER P.M. REL. EXP.	0.63	0.63	100.00 %
3211	CSS - BUILDING EXP.	5.57	5.57	100.00 %
3221	CSS - ICT, LOG, INF. COMMUN. AND CURR. OPER. EXP.	1.93	1.93	100.00 %
3231	MEETINGS OF EXPERTS AND ASSOCIATED COSTS	0.12	0.12	94.29 %
Total Title 3		9.29	9.28	99.88%
TOTAL REA		66.90	66.87	99.96 %

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

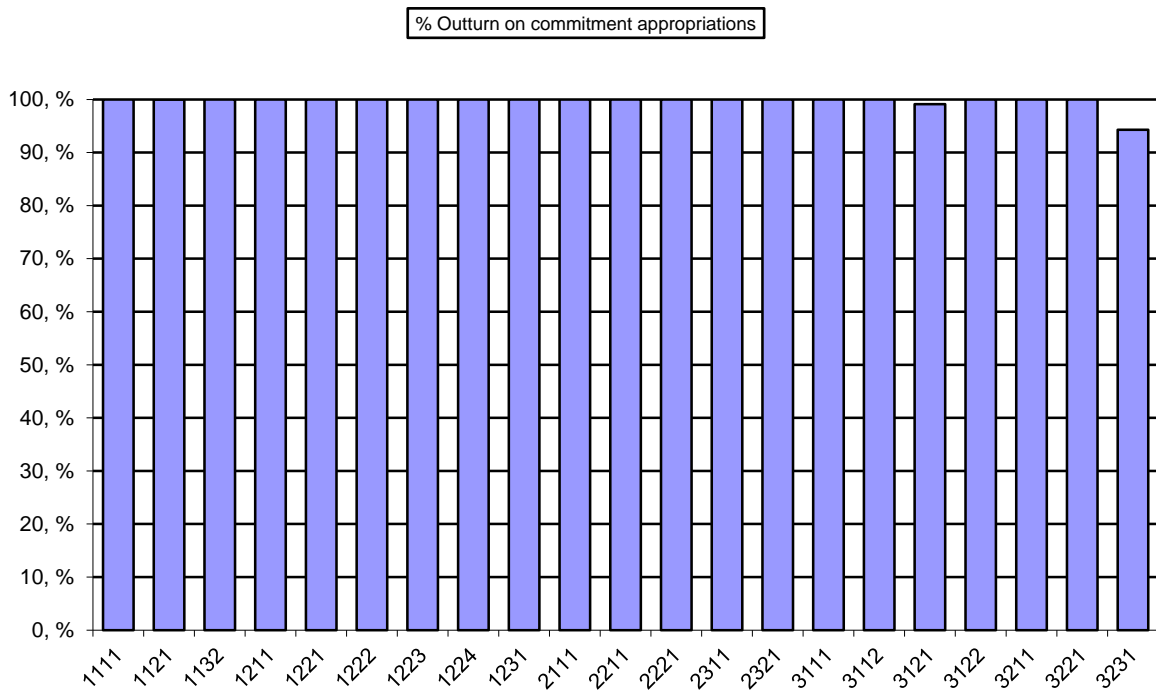


TABLE 2: OUTTURN ON PAYMENT APPROPRIATIONS IN 2017 (in Mio €)				
Chapter		Payment appropriations authorised *	Payments made	%
		1	2	3=2/1
Title 1 STAFF EXPENDITURE				
1111	TEMPORARY AGENTS - REMUNERATION, ALLOW. AND CHARGE	17.76	17.75	99.98 %
1121	CONTRACT AGENTS - REMUNERATION, ALLOW. AND CHARGES	25.89	25.88	99.96 %
1132	INTERIM SUPPORTIVE AGENTS AND TRAINEES	2.18	2.05	93.91 %
1211	SPECIFIC STAFF-RELATED CHARGES AND RECRUIT. EXP.	1.97	1.62	82.30 %
1221	TRAINING COURSES FOR PROF. AND PERS. DEV. OF STAFF	0.88	0.63	71.65 %
1222	MISSIONS FOR PROF. AND PERS. DEV. OF STAFF	0.01	0.01	67.05 %
1223	MEDICAL SERVICE	0.19	0.15	77.48 %
1224	MOBILITY AND OTHER SOCIAL EXPENSES	0.12	0.11	93.35 %
1231	REPRESENTATION EXP. EVENTS AND INTERNAL MEETINGS	0.02	0.02	83.05 %
Total 1		49.02	48.22	98.36%
Title 2 INFRASTRUCTURE AND OPERATING EXPENDITURE				
2111	RENT / USUFRUCT INSTALMENTS AND BUILDING CHARGES	6.82	6.33	92.82 %
2211	ICT ENVIRONMENT (INFRA, SYSTEMS AND SERVICES)	2.48	2.22	89.64 %
2221	DATA PROCESSING AND APPLICATION DEVELOPMENT	0.77	0.42	54.76 %
2311	FURNITURE, MATERIALS AND TECHNICAL INSTALLATIONS	0.18	0.05	25.93 %
2321	OFFICE SUPPLIES AND OTHER CURRENT OPERATING EXPEND	0.31	0.25	82.15 %
Total 2		10.56	9.27	87.84%
Title 3 PROGRAMME SUPPORT EXPENDITURE				
3111	COMMUN., INFO., PUB., LINGUIST. TRAINING P.M. REL.	0.43	0.30	68.86 %
3112	ICT INFRA., ENVIR. AND SYST. P.M. RELATED	0.46	0.28	60.90 %
3121	EXTERNAL AUDITS	0.98	0.40	40.53 %
3122	MISSIONS AND OTHER P.M. REL. EXP.	0.73	0.58	79.76 %
3211	CSS - BUILDING EXP.	5.76	5.25	91.17 %
3221	CSS - ICT, LOG, INF. COMMUN. AND CURR. OPER. EXP.	2.00	1.71	85.56 %
3231	MEETINGS OF EXPERTS AND ASSOCIATED COSTS	0.16	0.11	70.89 %
Total 3		10.52	8.63	82.07%
TOTAL REA		70.09	66.12	94.33 %

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

"% Outturn on payment appropriations"

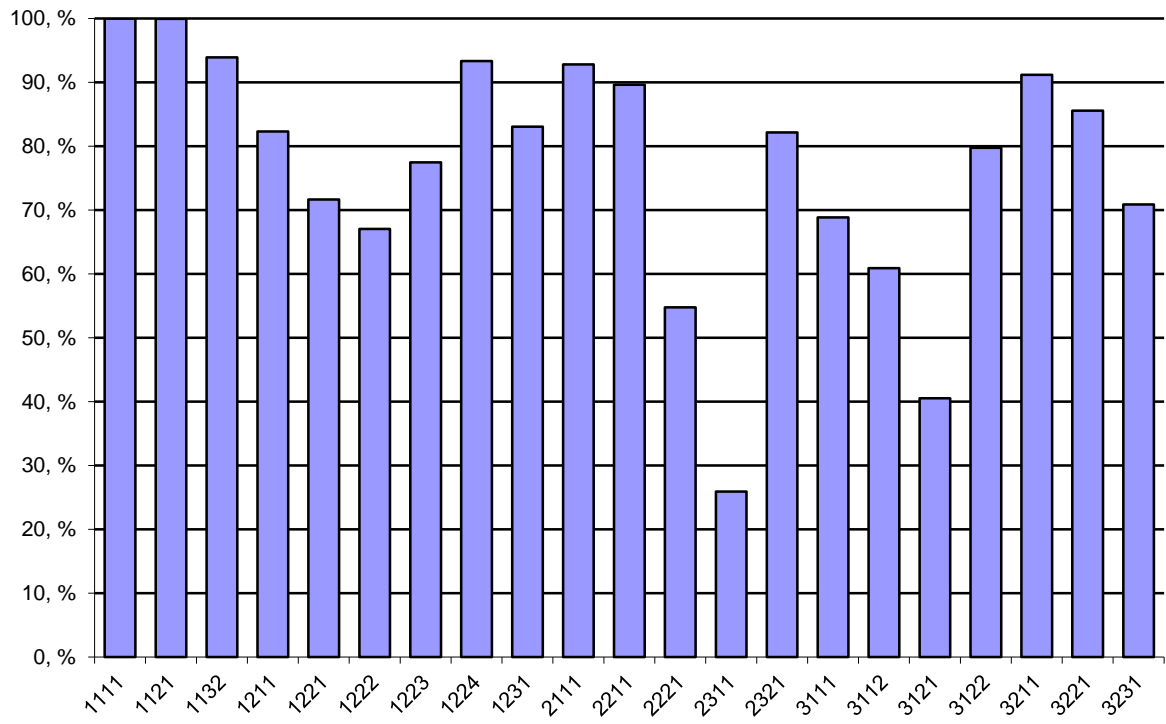


TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2017 (in Mio €)

Chapter		2017 Commitments to be settled			
		Commitments 2017	Payments 2017	RAL 2017	% to be settled
		1	2	3=1-2	4=1-2/1
Title 1 STAFF EXPENDITURE					
1111	TEMPORARY AGENTS - REMUNERATION, ALLOW. AND CHARGE	17.75	-17.75	0.00	0.00 %
1121	CONTRACT AGENTS - REMUNERATION, ALLOW. AND CHARGES	25.88	-25.88	0.00	0.00 %
1132	INTERIM SUPPORTIVE AGENTS AND TRAINEES	1.74	-1.60	0.13	7.64 %
1211	SPECIFIC STAFF-RELATED CHARGES AND RECRUIT. EXP.	1.94	-1.60	0.34	17.59 %
1221	TRAINING COURSES FOR PROF. AND PERS. DEV. OF STAFF	0.65	-0.42	0.23	35.08 %
1222	MISSIONS FOR PROF. AND PERS. DEV. OF STAFF	0.01	-0.01	0.00	7.00 %
1223	MEDICAL SERVICE	0.14	-0.10	0.04	29.58 %
1224	MOBILITY AND OTHER SOCIAL EXPENSES	0.11	-0.11	0.01	5.20 %
1231	REPRESENTATION EXP. EVENTS AND INTERNAL MEETINGS	0.02	-0.02	0.00	15.76 %
Total 1		48.24	-47.49	0.75	1.56%
Title 2 INFRASTRUCTURE AND OPERATING EXPENDITURE					
2111	RENT / USUFRUCT INSTALMENTS AND BUILDING CHARGES	6.27	-5.80	0.47	7.42 %
2211	ICT ENVIRONMENT (INFRA, SYSTEMS AND SERVICES)	2.23	-1.98	0.24	10.94 %
2221	DATA PROCESSING AND APPLICATION DEVELOPMENT	0.42	-0.09	0.34	79.60 %
2311	FURNITURE, MATERIALS AND TECHNICAL INSTALLATIONS	0.15	-0.05	0.11	70.30 %
2321	OFFICE SUPPLIES AND OTHER CURRENT OPERATING EXPEND	0.28	-0.23	0.05	17.53 %
Total 2		9.35	-8.15	1.20	12.84%
Title 3 PROGRAMME SUPPORT EXPENDITURE					
3111	COMMUN., INFO., PUB., LINGUIST. TRAINING P.M. REL.	0.27	-0.15	0.12	45.92 %
3112	ICT INFRA., ENVIR. AND SYST. P.M. RELATED	0.25	-0.07	0.18	72.77 %
3121	EXTERNAL AUDITS	0.52	-0.15	0.37	70.74 %
3122	MISSIONS AND OTHER P.M. REL. EXP.	0.63	-0.50	0.12	19.86 %
3211	CSS - BUILDING EXP.	5.57	-5.06	0.51	9.13 %
3221	CSS - ICT, LOG, INF. COMMUN. AND CURR. OPER. EXP.	1.93	-1.64	0.29	14.90 %
3231	MEETINGS OF EXPERTS AND ASSOCIATED COSTS	0.12	-0.10	0.02	14.32 %
Total 3		9.28	-7.67	1.61	17.33%
TOTAL		66.87	-63.31	3.56	5.33 %

"Breakdown of Commitments remaining to be settled (in Mio EUR)"

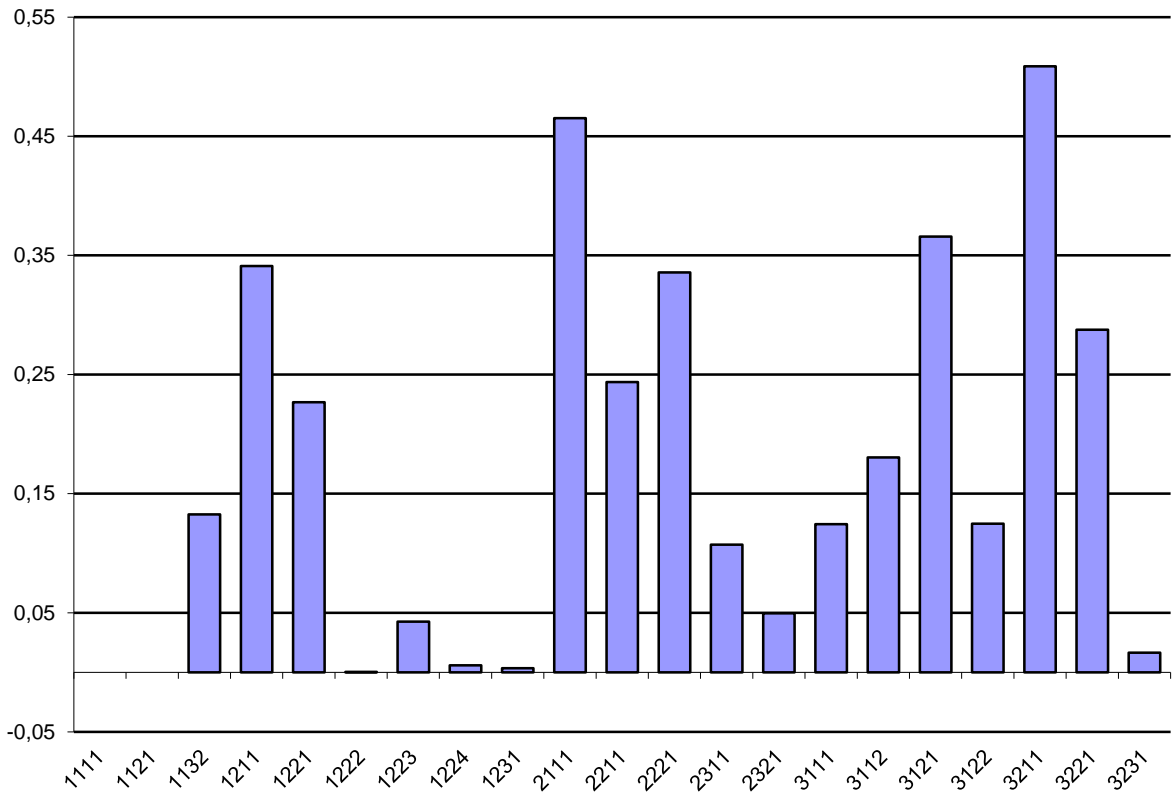


TABLE 4 : BALANCE SHEET REA

BALANCE SHEET	2017	2016
A.I. NON CURRENT ASSETS	1,484,584.24	2,273,249.00
A.I.1. Intangible Assets	48,675.00	241,201.00
A.I.2. Property, Plant and Equipment	1,435,909.24	2,032,048.00
A.II. CURRENT ASSETS	11,935,577.58	11,801,323.17
A.II.3. Curr Exch Receiv & Non-Ex Recoverables	8,031,731.79	6,536,881.01
A.II.6. Cash and Cash Equivalents	3,903,845.79	5,264,442.16
ASSETS	13,420,161.82	14,074,572.17
P.II. CURRENT LIABILITIES	-2,927,641.45	-4,915,908.36
P.II.4. Current Payables	-578,408.84	-2,305,163.61
P.II.5. Current Accrued Charges & Defrd Income	-2,349,232.61	-2,610,744.75
LIABILITIES	-2,927,641.45	-4,915,908.36
NET ASSETS (ASSETS less LIABILITIES)	10,492,520.37	9,158,663.81
P.III.2. Accumulated Surplus/Deficit	-9,158,663.81	-11,352,369.33
Non-allocated central (surplus)/deficit*	-1,333,856.56	2,193,705.52
TOTAL	0	0

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Additionally, the figures included in tables 4 and 5 are provisional since they are, at this date, still subject to audit by the Court of Auditors. It is thus possible that amounts included in these tables may have to be adjusted following this audit.

TABLE 5 : STATEMENT OF FINANCIAL PERFORMANCE REA

STATEMENT OF FINANCIAL PERFORMANCE	2017	2016
II.1 REVENUES	-66,483,180.17	-58,958,921.78
II.1.1. NON-EXCHANGE REVENUES	-66,369,339.00	-58,793,898.14
II.1.1.6. OTHER NON-EXCHANGE REVENUES	-66,369,339.00	-58,793,898.14
II.1.2. EXCHANGE REVENUES	-113,841.17	-165,023.64
II.1.2.1. FINANCIAL INCOME	-1,135.34	-11,809.16
II.1.2.2. OTHER EXCHANGE REVENUE	-112,705.83	-153,214.48
II.2. EXPENSES	65,149,323.61	61,152,627.30
II.2. EXPENSES	65,149,323.61	61,152,627.30
II.2.10. OTHER EXPENSES	20,691,352.85	21,671,128.31
II.2.6. STAFF AND PENSION COSTS	44,457,970.76	39,481,483.10
II.2.8. FINANCE COSTS	0.00	15.89
STATEMENT OF FINANCIAL PERFORMANCE	-1,333,856.56	2,193,705.52

Explanatory Notes (facultative):

It should be noted that the balance sheet and statement of financial performance presented in Annex 3 to this Annual Activity Report, represent only the assets, liabilities, expenses and revenues that are under the control of this Directorate General. Significant amounts such as own resource revenues and cash held in Commission bank accounts are not included in this Directorate General's accounts since they are managed centrally by DG Budget, on whose balance sheet and statement of financial performance they appear. Furthermore, since the accumulated result of the Commission is not split amongst the various Directorates General, it can be seen that the balance sheet presented here is not in equilibrium.

