



# 2015

# Annual Activity Report

March 2016

**DIRECTORATE-GENERAL  
FOR EDUCATION AND CULTURE**

## **Foreword**

When taking up my role as Director General for Education and Culture, I was prepared for many new challenges and the pressure that goes with managing key European Union flagship programmes. I was aware of the pressing need to provide solutions to the unprecedented political turmoil in Europe triggered by the war in the Middle East and the resulting refugee crisis, with its particular impact on the young and vulnerable. I was soon also faced with the issues raised by the recent terrorist attacks, which struck at the heart of our Directorate General, with the tragic loss of one of our former colleagues, killed in Paris on 13 November. The victims of this senseless violence were mostly young people, and the key targets were venues and activities centred on education, culture and sport. And yet, I am more than ever convinced that these fields also represent the essential means to maintain an inclusive and tolerant society based on the European values and heritage. I have therefore used my first months in office to mobilise the resources and knowhow we have available to confront these difficult and urgent issues.

Together with my colleagues in DG Education and Culture (DG EAC), I am determined to find convincing responses to these emerging challenges as we take forward the long-term priorities of DG EAC, as outlined in the Strategic Plan 2016-2020 prepared this year. I am keenly aware that this will not be easy, but I know the DG will continue delivering quality work to fulfil the mandate of Commissioner Navracsics and help implement the agenda of the College. DG EAC is a Directorate General with wide-ranging expertise, dealing with policy areas very close to the daily lives of citizens, generating a great deal of trust in the EU project, and relying on an experienced network of delegated bodies and competent, dedicated staff, who as I have been privileged to witness, bring a great deal of passion to their daily work.

In 2015, my predecessor and I managed to adapt our organisation and our ways of working to the new College that took office in November 2014. DG EAC has shown that it is ready to contribute significantly to the Juncker Commission's first priority: Jobs, Growth and Investment, and I have no doubt that we will continue to build on our strengths to ensure that our people-centred policies and programmes become even stronger in the Commission's strategic agenda. Over the last years, this DG has increased the prominence of education, youth, culture and sport and developed new policy initiatives, strengthened the EU evidence base and created a new generation of programmes that are already showing a real impact on the lives of Europeans. I trust we can foster that impact even more.

In a difficult context with increasing pressure on EU and Member States' finances, we have to pay more attention than ever to where and how we invest the public money entrusted to us. At the heart of the on-going debate about the *EU Budget Focused on Results* launched by Vice-President Kristalina Georgieva, DG EAC is well placed to showcase how much the EU budget spent in our domain of competence brings added value (health, employability, creativity, innovation,...) in reaching out directly to individuals in fundamental areas for the future (education, innovation, culture, youth, sport). We will be able to make a strong case in that respect when the EU multiannual financial framework is revised.

The first part of this Annual Activity Report sets out our policy and programme achievements. Notable results in text boxes give a flavour of how our multi-faceted portfolio contributes not only to creating jobs and growth but also to achieving a more inclusive society, especially for youth. It also accounts for the appropriate use of resources allocated to the DG. The rest of the report provides assurance on sound financial management and information about our internal control system, the limited error rates found in EU-funded projects and the cost-effective balance that we have achieved in monitoring and controlling those we fund. I trust the report offers a self-explanatory and fair view of our achievements and challenges, and gives readers further reason to visit our website: [http://ec.europa.eu/dgs/education\\_culture/index\\_en.htm](http://ec.europa.eu/dgs/education_culture/index_en.htm)

Martine Reicherts

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## INTRODUCTION:

### DG Education and Culture in brief

DG Education and Culture (EAC) plays a key role in the implementation of the overall objectives and political guidelines of the European Commission particularly through its contribution to a knowledge-based Europe that reconciles a competitive economy and an inclusive society. In this regard, DG EAC's mission as defined in its Management Plan 2015 covers areas of substantial societal and political significance:

- to foster equity and excellence in modern **education** systems at schools and in higher education, promote career development of researchers and cross-fertilisation between education, research and **innovation**, including through the European Institute of Innovation and Technology;
- to promote **culture** as a catalyst for innovation, by maximising the sector's contribution to jobs and growth, particularly among the young, and our cultural diversity;
- to maximise the potential and well-being of **young people** and their active participation in society and work life;
- to develop the European dimension in **sport**;
- to ensure the strategic implementation of 3 EU flagship programmes: **Erasmus+**, **Creative Europe** and the **Marie Skłodowska Curie actions**, exploit and strengthen synergies between policy and programme actions, and promote their systemic impact.

In each of these fields, DG EAC aims to stimulate the development of competences, the mobility of individuals, cross border cooperation, involvement of stakeholders, and policy reform.

Under the leadership of Commissioner Navracsics, responsible for Education, Culture, Youth and Sport, DG EAC was reorganised in 2015 in **five Directorates** (down from six):

- Directorates A and B are responsible for Education and Training. Directorate A deals with horizontal policy issues (Europe 2020 agenda, Education and Training strategy, country analysis, studies and impact assessment, etc.) and the overall coordination of the Erasmus+ programme, and Directorate B with sector-based education policies, together with research issues (Marie Skłodowska-Curie actions, EIT) and international cooperation;
- Directorate C is responsible for the dissemination of DG EAC's programmes results, the implementation of the EU Youth and Sport Strategies and the policies, as well as corresponding strands of Erasmus+. It also manages the **Traineeship programme** for the Commission;
- Directorate D covers the sub-programme Culture of Creative Europe, as well as related policy activities, and is responsible for the **Library and e-resources centre** of the Commission;
- Directorate R and the horizontal unit are responsible for **resources, planning, internal and external communications** of the DG, and administrative support.

2015 was a year of implementation of structural organisational changes in line with the visions of the **new College, Commissioner and the new Director-General**. With the new Commission's portfolio distribution, DG EAC has seen the transfer of three policy areas to other Directorate Generals (skills, vocational training and adult learning, the MEDIA sub-programme of Creative Europe) and about 10% of its staff. In response, the DG has engaged proactively in **a deeper re-organisation**, to adapt to the Juncker

priorities and streamline the management structure. As a result, in 2015 DG EAC went from 6 to 5 Directorates and from 27 to 20 units. The functioning of the DG was not noticeably impeded by a lack of skills or a high turnover of staff. As part of a reorganisation of the senior management of the Commission, the College appointed Mrs Martine Reicherts as Director-General of DG Education and Culture as of September 1st, while Xavier Prats Monné took over as Director-General of DG Health and Food Safety.

By the end of 2015, 570 persons were allocated to DG EAC. Over 38% of staff had a policy-making profile (36% in 2014) and 29% had a programme management profile (same as in 2014)<sup>1</sup>. The rest were in charge of horizontal or corporate services. In line with Commission-wide policy, in recent years DG EAC has also made a concerted effort to **increase the proportion of front-line operational staff** (from 60% in 2010 to 70% at the end of 2015)<sup>2</sup>.

DG Education and Culture (DG EAC) is in charge of multiple policy areas, for which the Treaty limits the competence at the European level to **complementary and support activities**, such as policy cooperation. The DG's spending programmes implement actions mainly by means of grants funded under Title 15 of the budget complemented with funding from Heading 4 as regards external actions:

- The programme **Erasmus+** (+40% with € 14.7 billion from heading 1 –"Smart and Inclusive Growth" and 1.68 billion from heading 4 "Global Europe" over 2014-2020)<sup>3</sup>, integrating education, training, youth, Jean Monnet activities and sport, including the new Erasmus+ Student Loan guarantee facility and the international dimension of higher education and youth cooperation;
- The programme **Creative Europe** (+9% with € 1.46 billion)<sup>4</sup>, covering the culture and the audiovisual sectors, including the new guarantee facility for SMEs in the cultural and creative sectors ;
- The research and innovation programme **Horizon 2020** (€ 77 billion), in which DG EAC is tasked with the implementation of 9% with the *Marie Skłodowska-Curie actions* (+30% with €6,2 billion) and the European Institute of Innovation and Technology - EIT;
- DG EAC has also been actively involved in the adoption of the new priorities of the **Cohesion Policy for the period 2014-2020**, in order to design a more effective support from the structural and investment funds to education, culture and sport. The DG has systematically emphasised conditionality in relation to the *Europe 2020* agenda and provided country specific input into the definition of investment priorities.