Additionally, the figures included in tables 4 and 5 are provisional since they are, at this date, still subject to audit by the Court of Auditors. It is thus possible that amounts included in these tables may have to be adjusted following this audit.

TABLE 5bis : OFF BALANCE SHEET REA

OFF BALANCE	2017	2016
OB.3.2. Comm against app. not yet consumed	-1,979,017.44	-1,173,196.20
OB.3.2. Comm against app. not yet consumed	-1,979,017.44	-1,173,196.20
OB.3.2. Comm against app. not yet consumed	-1,979,017.44	-1,173,196.20
OB.3.5. Operating lease commitments	-32,425,343.15	-39,879,714.06
OB.3.5. Operating lease commitments	-32,425,343.15	-39,879,714.06
OB.3.5. Operating lease commitments	-32,425,343.15	-39,879,714.06
OB.4. Balancing Accounts	34,404,360.59	41,052,910.26
OB.4. Balancing Accounts	34,404,360.59	41,052,910.26
OB.4. Balancing Accounts	34,404,360.59	41,052,910.26
OFF BALANCE	0.00	0.00

Explanatory Notes (facultative):

It should be noted that the balance sheet and statement of financial performance presented in Annex 3 to this Annual Activity Report, represent only the assets, liabilities, expenses and revenues that are under the control of this Directorate General. Significant amounts such as own resource revenues and cash held in Commission bank accounts are not included in this Directorate General's accounts since they are managed centrally by DG Budget, on whose balance sheet and statement of financial performance they appear. Furthermore, since the accumulated result of the Commission is not split amongst the various Directorates General, it can be seen that the balance sheet presented here is not in equilibrium.

Additionally, the figures included in tables 4 and 5 are provisional since they are, at this date, still subject to audit by the Court of Auditors. It is thus possible that amounts included in these tables may have to be adjusted following this audit.

Table 6 : Average Payment Times

Legal Times

Maximum Payment Time (Days)	Total Number of Payments	Nbr of Payments within Time Limit	Percentage	Average Payment Times (Days)	Nbr of Late Payments	Percentage	Average Payment Times (Days)
30	1,560	1,556	99.74 %	9.99	4	0.26 %	58.75
31	1	1	100.00 %	16.00			
35	1	1	100.00 %	14.00			
38	1	1	100.00 %	25.00			
40	1	1	100.00 %	16.00			
42	2	2	100.00 %	16.50			
44	1	1	100.00 %	8.00			
45	19	19	100.00 %	14.32			
47	2	2	100.00 %	17.50			

Total Number of Payments	1,588	1584	99.75 %		4	0.25 %	
Average Net Payment Time	10.20			10.08			58.75
Average Gross Payment Time	10.60			10.47			59.50

Suspensions

Average Report Approval Suspension Days	Average Payment Suspension Days	Number of Suspended Payments	% of Total Number	Total Number of Payments	Amount of Suspended Payments	% of Total Amount	Total Paid Amount
0.00	20.13	31.	1.95 %	1,588	530,789.49	1.60 %	33,091,818.91

Late Interest paid in 2017

Agency	GL Account	Description	Amount (Eur)
REA	65010000	Interest expense on late payment of charges	-1.38
			-1.38

TABLE 7 : SITUATION ON REVENUE AND INCOME IN 2017

Title	Description	Year of Origin	Revenue and Income recognized	Revenue and Income cashed	Outstanding Balance
2000	EUROPEAN COMMISSION'S SUBSIDY TO THE REA	2017	66,803,229.92	66,803,229.92	0.00
9000	MISCELLANEOUS REVENUE	2016	2,500.00	2,500.00	0.00
9000	MISCELLANEOUS REVENUE	2017	114,805.41	114,805.41	0.00
TOTAL REA			66,920,535.33	66,920,535.33	0.00

TABLE 8 : RECOVERY OF PAYMENTS
(Number of Recovery Contexts and corresponding Transaction Amount)

INCOME BUDGETRECOVERY ORDERS ISSUED IN 2017	Total undue payments recovered		Total transactions in recovery context(incl. non-qualified)		% Qualified/Total RC		
	Year of Origin (commitment)	Nbr	RO Amount	Nbr	RO Amount	Nbr	RO Amount
Sub-Total							

EXPENSES BUDGET	Error		Irregularity		OLAF Notified		Total undue payments recovered		Total transactions in recovery context(incl. non-qualified)		% Qualified/Total RC	
	Nbr	Amount	Nbr	Amount	Nbr	Amount	Nbr	Amount	Nbr	Amount	Nbr	Amount
INCOME LINES IN INVOICES												
NON ELIGIBLE IN COST CLAIMS												
CREDIT NOTES												
Sub-Total												

GRAND TOTAL												
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TABLE 9: AGEING BALANCE OF RECOVERY ORDERS AT 31/12/2017 FOR REA

Year of Origin	Number at 01/01/2017	Number at 31/12/2017	Evolution	Open Amount (Eur) at 01/01/2017	Open Amount (Eur) at 31/12/2017	Evolution
2015	1	1	0.00 %	23,139.41	23,139.41	0.00 %
2016	4		-100.00 %	4,857.83		-100.00 %
Totals	5	1	-80.00 %	27,997.24	23,139.41	-17.35 %

TABLE 10 : RECOVERY ORDER WAIVERS IN 2017 >= EUR 100.000

	Waiver Central Key	Linked RO Central Key	RO Accepted amount (Eur)	LE Account Group	Commission Decision	Comments

Total REA	
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Number of RO waivers	
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<i>Justifications:</i>

ANNEX 4: Materiality criteria

The present document details the way REA assesses the level of errors in its annual financial statements and the definition of the level of misstatement that is considered as quantitatively material.

Considering that about 93% of the yearly expenditure is related to directly managed research grants, and the fact that the research framework programmes' implementing bodies are sharing a common ex-post audit approach, the following section focuses on this specific management system.

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

Research framework programmes – common aspects

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

Assessment of the effectiveness of controls

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

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

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

This results in a residual error rate, which is calculated in accordance with the following formula:

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

where:

- ResER%** residual error rate, expressed as a percentage.
- RepER%** representative error rate, or error rate detected in the common representative sample, expressed as a percentage. For FP7 this rate is the same for all Research services.
- RepERSys%** portion of the RepER% representing (negative) systematic errors, expressed as a percentage. The RepER% is composed of two complementary portions reflecting the proportion of negative systematic and non-systematic errors detected.
- P** total aggregated amount in euros of EC share of funding in the auditable population. In FP7, the population is that of all received cost statements, and the euros amounts those that reflect the EC share included in the costs claimed in each cost statement.

- A** total EC share of all audited amounts, expressed in euro. This will be collected from audit results.
- E** total non-audited amounts of all audited beneficiaries. In FP7, this consists of the total EC share, expressed in euro, excluding those beneficiaries for which an extrapolation is ongoing).

The Common Representative Audit Sample (CRAS) is the starting point for the calculation of the residual error rate. It is representative of the expenditure of each FP as a whole. Nevertheless, the Director-General (or Director for the Executive Agencies) must also take into account other information when considering if the overall residual error rate is a sufficient basis on which to draw a conclusion on assurance (or make a reservation) for specific segment(s) of FP7/Horizon 2020. This may include the results of other ex-post audits, ex-ante controls, risk assessments, audit reports from external or internal auditors, etc. All this information may be used in assessing the overall impact of a weakness and considering whether to make a reservation or not.

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

In case a calculation of the residual error rate based on a representative sample is not possible for a FP for reasons not involving control deficiencies,⁷ the consequences are to be assessed quantitatively by making a best estimate of the likely exposure for the reporting year based on all available information. The relative impact on the Declaration of Assurance would be then considered by analysing the available information on qualitative grounds and considering evidence from other sources and areas. This should be clearly explained in the AAR.

Multiannual approach

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

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

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

Notwithstanding the multiannual span of their control strategy, the Director-Generals of the Research DGs (and the Directors of ERCEA, REA, and, for Horizon 2020, EASME and INEA) are required to sign a statement of assurance for each financial reporting year. In

⁷ Such as, for instance, when the number of results from a statistically-representative sample collected at a given point in time is not sufficient to calculate a reliable error rate.

order to determine whether to qualify this statement of assurance with a reservation, the effectiveness of the control systems in place needs to be assessed not only for the year of reference but also with a multiannual perspective, to determine whether it is possible to reasonably conclude that the control objectives will be met in the future as foreseen.

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

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

Adequacy of the audit scope

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

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

Research Framework programmes – specific aspects

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

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

Seventh Framework programme

For the Seventh Framework programme, the general control objective, following the standard quantitative materiality threshold proposed in the Standing Instructions for AAR, is to ensure that the residual error rate, i.e. the level of errors which remain undetected and uncorrected, does not exceed 2% by the end of the programme' management cycle.

The question of being on track towards this objective is to be (re)assessed annually, in view of the results of the implementation of the ex-post audit strategy and taking into account both the frequency and importance of the errors found as well as a cost-benefit analysis of the effort needed to detect and correct them.

Horizon 2020 Framework Programme

The Commission's proposal for the Regulation establishing H2020 framework programme⁸ states that

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

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

Further, it explains also that

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

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

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

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

The question of being on track towards this objective is to be (re)assessed annually, in view of the results of the implementation of the ex-post audit strategy and taking into

⁸ COM(2011) 809/3 Proposal for a Regulation of the European Parliament and of the Council establishing Horizon 2020 – the Framework programme for Research and Innovation (2014-2020), see point 2.2, pp 98-102.

account both the frequency and importance of the errors found as well as a cost-benefit analysis of the effort needed to detect and correct them.

ANNEX 5: Internal Control Template(s) for budget implementation (ICTs)

Grants direct management – FP7 and H2020

Stage 1: Programming, evaluation and selection of proposals

A - Preparation, adoption and publication of the Annual Work Programme and Calls for proposals⁹

Main control objectives: Ensuring that the most promising projects for meeting the policy objectives are among the proposals submitted; Compliance; Prevention of fraud

Main risks It may happen (again) that...	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Control indicators
<p>The work programme and the subsequent calls for proposals do not adequately reflect the policy objectives, priorities, are incoherent and/or the essential eligibility, selection and award criteria are not adequate to ensure the evaluation of the proposals.</p> <p>The annual work programmes are not consistent within the Research family and with the 7 years' framework</p> <p>The programme H2020 implementation (procedures,</p>	<p>Hierarchical validation within the authorising department Inter-service consultation, including all relevant services Adoption by the Commission Explicit allocation of responsibility.</p> <p>The Common Support Centre in RTD provides all the members of the Family with harmonised procedures,</p>	<p>Coverage / Frequency: 100%</p> <p>Depth: All work programmes are thoroughly reviewed at all levels, including for operational and legal aspects.</p> <p>Coverage/ Frequency: 100% Depth All the underlying</p>	<p>Costs: estimation of cost of staff involved in the preparation and validation of the annual work programme and calls.</p> <p>Benefits: Only qualitative benefits. A good Work Programme and well publicised calls should generate a large number of good quality projects, from which the most excellent can be chosen. There will therefore be real competition</p>	<p>% of "over-subscription" proposals received/selected</p>

⁹ The agency notes that this stage of grant management cycle remains largely under the control of the Commission. The agency is taking up duties by publishing calls from the moment the Commission established the relevant work programmes. The common indicator of the Research family is therefore only partly relevant for assessing the REA's own performance.

Main risks It may happen (again) that...	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Control indicators
monitoring arrangements, communication with beneficiaries, budget planning, etc.) is not consistent within the Research family and with the 7 years' framework	guidance and IT tools. DG RTD centralises the budget planning and the monitoring of the H2020's budget implementation	implementation tools are defined et developed at family level.	for funds. Costs: costs of the staff involved in Family coordination activities Benefits: Qualitative benefits: Optimised procedures, common approach on multiple issues (audits, fraud, legal aspects, reporting...); better reporting on the whole programme – better management of the programme. ¹⁰	

B - Selecting and awarding: Evaluation, ranking and selection of proposals

Main control objectives: Ensuring that the most promising projects for meeting the policy objectives are among the proposals selected; Compliance; Prevention of fraud

Main risks It may happen (again) that...	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Control indicators
The evaluation, ranking and selection of proposals is not carried out in accordance with the established procedures, the policy objectives, priorities and/or the essential	Selection and appointment of expert evaluators Assessment by independent experts	100% vetting (including selecting) of experts for technical expertise and independence (e.g. conflicts of interests, nationality bias,	Costs: estimation of cost of staff involved in the evaluation and selection of proposals.	% of number of (successful) redress challenges / total number of proposals received Average time to publication of

¹⁰ The mutualisation of the support services represents a quantitative benefit which is certain but not accurately quantifiable in the context of reorganisations, new programme's setting up, and general HR offsetting through the Commission.

Main risks It may happen (again) that...	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Control indicators
<p>eligibility, or with the selection and award criteria defined in the annual work programme and subsequent calls for proposals.</p>	<p>Comprehensive IT system supporting the stage and allowing better monitoring of the process</p> <p>Validation by the AOSD of ranked list of proposals. In addition, if applicable: Opinion of advisory bodies; comitology; inter-service consultation and adoption by the Commission; publication</p> <p>Systematic checks on operational and legal aspects performed before signature of the GA</p> <p>Redress procedure</p>	<p>ex-employer bias, collusion)</p> <p>100% of proposals are evaluated.</p> <p>Coverage: 100% of ranked list of proposals. Supervision of work of evaluators.</p> <p>100% of contested decisions are analysed by redress committee</p>	<p>Cost of the appointment of experts and of the logistics of the evaluation.</p> <p>Benefits: Qualitative benefits Expert evaluators from outside the Commission bring independence, state of the art knowledge in the field and a range of different opinions. This will have an impact on the whole project cycle : better planned, better implemented projects</p>	<p>selection results (FR 128.2 and/or Horizon 2020 limits)</p> <p>% of Time-To-Inform on time</p> <p>cost of evaluating + selecting grants / value of grants contracted</p> <p>% of budget "over-subscription" from proposals received</p>

Stage 2: Contracting

Main control objectives: : Ensuring that the most promising projects for meeting the policy objectives are among the proposals contracted; SFM (optimal allocation of the budget available); Compliance; Prevention of fraud

Main risks It may happen (again) that...	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Control indicators
<p>The description of the action in the grant agreement includes tasks which do not contribute to the achievement</p>	<p>Project Officers implement evaluators' recommendations. Hierarchical validation of</p>	<p>100% of the selected proposals and beneficiaries are scrutinised.</p>	<p>Costs: estimation of cost of staff involved in the contracting process.</p>	<p>Average Time to Sign (FR 128.2)</p>

Main risks It may happen (again) that...	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Control indicators
<p>of the programme objectives and/or that the budget foreseen overestimates the costs necessary to carry out the action.</p> <p>The beneficiary lacks operational and/or financial capacity to carry out the actions.</p> <p>Procedures do not comply with regulatory framework.</p> <p>The evaluation stage hasn't detected a potentially fraudulent proposal/beneficiary.</p>	<p>proposed adjustments.</p> <p>Validation of beneficiaries (operational and financial viability).</p> <p>Systematic checks on operational and legal aspects performed before signature of the GA</p> <p>Ad hoc anti-fraud checks for riskier beneficiaries</p> <p>Signature of the grant agreement by the AO.</p> <p>Financial verification where necessary</p> <p>Participant Guarantee Fund.</p>	<p>Coverage: 100% of draft grant agreements.</p> <p>Depth may be differentiated; determined after considering the type or nature of the beneficiary (e.g. SMEs, joint-ventures) and/or of the modalities (e.g. substantial subcontracting) and/or the total value of the grant.</p> <p>Note that, given the constraints on the time to grant set out in the H2020 legislation, "negotiation" of projects is kept to a minimum, as far as possible the positively evaluated projects are accepted without modification.</p>	<p>Benefits:</p> <p>Qualitative benefits: The whole committed budget checked for quality (prevention of later errors). This stage should lead to a higher assurance on the achievement of the projects – and policy objectives.</p>	<p>% of Time-to-Sign on time</p> <p>Average time to grant (FR 128.2)</p> <p>% of Time-to-grant on time</p> <p>% cost over annual amount contracted</p>

Stage 3: Monitoring the implementation

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

Main risks It may happen (again) that...	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Control indicators
The actions foreseen are not, totally or partially, carried out in accordance	Kick-off meetings and "launch events" involving the	100% of the projects are controlled, including only	Costs: estimation of cost of staff involved in the actual	Average number & value of running projects managed

Main risks It may happen (again) that...	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Control indicators
<p>with the technical description and requirements foreseen in the grant agreement.</p> <p>The amounts paid exceed what is due in accordance with the applicable contractual and regulatory provisions.</p> <p>The cost claims are irregular or fraudulent.</p> <p>Lack of harmonised approach within the family with the consequence of unequal treatment of the beneficiaries</p>	<p>beneficiaries in order to avoid project management and reporting errors</p> <p>Effective external communication about guidance to the beneficiaries</p> <p>Anti-fraud awareness raising training for the project officers</p> <p>Enhanced family approach (anti-fraud cooperation; common legal and audit service; comprehensive and common IT system for all the family)</p> <p>Operational and financial checks in accordance with the financial circuits. Operation authorisation by the AO For riskier operations, more in-depth ex-ante controls</p> <p>Selection and appointment of expert for scientific reviews of intermediate and/or final reporting</p> <p>If needed: application of Suspension/interruption of payments, Penalties or liquidated damages.</p>	<p>value-adding checks. Riskier operations subject to more in-depth controls.</p> <p>The depth depends on risk criteria. However, as a deliberate policy to reduce administrative burden, and to ensure a good balance between trust and control, the level of control at this stage is reduced to a minimum</p> <p>High risk operations identified by risk criteria. Red flags: suspicions raised by staff, audit results, new Early Detection and Exclusion System (EDES), individual or "population" risk assessment Audit certificates required for any beneficiary claiming more than €375,000 (FP7)/€325,000 (H2020).</p>	<p>management of running projects and of experts, if any.</p> <p>Benefits: budget value of the costs claimed by the beneficiary, but rejected by staff Reductions in error rates identified by audit certificates.</p> <p>Benefits due to operational review of projects and consequent corrective actions imposed on projects</p>	<p>'per' staff FTE</p> <p>Time-to-pay: % of payments made on time</p> <p>Time-to pay: Average no. days net/gross + suspension days</p> <p>Cost of control from contracting and monitoring the execution up to payment included/ amount paid (%)</p> <p>Average project management cost (staff FTE * standard staff cost) per running* project</p>

Main risks It may happen (again) that...	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Control indicators
	Referring grant/beneficiary to OLAF			

Stage 4: Ex-post controls

A - Reviews, audits and monitoring

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

Main risks It may happen (again) that...	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Control indicators
<p>The ex-ante controls (as such) do not prevent, detect and correct erroneous payments or attempted fraud to an extent going beyond a tolerable rate of error.</p> <p>Lack of consistency in the audit strategy within the family.</p> <p>Lack of efficiency for absence of coordination: multiple audits on the same beneficiary, same programme: reputational risk and high administrative burden on the beneficiaries' side.</p>	<p>Common Ex-post control strategy for the entire Research family (H2020), implemented by a central service (Common Support Centre, DG RTD):</p> <ul style="list-style-type: none"> - At intervals carry out audits of a representative sample of operations to measure the level of error in the population after ex-ante controls have been performed - Additional sample to address specific risks - when relevant, joint audits with the Court of Auditors <p>Multi-annual basis (programme's lifecycle) and coordination with other AOs concerned</p>	<ul style="list-style-type: none"> - Common Representative audit Sample (CRAS): MUS sample across the programme to draw valid management conclusions on the error rate in the population. - RTD risk-based sample, determined in accordance with the selected risk criteria, aimed to maximise deterrent effect and prevention of fraud or serious error 	<p>Costs: estimation of cost of staff involved in the coordination and execution of the audit strategy .Cost of the appointment of audit firms for the outsourced audits.</p> <p>Benefits: budget value of the errors detected by the auditors.</p> <p>Non quantifiable benefits: Deterrent effect. Learning effect for beneficiaries. Improvement of ex-ante controls or risk approach in ex-ante controls by feeding back findings from audit.</p>	<p>Representative error rate.</p> <p>Residual error rate in comparison to the materiality threshold.</p> <p>Amount of errors and corrections concerned.</p> <p>Number of audits finalised (+ % of beneficiaries & value coverage)</p> <p>Cost of control ex post audits/ value of grants audited</p>

Main risks It may happen (again) that...	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Control indicators
	<p>Validate audit results with beneficiary</p> <p>In case of systemic error detected, extrapolation to all the projects run by the audited beneficiary</p> <p>If needed: referring the beneficiary or grant to OLAF</p>		Improvement in rules and guidance from feedback from audit.	

B - Implementing results from ex-post audits/controls

Main control objectives: Ensuring that the (audit) results from the ex-post controls lead to effective recoveries; Ensuring appropriate accounting of the recoveries made

Main risks It may happen (again) that...	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Control indicators
The errors, irregularities and cases of fraud detected are not addressed or not addressed in a timely manner	<p>Systematic registration of audit / control results to be implemented and actual implementation.</p> <p>Validation of recovery in accordance with financial circuits.</p> <p>Authorisation by AO</p> <p>Notification to OLAF and regular follow up of detected fraud.</p>	<p>Coverage: 100% of final audit results <i>with a financial impact.</i></p> <p>Depth: All audit results are examined in-depth in making the final recoveries. Systemic errors are extrapolated to all the non-audited projects of the same beneficiary</p>	<p>Costs: estimation of cost of staff involved in the implementation of the audit results.</p> <p>Benefits: budget value of the errors, detected by ex-post controls, which have actually been corrected (offset or recovered).</p> <p>Loss: budget value of such ROs which are 'waived' or have to be cancelled.</p>	<p>Amounts being recovered and offset</p> <p>Number/value/% of audit results pending implementation</p> <p>Number/value/% of audit results implemented.</p>

ANNEX 6: Implementation through national or international public-sector bodies and bodies governed by private law with a public sector mission (not applicable)

ANNEX 7: EAMR of the Union Delegations (not applicable)

ANNEX 8: Decentralised agencies (not applicable)

ANNEX 9: Evaluations and other studies finalised or cancelled during the year (not applicable)

ANNEX 10: Specific annexes related to "Financial Management"

As a complement to the information provided in the report, the tables below provide a more detailed overview of the implementation of the control framework in place at REA for the management of the operational budget (**Section 2.1**).

A follow-up on the two reservations 2016 has been included, giving the state of play of the implementation of the action plans related to the reservation on the Space and Security schemes and the reservation on the SME scheme.

Details on the performance with regard to Time-To-Pay are also provided.

Complementary information for section 2.1.1.1: "Control effectiveness as regards legality and regularity"

Implementation of the FP7 audit strategies and plans ¹¹

Table 1: Indicator – Number of ex-post audit for the period 2009-2017

No. of audits		No. of audits planned	Audits launched*	of which	
				in draft	finalised
2009-2017					
joint audits with the ECA		4	11	0	10
risk-based		296	282	35	227
random sample**		277	292	1	291
Grand Total		577	585	36	528
2017					
joint audits with the ECA		2	1	0	0
risk-based		40	39	20	2
of which	SME actions	9	7.7	4.2	0
	Space	0.5	2	2	0
	Security	14	15.2	7	2
	People Programme	13.5	14.1	6.8	0
	Other	3	0	0	0
random sample		0	0	0	0
Total		42	40	20	2

* Based on the announcement letters sent to the auditees.

** Random sample includes 18 transactions selected as part of the CRaS 2012, 30 as part of the CRaS 2014 and 26 as part of the CRaS 2016. The remaining transactions belong to the TOP group (beneficiaries with significant amounts of EU funding).

¹¹ To make sure to avoid counting audits twice or three times across actions, the REA fractions the number of audits across the action as follows. The calculation at the REA splits the same audit since it can be conducted on several cost claims presented under different programmes. Therefore, if one audit is conducted on different programmes, only a share (based on the number of cost claims) will be considered for each programme (for example, if one audit has been conducted in two different programmes for 2 cost claims each, the audit will be considered only 0.5 for each programme).

Table 2: Indicator – Number of projects by programme/theme/action covered by ex-post audits for the period 2009-2017

Distribution of launched audits 2009-2017	Number of projects	of which	
		in draft	finalised
People Programme (DG EAC)			
joint audits with the ECA	4	0	4
risk-based	126	25	83
random sample	325	0	325
Total	455	25	412
SME actions (DG RTD)			
joint audits with the ECA	1	0	1
risk-based	184	14	159
random sample	87	0	87
Total	272	14	247
Space (DG GROW)			
joint audits with the ECA	3	0	3
risk-based	72	10	62
random sample	105	1	104
Total	180	11	169
Security (DG HOME)			
joint audits with the ECA	3	0	2
risk-based	95	21	64
random sample	85	0	85
Total	183	21	151
REA TOTAL			
joint audits with the ECA	11	0	10
risk-based	477	70	368
random sample	602	1	601
Grand TOTAL	1,090	71	979

For audits performed on different beneficiaries of one project, we count the project audited several times. The number of distinct projects covered by all of our audits is 788. It is ensured however that projects audited with multiple cost statements are not counted multiple times within one audit.

Table 3: Overview of the costs statements audited for the period 2007-2017 by 31 December 2017

Cooperation - Space			Cooperation - Security			Capacities - Research for the benefit of SMEs			People			TOTALS		
	no. of audits	no. of cost claims		no. of audits	no. of cost claims		no. of audits	no. of cost claims		no. of audits	no. of cost claims		no. of audits	no. of cost claims
Joint-ECA audits	3	3	Joint-ECA audits	2	2	Joint-ECA audits	1	1	Joint-ECA audits	4	4	Joint-ECA audits	10	10
Risk-based	34	117	Risk-based	38	114	Risk-based	104	260	Risk-based	51	105	Risk-based	227	596
REA MUS, CRAS and TOP	51	188	REA MUS, CRAS and TOP	43	158	REA MUS, CRAS and TOP	59	121	REA MUS, CRAS and TOP	138	363	REA MUS, CRAS and TOP	291	830
Total	88	308	Total	83	274	Total	164	382	Total	193	472	TOTAL	528	1,436

Table 4: Overview of the year of origin of the costs statements audited for the period 2007-2017 by 31 December 2017

Year of origin:	People Programme	Capacities - SME actions
DETECTED		
2007	1	0
2008	5	0
2009	20	34
2010	193	45
2011	80	22
2012	38	8
2013	13	9
2014	8	2
2015	5	1
2016	0	0
2017	0	0
Total Detected :	363	121

Table 5: Indicator – direct and indirect coverage provided by the ex-post audits performed¹²

Programme/theme/action	Direct coverage - % of total population*	Indirect coverage - % of total population**	% of total population
People Programme	2.4%	68.1%	70.5%
Capacities – SME actions	3.3%	6.2%	9.5%
Cooperation – Space	7.9%	52.4%	60.3%
Cooperation – Security	4.7%	44.7%	49.5%
REA Total	3.4%	52.1%	55.5%

* Period requested contribution (%) audited by the REA.

**Non-audited share of participants audited by the REA and other Commission services (excl. ongoing extrapolations).

¹² These percentages are estimations based on the period requested contributions by beneficiaries.

Reservations: REA 2016 FP7 reservations and their follow-up

Reserve	Action Plan	Actions	Impact and likely evolution
<p>1- The rate of the residual errors with regard to the accuracy of cost claims impacting on granted EU funding for Space and Security themes of the Cooperation Specific Programme in the 7th FP grants</p>	<p>As reported in the 2016 AAR, the intrinsic risk of the Space and Security themes is similar to other themes of the Cooperation Specific Programme. In consequence, the CRaS error rate is fully representative for these themes since the error rate predominantly reflects the errors encountered in the mainstream Cooperation Specific Programme projects. As a consequence, the action plan and the impact are the same as for the rest of the Research family. Therefore, REA fully endorses the Research family action plan.</p> <p>The possibilities to simplify the FP7 rules have been exhausted. The remaining scope to reduce errors will be addressed in particular through the following actions:</p> <ul style="list-style-type: none"> – continuing its ongoing efforts to give guidance and feedback to the participants and to the certifying auditors to prevent errors occurring; – continuing with its control and audit work in order to further reduce the FP7 residual error rate. 	<p>On top of the actions that are mainstreamed for the whole Research and Innovation family, it is worth to note that REA has developed its own actions:</p> <ul style="list-style-type: none"> - REA fully contributed to the continuous improvement of the ex-ante controls and further developed dedicated trainings for the staff dealing with payments. As of 2016, a dedicated training for the new financial officers (FOs) taking function in REA focusing on ex-ante controls has been provided. The focus of this training has shifted to the H2020 programme, but the necessary information is still included regarding FP7 payments. - REA continued its implementation of controls and audits for FP7. The results are similar than in 2016. - REA has participated in providing the guidance to beneficiaries and certifying auditors in events and coordinators days organised by DG RTD. More significant improvements will come from the framework programme design of Horizon 2020, as underlined by DG RTD. 	<p>REA fully endorses the conclusion of DG RTD for the Research family.</p> <p>It is also the REA's opinion, based on its own experience, that the residual error rate will remain above 2% and that it would not be effective in terms of costs and image to significantly increase audit campaigns to bring it below the 2%.</p> <p>Therefore REA will continue to maintain a reserve as long as there is significant FP7 expenditure.</p> <p>It is expected that, as regards H2020, the residual error rate will remain in the range of 2-5%, as indicated in the financial statements accompanying the Horizon 2020 proposal. One may anticipate a residual error rate as close as possible to the threshold of 2%, but not necessarily below the 2%.</p>

Reserve	Action Plan	Actions	Impact and likely evolution
<p>2- The rate of the residual errors with regard to the accuracy of cost claims impacting on granted EU funding for Research for the benefit of SMEs actions of the Capacities Specific Programme in the FP7 grants</p>	<p>As explained in the AARs of the previous years, the reasons for the reservation is the intrinsic risk of the SME scheme: results obtained in the context of ex-post controls targeting the SME actions indicate an error rate which is above the materiality criterion and a risk exposure higher than the FP7 average. This is mainly due to the complexity of the FP7 rules that may be difficult to apprehend for small companies and the fact that the majority of the SMEs are one time participants.</p> <p>The possibilities to simplify the FP7 rules have been exhausted. The remaining scope to reduce errors will be addressed in particular through the following actions:</p> <ul style="list-style-type: none"> – continuing on-going efforts to give guidance and feedback to the participants and certifying auditors to prevent errors occurring; – continuing with controls and audit work in order to further reduce the FP7 residual error rate. 	<p>REA continues its on-going efforts to give guidance and feedback to the participants and certifying auditors to prevent errors occurring.</p> <p>It also continues efforts with its control and audit work to further reduce the residual error rate. This 2017 audit campaign confirms similar error rates for the SME scheme than in 2016.</p>	<p>The error rate is linked to the eligibility of the SME costs, as REA implements systematic ex-ante controls for checking the recording of the costs for sub-contracting to RTD performers (accounting for some 70% of the grant) before proceeding to any final payment.</p> <p>Taking into account the need to balance legality/regularity with other objectives, such as attractiveness and success of the EU research policy, the wish to encourage participation of SMEs and the cost of controls, REA is of the opinion that additional ex-ante controls cannot be added and that ex-post controls cannot be increased significantly.</p> <p>Therefore, it is not expected that the residual error rate will be below the materiality threshold and REA will continue to maintain a reserve as long as there are significant expenditures for the SME specific programme under FP7.</p>

Complementary information for section 2.1.1.2: “Cost-effectiveness and efficiency”

Time-To-Pay (TTP)

Table 6: Indicator – Share of payments made on time

Breakdown of payments per type of expenditure:		2016					2017				
		No. of payments	Average time to pay (calendar days)		No. of payments made on time	Share of payments made on time	No. of payments	Average time to pay (calendar days)		No. of payments made on time	Share of payments made on time
			Net	Gross				Net	Gross		
FP7	Research grants – pre-financing payments (target = 30 days)	12	23.1	139.5	11	91.7%	4	18.3	32.5	4	100.0%
	Research grants – interim and final payments (target = 90 days)	2,819	65.1	107.5	2,642	93.7%	1,561	69.1	123.6	1,460	93.5%
H2020	Research grants – pre-financing payments (target = 30 days)	1,768	11.3	11.3	1,747	98.8%	1,700	9.2	9.2	1,692	99.5%
	Research grants – interim and final payments (target = 90 days)	202	62.7	86.1	181	89.6%	1,082	56.1	75.8	1,056	97.6%
Total Operational expenditures		4,801	45.1	71.2	4,581	95.4%	4,347	42.4	66.8	4,212	96.9%
Administrative expenditures (target = 30 days)		1,416	10.7	11.1	1,412	99.7%	1,588	10.2	10.6	1,584	99.7%
Experts H2020 (target = 30 days)		20,977	11.0	11.6	20,898	99.6%	21,694	10.5	11.0	21,491	99.1%
Total payments processed by REA		31,995	-	-	31,472	98.4%	31,976	-	-	31,499	98.5%

Performance against indicators from the 2017 Annual Work Programme

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

Indicator 1 (mandatory): Estimated residual error rate¹³

Where necessary specific residual error rates would be calculated for each programme managed or for expenditure with a common risk profile.