The **total available budget** (in commitment appropriations) for the projects and actions in **the Education and Culture domain** amounted in 2015 to **about € 3.365 billion** (+2% as compared to 2014), including administrative budget and the contribution of the European Free Trade Association (EFTA/EEA), the financial participating of third countries as well as internal revenues<sup>5</sup>.

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<sup>1</sup> Source: Sysper's screening values. See annex 2 table 1 for more information on human resources.

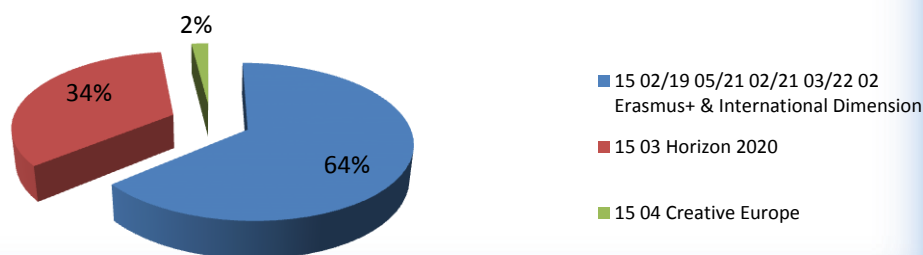
<sup>2</sup> Excluding corporate staff – the Central Library and the Traineeship Office – DG EAC's share of operational staff was 76% at the end of 2015.

<sup>3</sup> *Erasmus+* combines 10.40% Heading 1a ("Competitiveness for growth and jobs") and 2.54% of Heading 4 ("Global Europe") of the Multiannual Financial Framework 2014-2020.

<sup>4</sup> *Creative Europe* accounts for 8.25% of Heading 3 ("Security and Citizenship").

<sup>5</sup> See Annex 2 table 2 for more information on financial resources.

## EAC and Executive Agencies (EACEA/REA) - (CA) by Programme in 2015



Graph 1: % expenditure by programme

The first pie chart shows the relative importance of the programmes and highlights the predominance of Erasmus+. DG EAC's own budget, i.e. expenditures which are covered by the assurance of the DG, is narrow and amounts to € 2.1 billion (in commitment appropriations) or € 1.934 billion (in payments made).

DG EAC's main programmes typically contain many diverse actions with a direct interaction with citizens in most cases. With the exception of the EIT, the programmes generally finance a high number of small actions and projects with a relatively short duration (rarely more than two years). The main actions can be summarised as follows:

**Mobility** actions, consisting of hundreds of thousands of individual grants, particularly in the Erasmus+ strands: Education and Training and Youth, as well as in Marie Skłodowska-Curie actions;

**Cross-border Partnerships**, involving with other partners several thousands of organisations in the fields of education, youth, sport or culture.

**Support for networks**, European platforms or operational grants to certain organisations;

**Policy cooperation and support**, such as peer learning activities, policy experimentation, studies or comparative research in the fields of education, youth, sport or culture.