Source of data: AAR

Baseline AAR 2016	Target
<p>H2020: n/a</p> <p>FP7: <u>Representative error rate / Common Representative Audit Sample (CRAS):</u> - Space and Security: 5.03%</p> <p><u>Detected error rates:</u> - SMEs: 6.28% - People: 1.72%</p> <p><u>Residual error rates:</u> - CRAS - Space: 3.18% - CRAS - Security: 3.55% - SMEs: 5.99% - People: 1.55%</p>	<p>H2020: Overall target : as close as possible to 2% (within the range of 2-5%). Second layer of assurance for the MSCA: specific target for the MSCA subset: below 2%</p> <p>FP7: less than 2% of total budget (materiality threshold)</p>
<p>Situation at the end of the year:</p>	<p>H2020: Based on partial results of the first representative sample (111 audited participations closed from 142 participations), the results for the CRS1 are:</p> <ul style="list-style-type: none"> • Representative error rate : 1.60% • Residual error rate for H2020 for REA overall : 1.46%. <p>The above rates cannot be considered as conclusive. At this stage, REA considers that the best estimate for the H2020 error rates is the Error rate estimated for the research and innovation family overall, based on the audit results with the draft reports included, which gives:</p> <ul style="list-style-type: none"> • Estimated representative error rate for H2020 overall: 2.82%

¹³ For the definition, see the first annex to the AAR instructions 2014 "Key definitions for determining amounts at risk" at <https://myintracomm.ec.europa.eu/budgweb/EN/rep/aar/Documents/aar-standing-instructions.pdf>.

	<ul style="list-style-type: none"> • Estimated residual error rate for H2020 overall : 2.24%. <p>FP7: <u>Representative error rate / Common Representative Audit Sample (CRAS):</u> - Space and Security: 4.95%</p> <p><u>Specific Detected error rates:</u> - SMEs: 6.12% - People: 1.73%</p> <p><u>Residual error rates:</u> - CRAS Space / Security: 3.19% / 3.54% (combined Space & Security 3.39%) - SMEs: 5.79% - People: 1.55%</p>
Indicator 2: Estimated overall amount at risk for the year for the entire budget under the EAs responsibility.	
Source of data: AAR 2016	
Baseline 2016	Target
With an average weighted error rate of 2.8% the amount at risk has been estimated at about €23.77 million at the end of 2016.	It is expected that the average weighted error rate will remain at a similar level. The amount at risk should also remain stable.
Situation at the end of the year:	The average weighted error rate for 2017 is 2.4%, and the amount at risk at closure has been estimated at about €28.33 million.
Indicator 3: Estimated future corrections	
Source of data: AAR 2016	
Baseline 2016	Target (<i>none</i>)
The corrective capacity was estimated for 2016 at about 1.2% of the payments made.	No changes are expected with regard to the corrective capacity, which is expected to remain in the range of 1%.
Situation at the end of the year:	According to IAS audit recommendations, a new methodology has been introduced for the calculation of future corrections. Following this methodology, the overall average amounts to 0.39%. This should not be compared to the baseline.

Main outputs in 2017:			
Output	Indicator	Target	Situation at the end of the year:
Output at REA level			
FP7 ex-post audits launched in 2017	Number of FP7 ex-post audits launched	42 audits to be launched in 2017 (RISK only, no more MUS and no SME desk audit)	40 ¹⁴
FP7 ex-post audits closed in 2017	Number of FP7 ex-post audits closed	34 audits to be closed in 2017	48 ¹⁵
Implementation of FP7 audit findings	Cumulative implementation rate of FP7 audit results	80% by 31/12/2017	85%
Implementation of FP7 extension of audits findings	Cumulative implementation rate of FP7 extrapolation	80% by 31/12/2017	86%

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

Agencies are requested to reach a conclusion on cost effectiveness of controls. *The indicator n°1 below is a mandatory indicator, which needs to be supported by additional reliable indicators. Agencies have the choice between either a) comparing costs and benefits or b) calculating the cost of controls over expenditure that could be compared with a reference, (overall cost of control per distinct control system). One of the two methods can be followed.*

Indicator 1: Conclusion reached on cost effectiveness of controls

Source of data: AAR 2016

Baseline 2016	Target
Yes	Yes
Situation at the end of the year:	Yes

Indicator 2: Cost of the evaluation and selection procedure (costs of evaluating and selecting the best proposals /amount committed)

Source of data: AAR 2016

Baseline 2016	Target
Below 2%	Stay in the same range
Situation at the end of the year:	0.34% NB: the methodology for the calculation of cost-effectiveness has been reviewed, in order to include the costs of shared services in the overall assessment. This affected the above indicator, therefore it is not to be compared to the 2016 "baseline".

Indicator 3: Cost of monitoring the execution of the grant agreements and of the ex-post controls / amount paid

Source of data: AAR 2016

Baseline 2016	Target
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¹⁴ Two joint audits with the ECA were planned for 2017, but as the ECA only planned desk audits only one was performed. In addition one batch of audits was not launched due the budgetary limitations towards the end of the year.

¹⁵ More audits were closed due to the ongoing efforts and progress made in cleaning the back log with audits performed by Lubbock Fine company.

+/- 2%	Stay in the same range
Situation at the end of the semester:	1.67%

Main outputs in 2017:			
Output	Indicator	Target	Situation at the end of the year:
Output at REA level			
Information session to REA newcomers for the positions of financial officers and project officers. Presentation of the basics of ex-ante controls	Number of information sessions organised by the REA.	In function of the recruitment of new staff.	It was decided in the NFO meeting of 26 September 2017 to postpone the training until Q1 2018. This is because there were few new staff members /new FOs to participate in the training, originally scheduled for November 2017. Several units had new staff arriving in December 2017 and January 2018, therefore it was considered appropriate to postpone to also allow these staff to participate. The training will now take place on 5 March 2018. In addition, an e-learning module for newcomer FOs & POs was prepared. The module is now available on EU Learn.
Training on H2020 IT tools (organised by the CSC)	Compulsory training for REA staff occupying the function of project Officer, Financial Officer, Project Assistant or Financial Assistant	100% of the project officers, financial officers (FOs), project assistants, financial assistants must have followed the training in the 3 years following their start date in the function.	The e-learning training mentioned above includes information on the IT tools and makes reference to the compulsory training. All FVAs in C2 have followed the training.
Training on H2020 ex-ante controls (organised by the CSC)	Compulsory training for REA staff occupying the function of project Officer, Financial Officer, Project Assistant or Financial Assistant.	100% of the project officers, financial officers, project assistants, financial assistants must have followed the training in the 3 years following their start date in the function.	Following the conclusion of the REA ex-ante controls working group, training material was made available to each unit. C2 directly provided this training at several unit meetings upon request.

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

Indicator 1 (information available in the EA's AFS): Updated anti-fraud strategy of REA, elaborated on the basis of the methodology provided by OLAF¹⁶

Source of data: REA Anti-Fraud Approach		
Baseline	Interim Milestone	Target
2016: REA Anti-Fraud Approach for FP7 (revised in April 2016)	2017: Assessment of the need to perform an update of the REA Anti-Fraud Approach for FP7	Update whenever the REA identifies gaps in its control system and possible new mitigation measures.
Situation at the end of the year:	An update of the REA Anti-Fraud Approach for was done in September 2017 reflecting the interpretation on the application of the financial penalties.	

Indicator 2: Fraud awareness is increased for target population(s) as identified in the REA's AFS

Source of data: REA Anti-Fraud Approach		
Baseline 2016	Interim Milestone	Target
48% of REA staff followed an anti-fraud training.	The REA anti-fraud training has been made compulsory in 2016 for all REA staff of operational units and highly recommended for other staff.	Update every year (reach 100% of staff employed in operational units by 2020).
Situation at the end of the year:	57.5% of operational units staff followed an anti-fraud training organised by REA and RTD/CSC	

Main outputs in 2017:

Output	Indicator	Target 2017	Situation at the end of the year:
Output at REA level			
Assessment of the need to perform an update of the REA Anti-Fraud Approach for FP7 (revised in April 2016)	Update of the REA FP7 anti-fraud approach	Assessment to be performed by 31/03/2017.	An assessment was performed as planned. The REA FP7 anti-fraud approach was amended to reflect the conditions under which financial penalties may be applied under the FR.
Percentage of total staff in operational units having followed the anti-fraud training	Increased fraud awareness of REA staff	60% target population reached	57.5% of target population reached at 31 December 2017 following REA and RTD/CSC trainings in 2017.
REA Quarterly Reports "State of play of cases under OLAF investigation for serious irregularities"	Regular monitoring and reporting on fraudulent cases to management	Number of reports per year: 4	3 reports (the one from March was encompassed in the hand over file of the Director)

¹⁶ The methodology can be found on the FPDNet website: <https://myintracomm.ec.europa.eu/serv/en/fraud-prevention/ToolBox/Documents/Methodology%20and%20guidance%20for%20DGs%20anti-fraud%20strategies.pdf>. In particular paragraph 3 of the methodology is relevant.

Table 7: REA operating budget implemented in 2017 by activities

Activities	Title 1 (€)	Title 2 (€)	Title 3 (€)	Total	%
H2020 and FP7					
H2020 Excellent Science					
Marie Skłodowska-Curie actions – EAC	11,375,048.09	2,205,121.65	270,495.53	13,850,665.27	20.71%
Future and Emerging Technologies (FET Open) – CNECT	2,812,894.60	545,296.58	66,889.86	3,425,081.04	5.12%
FP7 People – Marie Curie Actions (legacy) – EAC	4,587,305.17	889,276.76	238,328.94	5,714,910.88	8.55%
Subtotal	18,775,247.86	3,639,694.99	575,714.33	22,990,657.19	34.38%
Industrial Leadership					
Space Research – GROW	1,833,281.61	355,392.69	43,594.93	2,232,269.24	3.34%
FP7 Cooperation – Space Research (legacy) – GROW	618,721.88	119,942.97	143,957.11	882,621.96	1.32%
Subtotal	2,452,003.49	475,335.66	187,552.05	3,114,891.20	4.66%
Societal Challenges					
Societal Challenge 2					
Societal Challenge 2 – RTD	1,568,016.34	303,969.42	37,287.00	1,909,272.76	2.86%
Societal Challenge 2 – AGRI	1,700,703.97	329,691.72	40,442.27	2,070,837.96	3.10%
Societal Challenge 6					
Societal Challenge 6 – RTD	1,273,903.42	246,953.86	30,293.07	1,551,150.35	2.32%
Societal Challenge 6 – CNECT	929,447.56	180,179.01	22,102.01	1,131,728.58	1.69%
Societal Challenge 7					
Societal Challenge 7 – HOME	1,174,556.16	227,694.79	27,930.62	1,430,181.57	2.14%
Societal Challenge 7 – CNECT	543,252.71	105,312.81	12,918.40	661,483.93	0.99%
FP7 Cooperation – Security Research (legacy) – HOME	1,138,940.89	220,790.56	156,327.78	1,516,059.23	2.27%
Subtotal	8,328,821.04	1,614,592.17	327,301.16	10,270,714.38	15.36%
H2020 Spreading Excellence, Widening Participation and Science with and for Society – RTD					
SPO-SEWP -RTD	1,719,072.32	333,252.53	40,879.07	2,093,203.92	3.13%
SPO-SWaFS-RTD	849,182.16	164,619.08	20,193.32	1,033,994.57	1.55%
Subtotal	2,568,254.48	497,871.62	61,072.39	3,127,198.49	4.68%
FP7 Capacities – Research for the benefit of SMEs (legacy) – RTD	1,824,618.47	353,713.29	172,633.00	2,350,964.77	3.52%
Subtotal	1,824,618.47	353,713.29	172,633.00	2,350,964.77	3.52%

Provision of administrative and logistical support services					
Support Services	9,068,969.52	1,758,074.42	7,830,700.78	18,657,744.73	27.90%
Subtotal	9,068,969.52	1,758,074.42	7,830,700.78	18,657,744.73	27.90%
Management and Administrative Support					
Horizontal Activities	5,222,941.23	1,012,498.65	124,200.11	6,359,639.99	9.51%
H2020 Excellent Science					0.00%
Marie Skłodowska-Curie actions – EAC	1,381,080.60	267,730.80	32,841.72	1,681,653.12	2.51%
Future and Emerging Technologies (FET Open) – CNECT	341,522.44	66,206.18	8,121.31	415,849.93	0.62%
FP7 People – Marie Curie Actions (legacy) – EAC	556,959.24	107,969.91	13,244.34	678,173.49	1.01%
Industrial Leadership					0.00%
Space Research – GROW	222,584.52	43,149.35	5,293.00	271,026.87	0.41%
FP7 Cooperation – Space Research (legacy) – GROW	75,120.98	14,562.66	1,786.36	91,469.99	0.14%
Societal Challenges					0.00%
Societal Challenge 2					0.00%
Societal Challenge 2 – RTD	190,377.83	36,905.89	4,527.13	231,810.85	0.35%
Societal Challenge 2 – AGRI	206,487.85	40,028.92	4,910.22	251,426.99	0.38%
Societal Challenge 6					0.00%
Societal Challenge 6 – RTD	154,668.65	29,983.45	3,677.98	188,330.07	0.28%
Societal Challenge 6 – CNECT	112,847.17	21,876.10	2,683.47	137,406.75	0.21%
Societal Challenge 7					0.00%
Societal Challenge 7 – HOME	142,606.58	27,645.15	3,391.15	173,642.87	0.26%
Societal Challenge 7 – CNECT	65,958.03	12,786.36	1,568.46	80,312.86	0.12%
FP7 Cooperation – Security Research (legacy) – HOME	138,282.42	26,806.88	3,288.32	168,377.62	0.25%
H2020 Spreading Excellence, Widening Participation and Science with and for Society – RTD					0.00%
SPO-SEWP -RTD	208,718.01	40,461.25	4,963.26	254,142.51	0.38%
SPO-SWaFS-RTD	103,101.89	19,986.92	2,451.73	125,540.55	0.19%
FP7 Capacities – Research for the benefit of SMEs (legacy) – RTD	221,532.71	42,945.45	5,267.99	269,746.14	0.40%
Support Services	1,101,092.30	213,453.38	26,183.67	1,340,729.35	2.00%
Total	48,240,856.11	9,351,780.80	9,279,173.82	66,871,810.73	100.00%

Table 8: Estimated overall amount at risk at closure in 2017 - per parent DG

	Payments made (in 2017; m€)	minus new ¹ prefinancing (in 2017; m€)	plus cleared ² prefinancing (in 2017; m€)	relevant expenditure ³ (for 2017; m€)	Estimated Representative/ Detected Error Rate (%)	Estimated overall amount at risk at payment (2017; €)	Estimated corrective capacity based on the residual error rate ⁴ (%)	Estimated future corrections (for FY; €)	Estimated overall amount at risk at closure (€)	Share of the amount at risk in % of the relevant expenditure
H2020										
EAC Excellent Science - Marie Skłodowska Curie actions	784.58	606.33	126.24	304.50	1.73%	5,267,827	0.18%	548,097.63	4,719,730	
CNECT Excellent Science - FET Open	70.87	56.54	0.44	14.78	2.82%	416,683	0.58%	85,700.71	330,982	
GROW LEIT - Space	75.29	54.14	6.89	28.04	2.82%	790,649	0.58%	162,615.85	628,034	
RTD Societal Challenge 2	119.94	70.88	2.04	51.11	2.82%	1,441,278	0.58%	296,433.05	1,144,845	
AGRI Societal Challenge 2	130.14	117.21	1.45	14.37	2.82%	405,349	0.58%	83,369.68	321,979	
RTD Societal Challenge 6	44.99	28.38	1.26	17.87	2.82%	503,921	0.58%	103,643.28	400,277	
CNECT Societal Challenge 6	32.60	23.07	1.76	11.28	2.82%	318,015	0.58%	65,407.43	252,608	
CNECT Societal Challenge 7	28.11	19.97	0.28	8.42	2.82%	237,439	0.58%	48,834.92	188,604	
HOME Societal Challenge 7	60.24	37.15	6.37	29.47	2.82%	830,988	0.58%	170,912.39	660,075	
RTD Spreading Excellence and Widening Participation	80.98	63.06	3.14	21.06	2.82%	594,013	0.58%	122,172.94	471,840	
RTD Science with and for Society	40.08	25.30	1.81	16.60	2.82%	467,989	0.58%	96,253.06	371,736	
Total H2020:	1,467.82	1,102.02	151.69	517.49	2.18%	11,274,152	0.34%	1,783,441	9,490,711	
FP7 legacy										
EAC People	108.72	0.05	414.03	522.70	1.73%	9,042,646	0.18%	940,853	8,101,792	
GROW Cooperation - Space theme	9.09	0.00	44.15	53.24	4.95%	2,635,446	1.76%	937,048	1,698,399	
HOME Cooperation - Security theme	45.45	0.00	69.59	115.04	4.95%	5,694,433	1.41%	1,622,051	4,072,383	
RTD Capacities - SME actions	14.54	0.00	59.71	74.25	6.12%	4,544,110	0.33%	245,026	4,299,084	
Total FP7:	177.80	0.05	587.47	765.23	2.86%	21,916,635	0.49%	3,744,977	18,171,658	
Total Grant Management	1,645.62	1,102.07	739.16	1,331.17	2.5%	33,190,786	0.42%	5,528,418	27,662,368	

	Payments made (in 2017; m€)	<i>minus</i> new ¹ prefinancing (in 2017; m€)	<i>plus</i> cleared ² prefinancing (in 2017; m€)	relevant expenditure ³ (for 2017; m€)	Estimated Representative/ Detected Error Rate (%)	Estimated overall amount at risk <i>at</i> <i>payment</i> (2017; €)	Estimated corrective capacity based on the residual error rate ⁴ (%)	Estimated future corrections (for FY; €)	Estimated overall amount at risk at closure (€)	Share of the amount at risk in % of the relevant expenditure
Expert management ⁵	51.55	0.00	0.00	51.55	0.5%	257,762.67	0.00%	0	257,763	
Total operational expenditure	1,697.18	1,102.07	739.16	1,334.27	2.5%	33,448,549	0.41%	5,528,418	27,920,131	
Administrative expenditure ⁵	66.12	0.00	0.00	66.12	0.5%	330,600	0.00%	0	330,600	
Grand total	1,763.30	1,102.07	739.16	1,400.39	2.4%	33,779,149	0.39%	5,528,418	28,250,731	
Amount at risk at closure in percentage of the relevant expenditure ⁶										2.02%

¹ New Prefinancing (PF) actually paid out by REA during the financial year (FY) (i.e. excluding any PF received as transfer from another DG).