In order to implement such numerous and varied activities, in the 2014-2020 generation of programmes, DG EAC uses **four different implementation modes**, including three forms of externalisation:

**Direct management through two EU Executive Agencies:** the Education Audiovisual and Culture Executive Agency (EACEA) and the Research Executive Agency (REA), mainly for those parts of programmes where projects are allocated across Europe based on excellence. DG EAC's responsibility is assumed through the Steering Committee of each Executive Agency. In compliance with the relevant Acts of Delegation, the actions implemented through the Executive Agencies contribute significantly to the objectives of the DG. They represent close to 40% of the 2015 budget (14% by EACEA, 25% by REA). Their solid performance and efficiency indicators have resulted in incremental mandate extensions<sup>6</sup>. Since 2014, the implementation of parts of Erasmus+ and Creative Europe has been delegated to EACEA, while Marie Skłodowska-Curie actions are managed by REA. It is worth noting

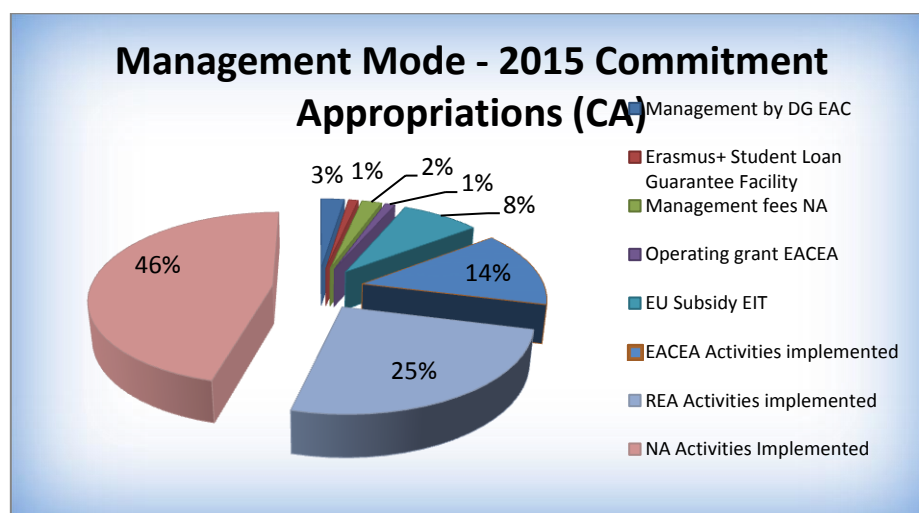
<sup>6</sup> EACEA and REA are subject to regular cost-benefit analysis of the externalisation through Agencies which demonstrate the cost-effectiveness of this management mode.

that the operational budget of the Executive Agencies are not funds that the DG has entrusted but are funds the Agencies have directly received from the Commission. Therefore, the Executive Director of the respective Executive Agency, as Authorising Officer by Delegation<sup>7</sup>, has the responsibility to provide assurance on the operational expenditure in his Annual Activity Report<sup>8</sup>.

**Indirect management through National Agencies (NAs)** appointed and supervised by the National Authorities (NAUs) of the participating countries to the Erasmus+ programme. This implementation mode is mainly used for mass mobility actions, partnerships, and certain cooperation projects. The actions implemented through NAs represent nearly 46% of the 2015 budget. National Agencies are equipped to manage the large volume of actions of relatively low amounts that require proximity to the beneficiaries. DG EAC retains full responsibility for these parts of the programmes.

**Indirect management through other bodies:** The EIT and the European Investment Fund (EIF) for the Erasmus+ Student Loan Guarantee Facility represent together 9.16% of the 2015 budget<sup>9</sup>. They are both characterised by a focused number of actions with a long time scope (in the case of EIT's Knowledge and Innovation Communities, 7-15 years).

The remaining actions are implemented by **DG EAC under direct management**. This represents 2.46% of the budget. These actions consist mainly of administrative expenditure (Central Library of the Commission, Commission trainees, studies, external communication and dissemination of Programmes, IT systems, etc.), policy support, politically sensitive and new actions, pilot projects and preparatory actions<sup>10</sup>.



Graph 2: % expenditure by management mode and implementing body

<sup>7</sup> Article 66(9) of the Financial Regulation (2012) applicable to the general budget of the European Union.