² PF actually having been cleared during the FY (i.e. their 'delta' in FY 'actuals', not their 'cut-off' based estimated 'consumption').

³ For the purpose of equivalence with the ECA's scope of the EC funds with potential exposure to L&R errors (see the ECA's AR methodological Annex 1.1 point 10), also our concept of "relevant expenditure" includes the payments made, subtracts the new pre-financing paid out, and adds the previous pre-financing actually cleared during the FY. This is a separate and

⁴ The correction percentage is based on the difference between the Representative/Detected Error rate and the Residual Error rate. This is the best estimate of the expected corrective

⁵ The error rate for administrative expenditure and experts related payments is estimated at 0.5% accordingly to best practice identified in the Research and Innovation Family.

⁶ The total amount in % here is the sum of the detail lines and, for rounding reasons is not equal to the sum of the "operational" and "administrative" subtotals.

ANNEX 11: Specific annexes related to "Assessment of the effectiveness of the internal control systems" (not applicable)

ANNEX 12: Performance tables

1. Implementation of Horizon 2020 – Part I – Excellent Science – Marie Skłodowska-Curie Actions (MSCA) and predecessor actions (DG EAC)

Relevant general objective: PARENT DG EAC								
Under the overarching Commission objective 1 "A New Boost for Jobs, Growth and Investment", EU level intervention aims at competitiveness through education, innovation, youth, culture and sport.								
Specific objective: PARENT DG EAC								
Specific objective 1.7: Excellent science – Marie Skłodowska-Curie actions – to ensure optimum development and dynamic use of Europe's intellectual capital of researchers in order to generate new skills and innovation and, thus, to realise its full potential across all sectors and regions.								
Main outputs in 2017:								
EXPENDITURE-RELATED OUTPUTS						INPUTS: Operational expenditure		Latest known results/ Achieved/Non achieved
Description/ Responsible Unit	Milestones			Nb. of out-puts (calls)	Topics delegated to REA	Budget line	Indicative budget 2017 from the H2020 WP 2016-17¹⁷ (CA, million €)	
	Call/ Responsible Unit	Call ID	Call deadline					
Management of H2020								
Management of the calls and contracting procedures of the WP 2016-2017– Marie Skłodowska-Curie Actions	Innovative Training Networks (Unit A1)	MSCA-ITN-2017	10.01.2017	1	All	See 4.2.3. of AWP 2017	430.00	Call implemented
	Individual Fellowships (Units A2 and A4)	MSCA-IF-2017	14.09.2017	1	All	See 4.2.3. of AWP 2017	248.70	Call implemented
	Research and Innovation Staff Exchange (Unit A3)	MSCA-RISE-2017	05.04.2017	1	All	See 4.2.3. of AWP 2017	80.00	Call implemented
	COFUND (Unit A4)	MSCA-COFUND-2017	28.09.2017	1	All	See 4.2.3. of AWP 2017	80.00	Call implemented
	TOTAL				4			838.70
Management of FP7								
Management of FP7 grant agreements (FP7 People Programme)	Continuous (see detailed actions below) <ul style="list-style-type: none"> Initial Training Networks (ITN) (Unit A1) Industry and Academia Partnerships and 					n/a	n/a	implemented

¹⁷ Commission Decision C(2015)6776 of 13 October 2015 updated by Commission Decision C(2016)4614 of 25 July 2016. Indicative budget updated following the revision of the WP 2016-2017 in July 2016.

	Pathways (IAPP) (Unit A1) <ul style="list-style-type: none"> • Intra-European Fellowships (IEF) (Unit A2) • International Research Staff Exchange Scheme (IRSES) (Unit A3) • International Outgoing Fellowships (IOF) (Unit A4) • International Incoming Fellowships (IIF) (Unit A4) • Re-integration Grants and Career Integration Grants (CIG) (Unit A4) • Co-funding of Regional, National and International Programmes (COFUND) (Unit A4) • Researchers' NIGHT (Unit A4) 			
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KEY ACTIONS				
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Description	FP7	H2020	FP7	H2020
	AWP 2017 Estimated Number	AWP 2017 Estimated Number	Final	Final
Promotion of the programme	n/a	5	n/a	21
Calls for proposals		4		4
Evaluation sessions		4		5
Number of individual proposals evaluated		11,450		11,116
Grant finalisation ¹⁸		1,250		1,480
Procedures for selection by the Commission (where necessary)		11		17
Pre-financing payments		1,450		4
Payments (interim / final)	1440	850	1352	803

¹⁸ Number of grants signed in 2017 (for 2016 and 2017 calls).

2. Implementation of Horizon 2020 – Part I – Excellent Science – FET OPEN (DG CNECT)

Relevant general objective: PARENT DG CNECT								
DG CNECT aims at contributing to general objective 1 "A New Boost for Jobs, Growth and Investment".								
Specific objective: PARENT DG CNECT								
Specific objective 2.2: Europe's research finds investment opportunities for potential technology breakthroughs and flagships, in particular through the Horizon 2020 programme and using Private Public Partnerships.								
Main outputs in 2017:								
EXPENDITURE-RELATED OUTPUTS					INPUTS: Operational expenditure			
Description/ Responsible Unit	Milestones			Nb. of out- puts (calls)	Topics dele- gated to REA	Budget line	Indicative budget 2017 from the H2020 WP 2016-17 (CA, million €)	Latest known results/ Achieved/Non achieved
	Call/ Responsible Unit	Call ID	Call deadline					
Management of H2020								
Management of the calls and contracting of the WP 2016-2017 ¹⁹_ FUTURE AND EMERGING TECHNOLOGIES	FET-Open – Novel ideas for radically new technologies (Unit A5)							
	FET-Open research and innovation actions (RIA)	FET- OPEN- 01- 2016- 2017	17.01.2017 27.09.2017 ²⁰	1	1 (3 cut- off dates)	See 4.2.3. of AWP 2017	110.50	Call implemented
	FET-Open Coordinatio n and Support Actions (CSA)	FET- OPEN- 03- 2016	17.01.2017		3	See 4.2.3. of AWP 2017	1.50	Call implemented
	FET Innovation Launchpad	FET- OPEN- 04- 2016- 2017	27.09.2017 ²¹		4 (2 cut off dates)	See 4.2.3. of AWP 2017	1.80	Call implemented
	TOTAL			1	3		113.80	CA: €114.09 m

¹⁹ Commission Decision C(2015)6776 of 13 October 2015 updated by Commission Decisions C(2016)4614 of 25 July 2016 and C(2017)2468 of 24 April 2017.

²⁰ A single call with three cut-off dates: 1 in 2016 (11.05.2016) and 2 in 2017 as indicated.

²¹ A single call with two cut-off dates: 1 in 2016 (29.09.2016) and 1 in 2017 as indicated.

KEY ACTIONS		
Description	H2020	
	AWP 2017 Estimated Number	Final Number
Promotion of the programme	5	4
Calls for proposals	1	1
Evaluation sessions	4	4
Number of individual proposals evaluated	2,000	374 ²²
Grant finalisation ²³	42	47
Procedures for selection by the Commission (where necessary)	2	5
Pre-financing payments	30	64
Payments (Interim / final)	28	24

²² At the time of reporting, the evaluations were still ongoing for the third cut-off of FET-Open-RIA (deadline 27 September 2017) and the second cut-off of FET-Open Innovation Launchpad (deadline 27 September 2017). For the first, 403 proposals had been submitted, for the second 54. These have not been included in the 'number of individual proposals evaluated'.

²³ Number of grants signed in 2017 (for 2016 and 2017 calls).

3. Implementation of Horizon 2020 – Industrial leadership – SPACE and predecessor actions (DG GROW)

Relevant general objective: PARENT DG GROW								
DG GROW aims at contributing to general objective 1 "A New Boost for Jobs, Growth and Investment".								
Specific objective: PARENT DG GROW								
Specific objective 1.2: To support research and innovation related to enterprises								
Main outputs in 2017:								
EXPENDITURE-RELATED OUTPUTS						INPUTS: Operational expenditure		
Description	Milestones			Nb. of out-puts (calls)	Topics delegated to REA	Budget line	Indicative budget 2017 from the H2020 WP 2016-17 (CA, million €)	Latest known results/ Achieved/Non achieved
	Call/ Responsible Unit	Call ID	Call deadline					
Management of H2020								
Management of the calls and contracting procedures of the WP 2016-2017 – Industrial Leadership²⁴	Earth Observation (Unit B1)	EO-2017	01.03.2017	1	3 (All)	See 4.2.3. of AWP 2017	22.00	Call implemented
	Competitiveness of the European Space Sector: Technology and Science (Unit B1)	COMP ET-2017	01.03.2017	1	7 (All)	See 4.2.3. of AWP 2017	43.50	Call implemented
	Ad-hoc calls: (Grants to named beneficiaries) ²⁵ FPA on Space surveillance and tracking (SST) Support Framework Space surveillance and tracking (RIA) Improving the Performance of the SST at			n/a			See 4.2.3. of AWP 2017	pm 1.60

²⁴ Commission Decision C(2015)6776 of 13 October 2015 updated by Commission Decision C(2016)4614 of 25 July 2016.

²⁵ The Space Surveillance and Tracking call in 2017 was a combined call merging the actions from 2016 and 2017 in SST2 as well as in SST3. The budget commitment stated in this table is only the 2017 SST budget.

	European Level (RIA) (Unit B1)						15.00	
	TOTAL			2			82.10	CA: €96.76 m
Management of FP7								
Management of FP7 grant agreements (FP7 Cooperation Programme, Space theme)	Continuous (see detailed actions below)			n/a			n/a	Implemented
KEY ACTIONS								
Description	FP7		H2020		FP7	H2020		
	AWP 2017 - Estimated Number		AWP 2017 - Estimated Number		Final Number	Final Number		
Promotion of the programme	n/a		n/a		n/a	0 ²⁶		
Calls for proposals			2 ²⁷			2		
Evaluation sessions			4			5		
Number of individual proposals evaluated			230			193		
Grant finalisation ²⁸			28			30		
Procedures for selection by the Commission (where necessary)			2			2		
Pre-financing payments			25			22		
Payments (Interim / Final)			49			38		43

²⁶ REA does not organise info sessions of the H2020 Space programme, however it has supported the parent DG in the context of numerous Info Days across Europe.

²⁷ On top of EO and COMPET, 2 ad-hoc calls for specific agreements.

²⁸ Number of grants signed in 2017 (for 2016 and 2017 calls).

4. Implementation of Horizon 2020 – Societal Challenge 2 – Food security, sustainable agriculture and forestry, marine and maritime and inland water research and bioeconomy (DG RTD and DG AGRI)

Relevant general objectives: PARENT DG RTD DG RTD aims at contributing to general objective 1 "A New Boost for Jobs, Growth and Investment".								
PARENT DG AGRI <ul style="list-style-type: none"> • DG RTD aims to contribute to the general objective "A New Boost for Jobs, Growth and Investment". • DG AGRI aims to contribute in particular to the following 3 general objectives: <ul style="list-style-type: none"> ○ "A New Boost for Jobs, Growth and Investment" (no.1), ○ "A Connected Digital Single Market" (no.2), ○ "A Resilient Energy Union with a Forward-Looking Climate Change Policy" (no.3) <p><u>H2020 Societal Challenge 2</u> contributes to all 3 Common Agricultural Policy (CAP) objectives that all contribute to the general objectives selected by DG AGRI; as well as to H2020 general objective "To build an economy based on knowledge and innovation across the whole Union, while contributing to sustainable development."</p>								
Specific objectives: PARENT DG RTD Specific objective 1.3: To ensure an effective and efficient implementation of Horizon 2020 and other RTD programmes and maximise synergies.								
PARENT DG AGRI Specific objective: To ensure an effective and efficient implementation of Horizon 2020, in particular with regard to Societal Challenge 2, which aims at securing sufficient supplies of safe and high quality food and other bio-based products, by developing productive and resource-efficient primary production systems, fostering related ecosystem services and the recovery of biological diversity, alongside competitive and low carbon supply, processing and marketing chains.								
Main outputs in 2017:								
EXPENDITURE-RELATED OUTPUTS						INPUTS: Operational expenditure		
Description/ Responsible Unit	Milestones			Nb. of outputs (calls)	Topics dele- gated to REA	Budget line	Indicative budget 2017 from the H2020 WP 2016-17 (CA, million €)	Latest known results/ Achieved/Non achieved
	Call/ Responsible Unit	Call ID	Call deadline					
Management of H2020								
Management of the calls and contracting procedures of the WP 2016-2017 ²⁹ – Societal Challenge 2	Sustainable Food Security (Unit B2)	SFS- 2017	Stage 1: 14.02.2017 Stage 2: 13.09.2017 ³⁰	RIA, topics 7,8,10,15,16,17,2 0,21,27,28,29,30, 32,34,39,40,46,47	See 4.2.3. of AWP 2017	168	Call implemented	
		SFS- 2017	14.02.2017	IA, topics 13,22,35 and 48	See 4.2.3. of AWP 2017	31	Call implemented	
		SFS- 2017	14.02.2017	CSA, topics 4,49 and 50	See 4.2.3. of AWP 2017	5.5	Call implemented	
		SFS- 2017 (ERA- NET-	14.02.2017	Topic 19ERA-NET- Cofund, topic 19	See 4.2.3. of AWP	10.07	Call implemented	

²⁹ Commission Decision C(2015) 6776 of 13 October 2015 updated by Commission Decision C(2016)4614 of 25 July 2016 and by Commission Decision C(2017)2468 of 24 April 2017.

³⁰ Submission and evaluation of proposals for this call will take place in two stages. REA is responsible for coordinating the call with DG RTD, DG AGRI, EASME and INEA.

		Cofund) SFS- 2017 (ERA- NET- Cofund)			2017		
		SFS- 2017 (Cofund -EJP)	14.02.2017	Topic 36	See 4.2.3. of AWP 2017	45	Call implemented
		Subtotal SFS- 2017		1	All, except topics 05, 18 and 43	259.57³¹	Call implemented
Blue Growth (Unit B2)	BG-2017	14.02.2017	IA, topics 4,7,8 and 14	See 4.2.3. of AWP 2017	28.40	Call implemented	
	BG-2017	14.02.2017	CSA, topic 6	See 4.2.3. of AWP 2017	2.00	Call implemented	
	Subtotal BG-2017		1	All except topics 02, 11	30.40³²	Call implemented	
Rural Renaissance (Unit B2)	RUR- 2017	Stage 1: 14.02.2017, Stage 2: 13.09.2017	RIA, topics 2,3,9,13 and 16	See 4.2.3. of AWP 2017	33.00	Call implemented	
	RUR-8- 2017	14.02.2017	IA, topic 5	See 4.2.3. of AWP 2017	8.00	Call implemented	
	RUR- 2017	14.02.2017	CSA, topics 10 and 12 and 15	See 4.2.3. of AWP 2017	20.00	Call implemented	
	Subtotal RUR- 2017		1	9 topics (All)	61.00	Call implemented	
European Bioeconom y (Unit B2)	BB-1- 2017	Stage 1: 14.02.2017, Stage 2: 13.09.2017	RIA, topics 2 and 3	See 4.2.3. of AWP 2017	12.00	Call implemented	
	BB-4- 2017	14.02.2017	IA, topic 7	See 4.2.3. of AWP 2017	9.07	Call implemented	
	BB-6- 2017	14.02.2017	CSA, topics 5 and 8	See 4.2.3. of AWP	5.40	Call implemented	

³¹ To which EUR 10.00 million from part 12 (budget line 08.020305) and EUR 7.00 million from part 5.i (budget line 09.040201) will be added making a total of EUR 280.57 million for this call.

³² To which EUR 8.00 million from part 11 (budget line 08.020304) and EUR 10.00 million from part 12 (budget line 08.020305) will be added making a total of EUR 48.40 million for this call.

					2017			
		Subtotal BB-2017		1	5 topics		26.47	Call implemented
	TOTAL			4	46 topics		377.44	CA: €391.25 m

KEY ACTIONS

Description	H2020	
	AWP 2017 - Estimated Number	Final Number
Promotion of the programme	2	2
Calls for proposals	4	4
Evaluation sessions	10	11
Number of individual proposals evaluated	750	619
Grant finalisation ³³	65	66 ³⁴
Procedures for selection by the Commission (where necessary)	12	7
Pre-financing payments	65	66
Payments (Interim / Final)	53	45

³³ Number of grants signed in 2017 (for 2016 and 2017 calls).