<sup>8</sup> As far as the operating budget granted by DG EAC to the Agency is concerned, DG EAC remains responsible as Parent DG. Those administrative expenditures are therefore covered by the assurance given in this Annual Activity Report.

<sup>9</sup> See annex 8 on the budget of decentralised agencies.

<sup>10</sup> See Annex 3 for more information on DG financial resources. Figures include administrative budget, EFTA/EEA as well as financial contribution of participating countries and internal revenues generated

## Executive Summary

The Annual Activity Report is a management report of the Director-General of DG Education and Culture to the College of Commissioners. It is the main instrument of management accountability within the Commission and constitutes the basis on which the Commission takes its responsibility for the management of resources by reference to the objectives set in the management plan<sup>11</sup> (see section 1 and annex 12 for indicators) and the efficiency and effectiveness of internal control systems, including an overall assessment of the costs and benefits of controls<sup>12</sup> (see section 2).

## Policy / programme highlights of the year (executive summary of section I)

**Two major events have shaped more than anything else priorities in 2015: the Paris declaration in March and the refugee crisis.** The unprecedented events of 2015 confirmed that the issues addressed by DG Education and Culture (DG EAC) were of high political and economic relevance and very close to the concerns of citizens. The DG contributed to the overall effort of the Commission to help overcome the current economic crisis and restore confidence in the EU, especially among young people. During this year of many tragic crises, attention was particularly strong on the needs of migrants in education, the multi-faceted response to youth radicalisation and educational poverty at large.

The indicators linked to **Europe 2020 headline targets**, namely higher education attainment and early school leaving showed continuous progress albeit with substantial differences between and within Member States. It also marked the first time women have, on average, reached both education targets when assessed separately. The peer-learning among Member States in the renewed framework of the EU cooperation in the field of education and training (ET 2020) and EU funding contribute indirectly to these impacts. Targets remain within reach if efforts are sustained by all. Actions taken by the Commission in 2015 to help achieve them are presented in this report<sup>13</sup>. Furthermore, other impact indicators (i.e. for the EU society at large) related to competitiveness have improved in the recent past: improved level of basic skills, better employability of young people, increasing share of non-EU students or researchers in the EU. In contrast, other impact indicators rather related to social inclusiveness have registered deterioration over the last years, with lower rates of participation in youth out-of-school, cultural or physical activities, which justifies the orientation of DG EAC's new Strategic Plan 2016-2020<sup>14</sup>.

The key role of education, training, innovation and creativity as **drivers for growth and jobs** has been pursued by providing significant input in particular to the coordination of economic policies (European Semester), the implementation of the Youth Guarantee and the European Fund for Strategic Investments. In external policies, progress has been recorded with Asia particularly where EU mobility was acknowledged as a best practice.

The EU programmes for 2014-2020, **Erasmus+, Horizon 2020 and Creative Europe**, integrated and better resourced, have raised the interest of many stakeholders, starting with the European Parliament for Erasmus+, and of a very high number of applicants. They have been supervised by DG EAC and fully implemented since 2015 (except the cultural and creative sectors guarantee facility) by entrusted bodies without major difficulties (except a case of suspension of the youth strand in Greece). Erasmus+

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<sup>11</sup> Ares(2015)3138354 of 27 July 2015

<sup>12</sup> Article 66(9) of Financial Regulation

<sup>13</sup> See section 1.2.1.1 (indicator evolutions), 1.2.2.1 (schools) and 1.2.2.2 (higher education).

<sup>14</sup> Ares(2016)1294281 of 14 March 2016

international mobility and Master Student Loan were both launched. A few start-up issues concerning Erasmus+ have nevertheless required further action together with National Agencies or the European Investment Fund. These new programmes increase EU support and impact in key areas for jobs and growth and social inclusiveness: education, innovation, research, cultural and creative sectors. For instance, whereas one out of two European graduates who studies or trains abroad benefits from Erasmus, a 2014 ex post Impact Study across all Programme Countries shows that Erasmus increases the employability advantage over non-mobiles by 45%. Meanwhile two new "Knowledge and Innovation Communities" (KIC) have been launched by the European Institute of Innovation and Technology (EIT), respectively in the field of Healthy living and Raw materials, responding to actual challenges: ageing population in Europe; fall in raw material prices worldwide. In 2015, the Commission undertook to use all possible legal flexibility to re-orientate EU programmes and instruments in the areas of education, youth, culture and sport, so as to increase the focus on the integration of migrants/refugees and anti-radicalisation measures.