³⁴ At the time of reporting the GAP was still ongoing for the two-stage calls.

5. Implementation of Horizon 2020 – Societal Challenge 6 – Inclusive, Innovative and Reflective Societies (DG RTD and DG CNECT)

Relevant general objectives: PARENT DGs RTD and CNECT DGs RTD and CNECT both aim at contributing to general objective 1 "A New Boost for Jobs, Growth and Investment" ³⁵								
Specific objectives: PARENT DG RTD Specific objective 1.3: To ensure an effective and efficient implementation of Horizon 2020 and other RTD programmes and maximise synergies. PARENT DG CNECT Specific objective 2.2: Europe's research finds investment opportunities for potential technology breakthroughs and flagships, in particular through the Horizon 2020 programme and using Private Public Partnerships.								
Main outputs in 2017:								
EXPENDITURE-RELATED OUTPUTS						INPUTS: Operational expenditure		
Description	Milestones			Nb. of outputs (calls)	Topics delegated to REA	Budget line	Indicative budget 2017 from the H2020 WP 2016-17 (CA, million €)	Latest known results/ Achieved/Non achieved
	Call/ Responsible Unit	Call ID	Call deadline					
Management of H2020								
Management of the calls and contracting procedures of the WP 2016-2017³⁶ – Societal Challenge 6	Co-Creation for Growth and Inclusion (Unit B3)	CO-CREATION -2017 (IA)	02.02.2017		Topics 1 and 4	See 4.2.3. of AWP 2017		Call implemented
		CO-CREATION -2017 (RIA)	02.02.2017		Topics 6[A], 7[A] and 8	See 4.2.3. of AWP 2017		Call implemented
		Subtotal CO-CREATION -2017		1			34.05	Call implemented
	Reversing Inequalities and Promoting Fairness (Unit B3)	REV-INEQUAL -2016	02.02.2017	1	Topic 13	See 4.2.3. of AWP 2017	9.50	Call implemented
	Engaging Together Globally	ENG-GLOBALLY -2017	02.02.2017	1	Topics 1, 2, 3, 5, 6, 8 and 10	See 4.2.3. of AWP 2017	32.50	Call implemented
	Promoting the European Public and	CULT-COOP-2017 (RIA)	1st stage: 02.02.2017 2nd stage: 13.09.2017		Topics 1, 2, 3, 4, 5, 6[A], 7, 9 and 12	See 4.2.3. of AWP		Call implemented

³⁵ Through its migration related SC6-projects, REA also indirectly contributes to achieving the Commission general objective no.8: "Towards a new Policy on Migration".

³⁶ Commission Decision C(2015) 6776 of 13 October 2015 updated by Commission Decision C(2016)4614 of 25 July 2016 and by Commission Decision C(2017)2468 of 24 April 2017.

	Cultural Space (Unit B3)				(RIA)	2017		
		CULT-COOP-2017 (RIA)	02.02.2017 (single stage)		Topic 11 (RIA)	See 4.2.3. of AWP 2017		Call implemented
		Subtotal CULT-COOP-2016		1		See 4.2.3. of AWP 2017	50	Call implemented
	TOTAL			4	23 topics		126.50	CA: €110.66 m

KEY ACTIONS

Description	H2020	
	AWP 2017 - Estimated Number	Final Number
Promotion of the programme	n/a	0
Calls for proposals	4	4
Evaluation sessions	5	5
Number of individual proposals evaluated	760	743
Grant finalisation ³⁷	41	26 ³⁸
Procedures for selection by the Commission (where necessary)	12	13
Pre-financing payments	21	23
Interim payments / progress reports	43	41

³⁷ Number of grants signed in 2017 (for 2016 and 2017 calls).

³⁸ At the time of reporting the GAP was still ongoing for the two-stage calls.

6. Implementation of Horizon 2020 – Societal Challenge 7 – Safeguarding Secure Society and predecessor actions (DG HOME and DG CNECT)

Relevant general objectives: PARENT DG HOME DG HOME aims at contributing to general objectives 7 "An Area of Justice and Fundamental Rights based on Mutual Trust" PARENT DG CNECT DG CNECT aims at contributing to general objective 1 "A New Boost for Jobs, Growth and Investment".								
Specific objectives: PARENT DG HOME Specific objectives under general objective 7: <ul style="list-style-type: none"> - A strong EU response to tackling terrorism and preventing radicalisation; - Disrupt serious and organised cross border crime - Fighting cybercrime PARENT DG CNECT Specific objective 2.2: Europe's research finds investment opportunities for potential technology breakthroughs and flagships, in particular through the Horizon 2020 programme and using Private Public Partnerships.								
Main outputs in 2017:								
EXPENDITURE-RELATED OUTPUTS						INPUTS: Operational expenditure³⁹		
Description	Milestones			Nb. of out-puts (calls)	Topics delegated to REA	Budget line	Indicative budget 2017 from the H2020 WP 2016-17 (CA, million €)	Latest known results/ Achieved/Non achieved
	Call/ Responsible Unit	Call ID	Call deadline					
Management of H2020								
Management of the calls and contracting procedures of the WP 2016-2017⁴⁰ – Societal Challenge 7	Critical Infra-structure Protection (Unit B4)	CIP-01-2016-2017 (IA)	24.08.2017	1	1	See 4.2.3. of AWP 2017	20.00	Call implemented
	Security (Unit B4)	SEC-DRS-2017	24.08.2017	4 (PCP), 5 (RIA)		See 4.2.3. of AWP 2017	23.75	Call implemented
		SEC-FCT-2017		7, 12 and 18 (RIA), 9 (PCP), 10 (IA)		See 4.2.3. of AWP 2017	54.00	Call implemented
		SEC-BES-2017		16 and 17 (RIA), 13 (PCP), 15 (IA)		See 4.2.3. of AWP 2017	36.00	Call implemented
		SEC-GM-2017		21 (CSA)		See 4.2.3. of AWP 2017	16.30	Call implemented
		Subtotal SEC-2017				1		

³⁹ For the calls delegated by DG CNECT, the REA manages 100% of the call budget; for the calls delegated by DG HOME, the REA manages two-thirds of the call budget (only unclassified projects).

⁴⁰ Commission Decision C(2015)6776 of 13 October 2015 updated by Commission Decision C(2016)4614 of 25 July 2016 and by Commission Decision C(2017)2468 of 24 April 2017.

	Digital Security Focus Areas (Unit B4)	DS-2017	24.08.2017	1	7[A] RIA 7[B] and 8 (IA)	See 4.2.3. of AWP 2017	35.60 ⁴¹	Call implemented
	TOTAL			3			185.65	CA: €143.79 m
Management of FP7								
Management of FP7 grant agreements (Cooperation Programme, Security theme)	Continuous (see detailed actions below) (Unit B4)			n/a			Implemented	
KEY ACTIONS								
Description	FP7	H2020	FP7	H2020				
	AWP 2017 - Estimated Number	AWP 2017 - Estimated Number	Final	Final				
Promotion of the programme	n/a	1	n / a	3				
Calls for proposals		3		3				
Evaluation sessions		3		3				
Number of individual proposals evaluated		350		299				
Grant finalisation		19		19 ⁴²				
Procedures for selection by the Commission (where necessary)		4		3				
Pre-financing payments		19		19				
Payments (Interim / Final)	56	25	62	29				

⁴¹ To which EUR 20.50 million from part 5.i (budget line 09.040201) and will be added making a total of EUR 56.10 million for this call.

⁴² Number of grants signed in 2017 (for calls 2016 only). The GAP for the 2017 calls was still ongoing at the time of reporting.

7. Implementation of Horizon 2020 – Spreading Excellence and Widening Participation (SEWP) (DG RTD)

Relevant general objective: PARENT DG RTD DG RTD aims at contributing to general objective 1 "A New Boost for Jobs, Growth and Investment".								
Specific objective: PARENT DG RTD Specific objective 1.3: To ensure an effective and efficient implementation of Horizon 2020 and other RTD programmes and maximise synergies.								
Main outputs in 2017:								
EXPENDITURE-RELATED OUTPUTS						INPUTS: Operational expenditure		
Description	Milestones			Nb. of out-puts (calls)	Topics delegated to REA	Budget line	Indicative budget 2017 from the H2020 WP 2016-17 (CA, million €)	Latest known results/ Achieved/N on achieved
	Call/ Responsible Unit	Call ID	Call deadline					
Management of H2020								
Management of the calls and contracting procedures of the WP 2016-2017 ⁴³ – Spreading Excellence and Widening Participation (SEWP)	WIDESPREAD-01-2016 Teaming Phase 2 (Unit B5)	WIDESPREAD-01-2016-2017 (SGA - CSA)	23.06.2016	1	n/a	See 4.2.3. of AWP 2017		Call implemented
	WIDESPREAD-03-2017 ERA chairs (Unit B5)	WIDESPREAD-03-2017	5.10.2017	1	n/a	See 4.2.3. of AWP 2017		Call implemented
	WIDESPREAD-04-2017 Teaming Phase 1 Business plan (Unit B5)	WIDESPREAD-4-2017 (CSA)	15.11.2016	1	n/a	See 4.2.3. of AWP 2017		Call implemented
	WIDESPREAD-05-2017 Twinning (Unit B5)	WIDESPREAD-05-2017 (CSA)	15.11.2017	1	n/a	See 4.2.3. of AWP 2017		Call implemented
	TOTAL			4			121.38	CA: €137.62m
KEY ACTIONS								
Description	H2020							
	AWP 2017 - Estimated Number	Final						
Promotion of the programme	2	3						
Calls for proposals	3	4						
Evaluation sessions	3	3						

⁴³ Commission Decision C(2015)6776 of 13 October 2015 Commission Decision C(2016)4614 of 25 July 2016 and by Commission Decision C(2017)2468 of 24 April 2017.

Number of individual proposals evaluated	850	206 ⁴⁴
Grant finalisation ⁴⁵	40	41
Procedures for selection by the Commission (where necessary)	10	11
Pre-financing payments	40	41
Payments (Interim / Final)	80	80

⁴⁴ At the time of reporting, evaluations were still on-going for Calls WIDESPREAD-03-2017 ERA chairs and WIDESPREAD-05-2017 Twinning. The number of proposals evaluated for these calls has not been included.

⁴⁵ Number of grants signed in 2017 (for 2016 and 2017 calls).

8. Management of Science with and for Society (SWaFS) (DG RTD)

Relevant general objective: PARENT DG RTD									
DG RTD aims at contributing to general objective 1 "A New Boost for Jobs, Growth and Investment".									
Specific objective: PARENT DG RTD									
Specific objective 1.3: To ensure an effective and efficient implementation of Horizon 2020 and other RTD programmes and maximise synergies.									
Main outputs in 2017:									
EXPENDITURE-RELATED OUTPUTS						INPUTS: Operational expenditure			
Description/ Responsible Unit	Milestones			Nb. of outputs (calls)	Topics delegated to REA	Budget line	Indicative budget 2017 from the H2020 WP 2016-17 (CA, million €)	Latest known results/ Achieved/Non achieved	
	Call/ Responsible Unit	Call ID	Call deadline						
Management of H2020									
Management of the calls and contracting procedures of the WP 2016- 2017⁴⁶ – Science with and for Society (SwafS)	SwafS - Science with and for Society (Unit B5)	SwafS -2016- 17	See below	1	All	See 4.2.3.	55.05	Call implemented	
	1. Institutional Change to Support Responsible Research and Innovation in Research Performing and Funding Organisations								
		SwafS- 2017 (CSA)	30.08.2017		Topics 3, 5 and 6 (CSA)	See 4.2.3. of AWP 2017	20.30	Call implemented	
		SwafS- 2017 (RIA)		Topic 8 (RIA)	See 4.2.3. of AWP 2017	3.00	Call implemented		
	Subtotal				4 topics		23.30	Call implemented	
	2. Embedding Responsible Research and Innovation in Horizon 2020 Research & Innovation								
		SwafS- 2017(RIA)	30.08.2017		Topic 10	See 4.2.3. of AWP 2017	3.00	Call implemented	
	3. Strengthening the Science with and for Society Knowledge-Base								
		SwafS- 2017(RIA)	30.08.2017		Topics 11, 12, 13 and	See 4.2.3. of	13.00	Call implemented	

⁴⁶ Commission Decision C(2015)6776 of 13 October 2015 updated by Commission Decision C(2016)4614 of 25 July 2016.

					14	AWP 2017		
4. Developing Inclusive, Anticipatory Governance for Research & Innovation								
	SwafS-2017 (CSA)	30.08.2017			Topics 21, 22, 23, 24, 26 and 27	See 4.2.3 of AWP 2017.	15.75	Call implemented
	TOTAL			1	15 topics		55.05	CA: €58.42 m

KEY ACTIONS

Description	H2020	
	AWP 2017 - Estimated Number	Final
Promotion of the programme	n/a	1
Calls for proposals	1	1
Evaluation sessions	1	1
Number of individual proposals evaluated	250	216
Grant finalisation	24	21
Procedures for selection by the Commission (where necessary)	13	13
Pre-financing payments	21	21
Payments (Interim / Final)	29	24

9. Management of FP 7 Legacy – SME actions

Relevant general objective: PARENT DG RTD n/a								
Specific objective: PARENT DG RTD FP7 research for the benefit of SMEs Action (No specific objective in the management plan 2016 of DG RTD)								
Main outputs in 2017:								
EXPENDITURE-RELATED OUTPUTS						INPUTS: Operational expenditure		
Description	Milestones			Nb. of outputs (calls)	Topics delegated to REA	Budget line	Indicative budget 2017 from the H2020 WP 2017-18 (CA, million €)	Latest known results/ Achieved/Non achieved
	Call/ Responsible Unit	Call ID	Call deadline					
Management of FP7								
Management of FP7 grant agreements (FP7 research for the benefit of SMEs Actions)	Continuous (see detailed actions below) (Units B3, B2, A5)			n/a		n/a		Implemented
KEY ACTIONS								
Description						FP7		
						AWP 2017 - Estimated Number	Final	
Payments (Interim / Final)						110	104	

10. Administrative and logistical support services

Participant validation services

KEY ACTIONS				
Description	Estimated Number	Estimated Budget (million €)	Final Number	Final amount (million €)
Tasks related to participant validation – legal validation				
Number of participants validated (for H2020 and other programmes)	8,000	n/a	7,787	n/a
Number of LEAR Extended Mandates validated (only for H2020)	8,000	n/a	8,938	n/a
Number of UTRO validations	800	n/a	155	n/a
Number of ICM modifications			129	
Number of legal Ex-post changes			464	
Number LEAR changes requests of additional corrections	8,000	n/a	16673	n/a
Tasks related to participant validation – SME validation				
Number of SMEs validations performed	250	n/a	111	n/a
Tasks related to participant validation – financial viability				
Number of financial viability checks performed	2,000	n/a	1316*	n/a
Tasks related to the Research Enquiry Service back-office				
Number of answers given directly by the service provider (EDCC)	8,000	n/a	3490	n/a
Number of answers given by the EC local helpdesks			4417	
Frequently asked Questions				
Number of questions approved and published	600	n/a	447	n/a

*Excluding 716 instances in which an analysis of the request demonstrated that no assessment was due.

For **validation services**, in total, almost 7,800 entities had their legal status validated by the REA Validation Services. In addition, 8,938 Legal Entity Authorised Representative (LEAR) of all participants have been validated according to the requirements of the H2020 procedure. The team established in early 2016 to handle the LEAR change requests which are introduced via Participant Portal by the LEARs has systematically processed the LEAR requests arrived since the second quarter 2016. At the end of 2017, all requests introduced by Participants since October 2015 have been followed up.

The number of SME validations decreases compared to both forecast and 2016 figures given the fact that the H2020 programme is at a maturity phase, thus SMEs need less assistance regarding validation of their status.

With regard to the to the Research Enquiry Service back-office, the figures for Q4/2017 are based on the draft reports from the contractor which are currently being verified by the RES.

Expert management and support

The REA's quantitative activity performance as regards expert management in 2017 was as follows:

KEY ACTIONS				
Description	Estimated Number	Estimated Budget (in € million)	Final Number	Final amount (Commitment appropriations, in € million)
Tasks related to contracting and payment of experts⁴⁷				
Number of expert contracts signed – expert evaluators	16,000	60.23 (single budget line - expert evaluators)	14,368	49.81 (single budget line - expert evaluators)
Number of expert contracts signed – expert monitors (only for actions managed by the REA) ⁴⁹	2,500	+ expert evaluators)	1,345	+ 3.89 (expert monitors and other experts ⁴⁸)
Number of payments	21,000	+ 3.61 (expert monitors)	21,694	= 53.70 (total experts)
Number of LE/BA validations for experts	13,500	= 63.84 (total experts)	11,791	
Number of Pool approvals	250		377	
Tasks related to support of call publication				
Number of calls set up (bulk publication for H2020 2018-2019 & 2020 calls in October/November 2017)	200		353	
Tasks related to the evaluation support				
Number of evaluation sessions set-up (on-site)	170		111	
Number of expected proposals evaluated	48,900	n/a	47,232	n/a
Number of experts supported (remote)	112,000	n/a	89,351	n/a
Number of experts supported (on-site)	10,300		7,063	

The difference between the estimated and final budget for experts is principally due to the implementation of the new H2020 expert model contract and the new payment modalities. As a result of issues with the relevant IT tools, which had not been updated, it was not possible to accurately forecast the impact of the changes.