Over the reporting period, DG EAC has actively contributed to the policy agenda of the Juncker Commission (Digital single market, security and external relations). The Commission adopted during the year **three new policy outputs** prepared by this DG as lead service, a Proposal for a Council Decision on the signing, on behalf of the European Union, of the Council of Europe Convention on the **manipulation of sports competitions**, the 2015 **Joint Report in Education and Training** (ET 2020) and the 2015 **Joint Report on the EU Youth Strategy**. Both reports contain a strong emphasis on the scope of the Paris Declaration and on inclusion, while setting the policy priorities for the EU in these fields over the next years.

As a follow-up to DG EAC's work, in 2015 the **Council of Ministers** adopted the two aforementioned reports, as well as conclusions dealing, among other issues, with the prevention of radicalisation, early school leaving, reinforcing youth work to ensure cohesive societies, as well as cultural and creative cross-overs to stimulate innovation, economic stability and social inclusion or the role of culture in the EU development policy and external cooperation. In contrast, the Proposal for a Council Decision on the manipulation of sports competitions did not meet unanimous approval by the Council; work will continue in 2016.

The new highlights of the year in terms of **communication** included the launch of the EPALE platform for adult learning, the launch of the School Education Gateway, the 10<sup>th</sup> anniversary of eTwinning, the first European Week of Sport, the 7<sup>th</sup> European Youth Week, the 30<sup>th</sup> anniversary of the European Capitals of Culture, and the launch of VALOR, the Project Results Platform for Erasmus+ and Creative Europe.

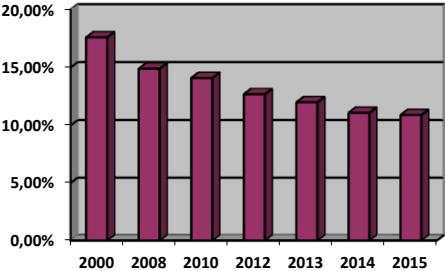
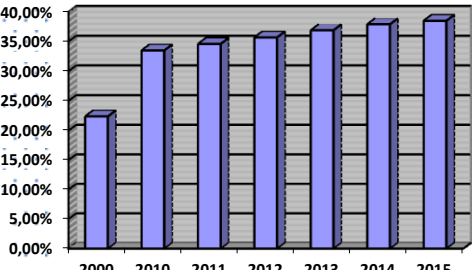
Users were very satisfied with the services provided by the **Commission Library and e-Resources Centre**. The results from the 2015 external evaluation of the Library showed that it effectively met its objectives, in spite of a reduced visibility, in making available relevant collections both to Commission staff and external users through a 'digital first' acquisition policy.

A number of "notable results" observed in 2015 are highlighted further in the report within text boxes. They show in various ways the EU has added value, or the impact of EU action in the field of Education, Innovation, Youth, Sport or Culture. Most of them would not have been possible without action at EU level.

## Key Performance Indicators 2015

The most relevant key performance indicators of DG Education and Culture are the following. The first four are extracted from the impact indicators presented below (see annex 12); while the fifth one is based on the multiannual residual error rate (see section 2.1). All indicators linked to **Europe 2020 headline target**, namely tertiary education attainment and early school leaving showed progress and **remained on track towards target**, as well as the 5<sup>th</sup> key performance indicator for management of funds. As regards the other key indicators, no new results were available in 2015.

Legend: ✓: on target; X: target missed. Where information is available for more than one year: ↑: trend closer to target; ↔: stable towards target; ↓: trend deviating from target.