In addition, the agency pays a particular attention to the following indicator:

Indicator	Target	Latest known result
Time-to-contract for experts	100% of experts' Legal Entity Files validated within 25 working days (after approval of the pool of experts by the evaluating service)	96.8% (31 December 2017)

⁴⁷ There is one single budget line for expert evaluator payments, whereas expert monitors are included in the individual budget lines for each activity.

⁴⁸ Other experts' include FP7-SME reviewers and Joint Undertaking evaluators (not in the single budget line).

⁴⁹ Expert monitors are included in the budget line for each activity.

Overview of implementation of H2020 and predecessor actions under FP7 delegated to REA

a) Implementation of the H2020 calls financed under the 2017 commitment budget

Table 1: Implementation of calls charged to the 2017 commitment budget (Data source: CORDA, Call Evaluation Reports)

Activity	Parent DG	Call	Topic	Call deadline	#Submitted Proposals ¹	#Evaluated Proposals ²	#Evaluated at 2nd Stage	Main list TOTAL	#Main list REA	#Reserve list	2nd Stage Success Rate	Success rate	#Grants Signed From MAIN List	#Grants Signed Within 245 days	%Grants Signed Within 245 Days	Average TTG	Max TTG	#Grants Signed Total (Incl. Reserve List)	EU Contribution (in € million)	Prefinancing Amount (in € million)		
MSCA	EAC	H2020-MSCA-COFUND-2017		28/09/2017	138	124		21	21	12		16.94%	0									
		H2020-MSCA-IF-2017		14/09/2017	9,035	8,957		1,348	1,348	274		15.0%	0									
		H2020-MSCA-ITN-2017		10/01/2017	1,717	1,714		127	127	54		7.4%	127	127	100%	215	238	132	447.7	358.2		
		H2020-MSCA-RISE-2017		05/04/2017	324	321		80	80	40		24.9%	80	80	100%	213	240	80	80.1	49.2		
MSCA Total					11,214	11,116		1,576	1,576	380		14.2%	207	207	100%	214	240	212	527.8	407.4		
Strengthening research in FET	CNECT	H2020-FETOPEN-1-2016-2017 (2nd cut-off)		17/01/2017	366	365		26	26	1		7.1%	26	26	100%	212	238	26	169.5	105.4		
		H2020-FETOPEN-3-2017		17/01/2017	10	9		2	2	0		22.2%	2	2	100%	191	204	2	1.0	0.8		
Strengthening research in FET Total					376	374		28	28	1		7.5%	28	28	100%	211	238	28	170.5	106.2		
LEIT - Space	GROW	H2020-COMPET-2017		01/03/2017	140	137		17	17	9		12.4%	17	17	100%	235	243	17	47.3	32.7		
		H2020-EO-2017		01/03/2017	53	53		11	11	4		20.8%	11	11	100%	228	244	11	23.1	17.9		
		H2020-SGA-Space-SST2-2016-2017		26/09/2017	2	2		1	1			50.0%	0						0			
		H2020-SGA-Space-SST3-2016-2017		16/06/2017	1	1		1	1			100.0%	1	1	100%	179	179	1	28.0	11.2		
LEIT - Space Total					196	193		30	30	13		15.5%	29	29	100%	231	244	29	98.4	61.9		
SC2	AGRI	H2020-RUR-2017-1	topics 10, 12, 15	14/02/2017	56	56		7	7	9		12.5%	7	7	100%	234	237	7	21.9	13.5		
		H2020-RUR-2017-2 ³	topics 2, 3, 9, 13, 16	13/09/2017	84	83	20	6	6	6	30.0%	30.0%	0							32.0		
		H2020-SFS-2017-1	topics 4, 13, 36 ⁴ , 48, 49, 50	14/02/2017	38	38		8	8	8		21.1%	8	8	100%	234	238	8	68.3	13.6		
		H2020-SFS-2017-2 ³	topics 7, 8, 10, 15, 16, 17, 27, 28, 29, 30, 34, 46, 47	13/09/2017	246	242	63	21	21	24	33.3%	33.3%	0									
AGRI Total					424	419	83	42	42	47	32.5%	23.7%	15	15	100%	234	238	15	122.2	27.1		
RTD	RTD	H2020-BB-2017-1	topics 5, 7, 8	14/02/2017	22	22		3	3	5		13.6%	3	3	100%	232	234	3	13.7	8.7		
		H2020-BB-2017-2 ³	topics 2, 3	13/09/2017	7	7	4	2	2	2	50.0%	50%	0	0						12.0		
		H2020-BG-2017-1	topics 4, 6, 7, 8, 14	14/02/2017	41	40		6	6	11		15.0%	6	6	100%	232	234	6	36.4	19.9		
		H2020-RUR-2017-1	topic 5	14/02/2017	6	6		2	2	2		33.3%	2	2	100%	232	232	2	8.0	5.3		
		H2020-SFS-2017-1	topics 19, 22, 35, 36 ⁴	14/02/2017	36	36		5	5	5		13.9%	5	5	100%	233	237	5	32.2	10.5		
		H2020-SFS-2017-2 ³	topics 20, 21, 32, 39, 40	13/09/2017	90	89	25	6	6	8	24.0%	24.0%	0								46.4	
RTD Total					202	200	29	24	24	31	27.8%	18.0%	16	16	100%	232	237	16	148.7	44.5		
SC2 Total					626	619	112	66	66	78	31.3%	21.3%	31	31	100%	241	238	31	271.0	71.6		
SC6 Total	CNECT	H2020-SC6-CO-CREATION-2017	topics 4, 6	02/02/2017	81	80		4	4	5		5.0%	4	4	100%	238	239	4	17.6	14.1		
		H2020-SC6-CULT-COOP-2017-one-stage	topic 11	02/02/2017	11	11		1	1	2		9.1%	1	1	100%	232	232	1	4.5	3.6		
		H2020-SC6-CULT-COOP-2017-two-stage ³	topic 9	13/09/2017	139	139	13	3	3	2	23.1%	23.1%	0									
		CNECT Total					231	230	13	8	8	9	7.7%	7.7%	5	5	100%	236	239	5	22.1	17.7
RTD	RTD	H2020-SC6-CO-CREATION-2017	topics 1, 7, 8	02/02/2017	80	80		4	4	5		5.0%	4	4	100%	226	237	4	7.6	5.5		
		H2020-SC6-CULT-COOP-2017-two-stage ³	topics 1, 2, 3, 4, 5, 6, 7, 12	13/09/2017	337	336	44	8	8	10	18.2%	18.2%								24.5	3.3	
		H2020-SC6-ENG-GLOBALLY-2017	topics 1, 2, 3, 5, 6, 8, 10	02/02/2017	85	85		9	9	9		10.6%	9	9	100%	221	237	9	25.3	18.9		
		H2020-SC6-REV-INEQUAL-2017	topic 13	02/02/2017	12	12		1	1	1		8.3%	1	1	100%	232	232	1	2.5	2		
RTD Total					514	513	44	22	22	25	18.2%	10.0%	14	14	100%	223	237	14	59.8	29.7		
SC6 Total					745	743	57	30	30	34	19.3%	9.2%	19	19	100%	227	239	19	81.9	47.4		
SC7	CNECT/HOME ⁵	CIP-2016-2017-2	topic 1	24/08/2017	25	25		3	3	2		12.0%										
		H2020-DS-SC7-2017	topics 7, 8	24/08/2017	159	156		13	13	7		8.3%										
	HOME	H2020-SEC-2016-2017-2	topics 4, 5, FCT-2017 (topics 9, 10, 12), BES-2017 (topics 13, 15, 16, 17, 18), GM-21-2017	24/08/2017	131	118		26	16	14		22.0%										
SC7 Total					315	299		42	32	23		14.0%										
SEWP	RTD	H2020-WIDESPREAD-04-2017-TeamingPhase1		15/11/2016	206	206		30	30	6		14.6%	30	30	100%	234	241	30	11.9	9.5		
SEWP Total					206	206		30	30	6		14.6%	30	30	100%	234	241	30	11.9	9.5		
SWAFS	RTD	H2020-SwafS-2017-1	topics 3, 5, 6, 8, 10, 11, 12, 13, 14, 21, 22, 23, 24, 26, 27	31/08/2017	216	216		23	23	12		10.6%										
SWAFS Total					216	216		23	23	12		10.6%										
TOTAL					13,894	13,766	169	1,825	1,815	547		14.0%	344	344	100.0%	220	244	349	1,161.4	704.0		

¹Withdrawn, inadmissible and duplicate proposals are excluded from the number of 'submitted proposals'.

²Ineligible, withdrawn, inadmissible and duplicate proposals are excluded from the number of 'evaluated proposals'.

³Submission and evaluation of proposals for these calls take place in two stages. The indicated call deadline is the closing date for the second stage. The success rate takes only into account the eligible proposals for the second stage (proposals evaluated at 2nd stage).

⁴Topic SFS-2017-36 has been delegated by DG AGRI and DG RTD. 1 grant has been signed under this topic. It has been counted only once, under SFS-2017-1, DG AGRI.

⁵Call on the security of critical infrastructures (CIP) co-funded by both DG HOME and DG CNECT with equal share.

b) Implementation of the H2020 calls financed under the 2016 commitment budget

Table 2: Implementation of calls charged to the 2016 commitment budget (Data source: CORDA, Call Evaluation Reports)

Activity	Parent DG	Call	Topic	Call deadline	#Submitted Proposals ¹	#Evaluated Proposals ²	#Evaluated at 2nd Stage	#Main list TOTAL	Main list REA	#Reserve list	2nd Stage Success	Success rate	#Grants Signed From MAIN List	#Grants Signed Within 245 days	%Grants Signed Within 245 Days	Average TTG	Max TTG	#Grants Signed Total	EU Contribution (in €)	Pre-financing Amount
MSCA	EAC	H2020-MSCA-COFUND-2016		29/09/2016	123	111		33	33	9		29.7%	33	33	100.0%	206	231	35	82.1	45.2
		H2020-MSCA-IF-2016		14/09/2016	8,912	8,832		1,188	1,188	360		13.5%	1,148	1,147	99.9%	181	275	1,253	237.8	166.5
		H2020-MSCA-ITN-2016 ³		12/01/2016	1,607	1,567		109	109	32		7.0%	107	107	100.0%	218	244	133	437.4	349.2
		H2020-MSCA-NIGHT-2016		13/01/2016	113	113		42	42			37.2%	42	42	100.0%	137	212	42	8.0	4.0
		H2020-MSCA-RISE-2016 ³		28/04/2016	366	366		84	84	23		23.2%	83	83	100.0%	214	235	87	80.3	52.2
MSCA Total					11,121	10,989		1,456	1,456	424		13.2%	1,413	1,412	99.9%	185	275	1,550	845.6	617.0
Strengthening research in FET	CNECT	H2020-FETOPEN-1-2016-2017		11/05/2016	547	544		22	22	1		4.0%	22	20	90.9%	217	280	23	175.8	132.8
		H2020-FETOPEN-2-2016		11/05/2016	10	10		3	3	0		30.0%	3	3	100.0%	202	210	3	1.7	1.3
		H2020-FETOPEN-4-2016-2017		29/09/2016	89	88		16	16	8		18.2%	16	16	100.0%	161	183	16	3.2	2.6
Strengthening research in FET Total					646	642		41	41	9		6.4%	41	39	95.1%	193	280	42	180.7	136.7
LEIT - Space	GROW	H2020-COMPET-2016		03/03/2016	101	100		19	19	11		19.0%	19	18	94.7%	242	418	19	71.0	46.5
		H2020-EO-2016		03/03/2016	60	60		11	11	4		18.3%	11	11	100.0%	232	240	11	22.1	16.9
LEIT - Space Total					161	160		30	30	15		18.8%	30	29	96.7%	238	418	30	93.1	63.4
SC2	AGRI	H2020-RUR-2016-1	topics 8, 10, 11	17/02/2016	31	31		9	9	5		29.0%	9	9	100.0%	234	244	9	21.9	15.4
		H2020-RUR-2016-2 ⁴	topics 1, 4, 6, 7, 14	13/09/2016	47	47	11	7	7	4	63.64%	63.64%	7	7	100.0%	237	241	7	47.0	23.7
		H2020-SFS-2016-1	topic 12	17/02/2016	1	1		1	1			100.0%	1	1	100.0%	237	237	1	3.0	1.2
		H2020-SFS-2016-2 ⁴	topics 1, 2, 3, 6, 7, 11, 14, 15, 26, 31, 33, 42, 44, 45	13/09/2016	204	203	49	20	20	21	40.82%	40.82%	20	20	100.0%	238	245	20	107.4	54.0
		H2020-SFS-2016-3	topic 9	17/02/2016	4	4		1	1	2		25.0%	1	1	100.0%	237	237	1	6.9	3.7
AGRI Total					287	286	60	38	38	32	45.00%	38	38	100.0%	237	245	38	186.2	97.9	
	RTD	H2020-BB-2016-1	topics 4, 6	17/02/2016	16	16		4	4	5		25.0%	4	4	100.0%	220	243	4	6.9	5.5
		H2020-BB-2016-2 ⁴	topic 1	13/09/2016	6	6	3	1	1	2	33.33%	33.33%	1	1	100.0%	227	227	1	5.0	4.0
		H2020-BG-2016-1	topic 1	17/02/2016	17	17		2	2	4		11.8%	2	2	100.0%	239	239	2	19.7	10.5
		H2020-BG-2016-2 ⁴	topic 12	13/09/2016	4	4	2	1	1	1	50.00%	50.00%	1	1	100.0%	239	239	1	8.4	4.5
		H2020-SFS-2016-1	topics 19, 41	17/02/2016	6	4		4	4			100.0%	4	3	75.0%	260	330	4	24.4	
		H2020-SFS-2016-2 ⁴	topics 21, 23, 37, 38	13/09/2016	30	29	10	5	5	4	50.00%	50.00%	5	5	100.0%	237	241	5	39.6	17.5
RTD Total					79	76	15	17	17	16	46.67%	17	16	94.1%	238	338	17	104.0	41.9	
SC2 Total					366	362	75	55	55	48	45.33%	37.2%	55	54	98.2%	237	330	55	290.2	139.9
SC6	CNECT	H2020-SC6-CO-CREATION-2016-2	topic 5 - IA	24/05/2016	1	1		1	1			100.0%	1	1	100.0%	209	209	1	8.0	6.4
		H2020-SC6-CULT-COOP-2016	topics 8, 11	04/02/2016	97	97		5	5	3		5.2%	5	5	100.0%	205	216	6	18.1	13.2
CNECT Total					98	98		6	6	3		6.1%	6	6	100.0%	205	216	7	26.1	19.6
	RTD	H2020-SC6-CO-CREATION-2016-1	topics 8, 9	04/02/2016	11	11		3	3	3		27.3%	3	2	66.7%	279	390	3	5.0	3.7
		H2020-SC6-CO-CREATION-2016-3	topics 2, 3	15/11/2016	35	35		3	3	3		8.6%	3	3	100.0%	196	197	3	9.0	6.1
		H2020-SC6-REV-INEQUAL-2016	topics 1, 2, 4, 5, 6, 7, 8	04/02/2016	103	102		9	9	8		8.8%	9	8	88.9%	226	382	10	40.5	26.9
RTD Total					149	148		15	15	14		10.1%	15	13	86.7%	231	390	10	54.4	36.7
SC6 Total					247	246		21	21	17		8.5%	21	19	90.5%	223	390	23	80.6	56.3
SC7 ⁵	CNECT / HOME ⁶	CIP-2016-2017-1		25/08/2016	36	34		3	3	3		8.8%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
		H2020-DS-SC7-2016 ⁷	topics 2, 4, 5	25/08/2016	78	78		11	8	7		14.1%	8	7	87.5%	247	270	8	25.0	20.0
	HOME	H2020-SEC-2016-2017-1 ⁸	DRS-2016 topics 1, 2, 3, 5 FCT-2016 topics 6, 7, 8, 11, 12 BES-2016 topics 14, 19, 20 SEC-21-GM-2016-2017	25/08/2016	183	165		25	11	11		15.2%	11	11	100.0%	244	244	11	52.0	36.0
					297	277		39	22	21		14.1%	19	18	94.7%	245	270	19	77.0	56.0
SC7 Total					297	277		39	22	21		14.1%	19	18	94.7%	245	270	19	77.0	56.0
SEWP	RTD	H2020-WIDESPREAD-01-2016-2017-TeamingPhase2		23/06/2016	30	30		10	10	1		33.3%	10	10	100.0%	235	235	11	309.7	107.1
SEWP Total					30	30		10	10	1		33.3%	10	10	100.0%	235	235	11	309.7	107.1
SWAFS	RTD	H2020-SwafS-2016-1	topics 1, 3, 4, 7, 9, 15, 16, 17, 18, 19, 20	30/08/2016	130	128		21	21	8		16.4%	21	21	100.0%	216	240	21	40.5	25.3
		H2020-SwafS-2016-2	topic 25	26/01/2016	8	8		1	1	1		12.5%	1	1	100.0%	157	157	1	0.5	0.3
SWAFS Total					138	136		22	22	9		16.2%	22	22	100.0%	213	240	22	41.0	25.6
TOTAL					13,006	12,842		1,674	1,657	544		13.3% ⁹	1,611	1,603	99.5%	189	418	1,752	1,917.8	1,202.0

¹ Withdrawn, inadmissible and duplicate proposals are excluded from the number of 'submitted proposals'.

² Ineligible, withdrawn, inadmissible and duplicate proposals are excluded from the number of 'evaluated proposals'.

³ The difference between the number of grants signed and the number of main listed proposals may be explained by withdrawals during the GAP. All remaining main listed proposals have been signed with the 8-months deadline and TTG is therefore at 100%.

⁴ Submission and evaluation of proposals for these calls take place in two stages. The indicated call deadline is the closing date for the second stage. The success rate takes only into account the eligible proposals for the second stage (proposals evaluated at 2nd stage).

⁵ The received and eligible proposals include all proposals, irrespective of the future implementation by REA or parent DG.

⁶ Call on the security of critical infrastructures (CIP) co-funded by both DG HOME and DG CNECT with equal share. REA does not provide the grant signature/TTG data for this call as all projects under this call are EU-restricted and managed by the parent DG.

⁷ DS-2016-topic 5 has not been delegated to REA but REA is in charge of its evaluation. Hence, all proposals submitted and eligible for these topics have been included and are reflected in the success rate. However, the grant signature/TTG data for the projects under these topics has not been included as they are managed by the parent DG.

⁸ 2 topics (H2020-SEC-DRS-2016-topic 5, H2020-SEC-21-GM-2016-2017) have not been delegated to REA but REA is in charge of their evaluation. Hence, all proposals submitted and eligible for these topics have been included and are reflected in the success rate. However, the grant signature/TTG data for the projects under these topics has not been included as they are managed by the parent DG.

⁹ This success rate relates to all 2016 calls. As concerns 2-stage calls, the success rate takes only into account the eligible proposals for the second stage (proposals evaluated at 2nd stage).

c) Grant portfolio

Table 3: Stocktaking/activities for the management of H2020 projects launched under previous years' budgets⁵⁰

H2020 Activities		Running projects as of 01/01/2017		Negotiations finalised/grants signed in 2017		Payments made in 2017		Projects closed in 2017/ De-commitments		Running projects as of 31/12/2017	
		No.	million balance ⁵¹ - € Open	No.	Amount- € million Contr.	No.	€ million	No.	€ million	No.	million balance ⁵² - € Open
Excellent Science	Marie Skłodowska-Curie Actions	3,288	887.96	1,268	347.90	2,113	-522.87	587	-12.77	3,969	700.22
	Strengthening Research in FET	76	94.06	19	11.42	42	-23.24	0	0.00	95	82.24
Industrial Leadership	Leadership in Space	102	92.62	2	15.20	42	-35.02	9	-0.16	95	72.63
Societal Challenges	Societal Challenge 2	102	261.55	35	218.37	85	-171.43	0	0.00	137	308.48
	Societal Challenge 6	90	94.87	7	23.94	51	-50.48	0	0.00	97	68.33
	Societal Challenge 7	68	94.92	19	76.97	49	-86.95	2	-0.24	85	84.70
Specific Objectives	Spreading Excellence & Widening Participation	88	46.75	11	154.84	92	-71.47	7	-0.33	92	129.79
	Science with and for Society	44	40.77	21	40.52	45	-40.08	0	0.00	65	41.21
TOTAL		3,858	1,613.51	1,382	889.15	2,519	1,001.55	605	-13.51	4,635	1,487.60

⁵⁰ Source: ABAC.

⁵¹ (Com L2 Accepted).

⁵² (Com L2 Accepted).

Table 4: Stocktaking/activities for the management of FP7 projects launched under previous years' budgets⁵³

FP7 Specific Programme	Running projects as of 01/01/2017		Signed in 2017		Payments made in 2017		Projects closed in 2017/ De-commitments		Running projects as of 31/12/2017	
	No.	Open balance (Com L2 Accepted) - € million	No.	€ million	No.	€ million	No.	€ million	No.	Open balance (Com L2 Accepted) - € million
People	2,493	365.15	0.00	0.16	1,318	-108.26	1,253	-34.48	1,240	222.57
Capacities - SME actions	197	33.48	0.00	0.00	82	-12.90	107	-2.66	107	17.91
Cooperation - Security	86	90.34	0.00	0.14	55	-45.31	34	-5.23	52	39.94
Cooperation - Space	71	18.65	0.00	0.00	41	-8.85	34	-0.98	37	8.82
TOTAL	2,847	507.62	0.00	0.30	1,496	-175.31	1,428	-43.35	1,436	289.25

d) Number of evaluation review cases upheld (H2020)

Table 5: Indicator – number of evaluation review cases upheld – H2020⁵⁴

Evaluation review for H2020 calls	WP 2016						WP 2017*					
	Eligible	No. of evaluation review cases				% upheld/eligible	Eligible	No. of evaluation review cases				% upheld/eligible
		filed	upheld	re-evaluated	Funded after re-evaluation			filed	upheld	re-evaluated	Funded after re-evaluation	
Excellent Science	11,631	159	48	19	0	0.41%	11,490	33	9	4	0	n/a
Industrial Leadership	160	4	1	0	0	0.63%	190	1	0	0	0	0.00%
Societal Challenges	960	13	1	0	0	0.10%	1,830	26	8	5	1	n/a
Specific Objectives	166	3	0	0	0	0.00%	422	8	4	1	0	n/a
TOTAL	12,917	179	50	19	0	0.39%	13,932	68	21	10	1	n/a

* N/a = the evaluation review was not yet finalised by the end of the year.

** For the 2-stage calls, there are two evaluation review procedures, one for each stage. Therefore, the proposals evaluated at second stage are counted double in the total number of 'eligible' proposals.

⁵³ Source: ABAC; CPM. The methodology for the calculation of the running projects was changed throughout the year (new definition of a 'closed project' (RAL=0 and contract closed in CPM (or in SYGMA/COMPASS for Space 2013)). This explains inconsistencies of figures in the table for the SME action where the no. of running projects at the beginning of the year was calculated following the old methodology ('closed project': RAL=0), while the figures for the no. of 'closed projects' and 'running projects at the end of the year' were calculated following the new methodology.

⁵⁴ Source: Participant Portal Redress (Request Form).

Table 6: Indicator – detailed overview of the evaluation review cases⁵⁴

Evaluation review for H2020 calls	WP 2016**						WP 2017					
	Eligible	No. of evaluation review cases				% upheld/ eligible	Eligible	No. of evaluation review cases				% upheld/ eligible
		filed	upheld	re- evaluated	Funded after re-evaluation			filed	upheld	re- evaluated	Funded after re-evaluation	
H2020 – Excellent Science												
<i>Strengthening research in FET</i>												
FETOPEN1-RIA*												
1st cut-off	544	8	0	0	0	0.00%						
2nd cut-off							365	4	0	0	0	0.00%
3rd cut-off												
FETOPEN2-CSA*												
1st cut-off	10	0	0	0	0	0.00%						
2nd cut-off												
FETOPEN3-CSA							9	0	0	0	0	0.00%
FETOPEN4 Innovation Launchpad	88	0	0	0	0	0.00%						
Total FETOPEN	642	8	0	0	0	0.00%	374	4	0	0	0	0.00%
<i>Marie Skłodowska-Curie Actions</i>												
NIGHT	113	7	0	0	0	0.00%						
IF	8,832	115	36	15	0***	0.41%	8,957	n/a	n/a	n/a	n/a	n/a
ITN	1,567	23	11	3	0	0.70%	1,714	27	9	4	0	0.00%
RISE	366	5	1	1	0	0.27%	321	2	0	0	0	0.00%
COFUND	111	1	0	0	0	0.00%	124	n/a	n/a	n/a	n/a	n/a
Total MSCA	10,989	151	48	19	0	0.44%	11,116	29	9	4	0	n/a
TOTAL Excellent Science	11,631	159	48	19	0	0.41%	11,490	33	9	4	0	n/a
H2020 - Industrial Leadership												
EO	60	0	0	0	0	0.00%	53	0	0	0	0	0.00%
PROTEC												
COMPET	100	4	1	0	0	1.00%	137	1	0	0	0	0.00%
TOTAL Industrial Leadership	160	4	1	0	0	0.63%	190	1	0	0	0	0.00%
H2020 – Societal Challenges												
<i>Societal Challenge 2</i>												
SFS-1 (single stage)	5	0	0	0	0	0.00%	74	1	0	0	0	0.00%
SFS-2 - stage 1 (two stage)	232	5	1	0	0	0.43%	331	6	3	2	1	0.91%
SFS-2 - stage 2 (two stage)	59	2	0	0	0	0.00%	88	n/a	n/a	n/a	n/a	n/a
SFS-3 (single stage)	4	1	0	0	0	0.00%						
RUR-1 (single stage)	31	1	0	0	0	0.00%	62	0	0	0	0	0.00%
RUR-2 stage 1 (two stage)	47	1	0	0	0	0.00%	83	3	0	0	0	0.00%
RUR-2 stage 2 (two stage)	11	0	0	0	0	0.00%	20	n/a	n/a	n/a	n/a	n/a
BB-1 (single stage)	16	0	0	0	0	0.00%	22	2	2	1	0	9.09%
BB-2 stage 1 (two stage)	6	0	0	0	0	0.00%	7	0	0	0	0	0.00%
BB-2 stage 2 (two stage)	3	0	0	0	0	0.00%	4	n/a	n/a	n/a	n/a	n/a
BG-1 (single stage)	17	0	0	0	0	0.00%	40	1	1	0	0	0.00%
BG-2 stage 1 (two stage)	4	0	0	0	0	0.00%						
BG-2 stage 2 (two stage)	2	1	0	0	0	0.00%						
SIB-1 (single stage)												
SIB-2 stage 1 (two stage)												
SIB-2 stage 2 (two stage)												
Total SC2	437	11	1	0	0	0.23%	731	13	6	3	1	n/a
<i>Societal Challenge 6</i>												
CO-CREATION-1-2016 (topics 8 & 9)	11	0	0	0	0	0.00%						
CO-CREATION-1-2016 (topics 2 & 3)	35	0	0	0	0	0.00%						
CO-CREATION-5-2016-1A	1	0	0	0	0	0.00%						
CO-CREATION-1-2017 (topics 1, 4, 6, 7, 8)							160	0	0	0	0	0.00%
REV-INEQUAL-2016 (topics 1, 2, 4, 5, 6, 7, 8)	102	1	0	0	0	0.00%						
REV-INEQUAL-2017 (topic 13)							12	0	0	0	0	0.00%
CULT-COOP-2016 (topics 8 & 11)	97	1	0	0	0	0.00%						
CULT-COOP-one-stage-2017							11	0	0	0	0	0.00%
CULT-COOP-two-stage-2017 (stage 1)							475	7	2	2	0	0.42%
CULT-COOP-two-stage-2017 (stage 2)							57	4	n/a	n/a	n/a	n/a
H2020-ENG-GLOBALLY-2017							85	2	0	0	0	0%
Total SC6	246	2	0	0	0	0.00%	800	13	2	2	0	n/a
<i>Societal Challenge 7</i>												
CIP	34	0	0	0	0	0.00%	25	n/a	n/a	n/a	n/a	n/a
SEC	165	3	1	0	0	0.61%	118	n/a	n/a	n/a	n/a	n/a
DS	78	0	0	0	0	0.00%	156	n/a	n/a	n/a	n/a	n/a
DRS												
FCT												
BES												
Total SC7	277	3	1	0	0	0.36%	299	n/a	n/a	n/a	n/a	n/a
TOTAL Societal Challenges	960	13	1	0	0	0.10%	1,830	26	8	5	1	n/a
Specific Objectives												
<i>H2020 – Specific Objective: Spreading excellence and widening participation</i>												
WIDESPREAD-01-2016-2017-Teaming 2	30	2	0	0	0	0.00%						
WIDESPREAD-04-2017-Teaming 1							206	5	4	1	0	1.94%
TWINN												
Total SEWP	30	2	0	0	0	0.00%	206	5	4	1	0	1.94%
<i>H2020 – Specific Objective: Science with and for society</i>												
SwafS-25-2016	8	0	0	0	0	0.00%						
SwafS	128	1	0	0	0	0.00%	216	3	n/a	n/a	n/a	n/a
SEAC												
GERI												
ISSI												
GARRI												
Total SWAFS	136	1	0	0	0	0.00%	216	3	n/a	n/a	n/a	n/a
TOTAL Specific Objectives	166	3	0	0	0	0.00%	422	8	4	1	0	n/a
GRAND TOTAL	12,917	179	50	19	0	0.39%	13,932	68	21	10	1	n/a

* Call with multiple cut-off dates.

** N/a = the evaluation review was not yet finalised by the end of the reporting period.

***One proposal (from the reserve list) was funded after re-evaluation with the same score obtained as during the first evaluation. The reason for funding was not the re-evaluation, but additional funds having been made available.

e) Time to amend grant agreements (H2020 and FP7)

Table 7: H2020 - Amendment requests handled during 2017⁵⁵

H2020 Activities	Parent DG	Outstanding (ongoing) amendments at the beginning of 2017	Amendment requests received during 2017	Amendments implemented during 2017	Amendments outstanding (ongoing) at the end of 2017
Marie Skłodowska-Curie Actions	EAC	25	794	801	18
Strengthening research in FET	CNECT	3	27	28	2
LEIT - Space	GROW	0	39	39	0
Societal Challenge 2	RTD / AGRI	5	47	50	2
Societal Challenge 6	RTD / CNECT	1	47	47	1
Societal Challenge 7	HOME / CNECT	1	33	33	1
Specific Objectives	RTD	0	40	40	0
Total REA - All H2020 activities		35	1027	1038	24

Table 8: FP7 - Amendment requests handled during 2017⁵⁶

FP7 Specific Programme	Parent DG	Outstanding amendment requests at the beginning of 2017	Amendment requests received during 2017	Amendment requests implemented during 2017	Amendment requests outstanding at the end of 2017
People Programme	EAC	48	252	290	10
Capacities – SME actions	RTD	5	25	28	2
Cooperation – Space	GROW	0	12	11	1
Cooperation - Security	HOME	7	15	21	1
Total REA - all FP7 activities		60	304	350	14

As in 2016, the number of amendments to FP7 grant agreements implemented during 2017 (350) is higher than the number of requests received (304). This demonstrates that the REA continues to process FP7 amendment requests effectively and efficiently. It should be noted that, in comparison with 2016, the number of FP7 amendment requests in 2017 continued decreasing significantly: while in 2016 the REA received still over 600 amendment requests, the agency received about 340 fewer requests in 2016. This can be explained by the fact that the REA was dealing with proportionally fewer FP7 projects in 2017.

With regards to H2020 however, there was a relatively high number of amendment requests for grant agreements in comparison with last year: 1,027 have been received during this year, against 657 in 2016. This can be explained by the fact that REA managed a considerably higher number of H2020 projects in 2017.

⁵⁵ Source: COMPASS.

⁵⁶ Source: CPM.

The following tables demonstrate the average processing time for amendments for H2020 and FP7 grant agreements ('Time-To-Amend' – TTA) per activity or work programme. Performance is to be measured against the contractually defined target of 45 days (net TTA).

Table 9: Indicator - H2020 – Average Time-to-Amend (days)⁵⁷

H2020 activities	Parent DG	Amendments implemented 2017	Time to validate request *	Net TTA **	Gross TTA ***
Marie Skłodowska-Curie Actions	EAC	801	4	12	17
FET Open	CNECT	28	4	14	18
LEIT - Space	GROW	39	4	11	15
Societal Challenge 2	RTD / AGRI	50	10	23	33
Societal Challenge 6	RTD / CNECT	47	9	7	16
Societal Challenge 7	HOME / CNECT	33	9	8	17
Specific Objectives	RTD	40	2	7	9
Total REA - All H2020 activities		1038	5	12	17

Table 10: Indicator - FP7 – Average Time-to-Amend (days)⁵⁷

FP7 Specific Programme	Parent DG	Amendments implemented 2017	Time to validate request	Net TTA	Gross TTA
People Programme	EAC	290	20	26	46
Capacities – SME actions	RTD	28	49	35	81
Cooperation – Space	GROW	11	29	29	41
Cooperation - Security	HOME	21	50	26	76
Total REA - all FP7 activities		350	24	27	51

⁵⁷ **Time to validate amendment requests:** this phase is triggered by the amendment request receipt date and lasts until the request becomes valid. It is frequently the case that amendment requests are incomplete or are not accompanied by all the necessary supporting documents. This requires a sometimes time-consuming interaction process with the beneficiaries, where the processing time is mostly outside the control of REA.

Net TTA: this phase lasts from the time an amendment request becomes valid to the amendment approval date. The processing in this phase is solely reflecting the performance of REA and is subject to a contractual target of 45 days.

Gross TTA: this phase encompasses all the processing steps from the amendment request date until the amendment approval date. Thus, it largely shows the processing time from the beneficiary's perspective. It takes into account the interactions with the coordinator, where the stop-the-clock mechanism is being applied.

Sources: For H2020: COMPASS. For FP7: CPM.