KEY PERFORMANCE INDICATORS 2014			
Impact Indicators	Latest known result	Milestones	Long-term targets
<p><b>Early school leavers (Europe 2020 headline target)</b></p> <p><b>On track to target:</b> The EU average early school leaving has further decreased and 19 countries have already achieved target. Already on target for women on EU-wide average.</p> <p>See analysis under 1.2.2.1.</p> <p>1 ↑</p>	<p>2015: <b>10.9%</b>(p) Milestone: 11.4% in 2015 2014: 11.1% 2010: 14.1% 2000: 17.6%</p>  <p>(Source: Eurostat, Labour Force Survey -LFS)</p>	<p>By 2020, less than 10% of 18-24-year-olds have at most lower-secondary education and are not enrolled in education or training.</p>	
<p><b>Tertiary level attainment (Europe 2020 headline target)</b></p> <p><b>On track to target:</b> Tertiary education attainment has steadily increased since 2002 and in every Member State in 2014. Already on target for women.</p> <p>See analysis under 1.2.2.2.</p> <p>2 ↑</p>	<p>2015: <b>38.5%</b>(p) 2014: 37.9% 2010: 33.5% 2000: 22.4%</p>  <p>(Source: Eurostat, LFS)</p>	<p>By 2020, the share of 30-34 year olds having successfully completed a tertiary education level should be at least 40%.</p>	

6-7	<p>Mobility of students or pupils in higher education and in the vocational sector</p> <p>Latest known data cannot be compared back in time with previous estimates which had a different coverage</p> <p><i>See analysis under 1.2.2.2 and 1.2.2.5</i></p>	<p>a) Higher Education: 2013: <b>2.9%</b> (first partial estimate)</p>	<p>a) 17% in 2017*</p>	<p>a) By 2020, an EU average of at least 20 % of higher education graduates should have had period of higher education-related study or training (including work placements) abroad of at least 3 months or 15 ECTS.</p>
		<p>b) Vocational education and training (VET) estimated to be around 2015: <b>3.1%</b> (pilot partial collection)</p>	<p>b) 4% in 2017</p>	<p>b) By 2020 an EU average of at least 6 % of 18-34 year olds with an initial vocational education and training qualification should have had an initial VET-related study or training period of at least 2 weeks or less if documented with Europass.</p>

12	<p><b>Access of EU citizens to European cultural works</b></p> <p>A trend cannot yet be determined but the Creative Programme contributes to increasing the access of European citizens to non-national European works.</p> <p><i>See analysis under 1.5</i></p>	<p>Europeans declaring that they benefited from the following items from another European country (2013):</p> <ul style="list-style-type: none"> <li>- 160 million read a book (31%);</li> <li>- 140 million watched or listened to a cultural programme on TV/radio (27%);</li> <li>- 98 million visited a historical monument or site (19%);</li> <li>- 67 million were to a musical performance (13%);</li> <li>- 52 million attended a performance, festival, etc. (10%);</li> <li>- 31 million saw a ballet, dance performance, or opera (6%);</li> <li>- 21 million went to a theatre performance (4%).</li> </ul>	<p>2018: To be assessed during mid-term evaluation on data until 2017</p>	<p>2020: Increase of 2% in comparison to 2017 results</p>
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✓	<p>Indicator of management: <b>multi-annual residual error rate</b></p> <p>The rate remains stable and in line with prior years</p> <p><i>See analysis under Section 2</i></p>	<p><b>&lt;1%</b> over 2011 - 2015</p>	<p>Less than 2%</p>	<p>Less than 2%</p>
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## Key conclusions on management and internal control (executive summary of section 2)

In accordance with the governance statement of the European Commission, (the staff of) DG Education and Culture conducts its operations in compliance with the applicable laws and regulations, working in an open and transparent manner and meeting the expected high level of professional and ethical standards. The Commission has adopted a set of internal control standards, based on international good practice, aimed to ensure the achievement of policy and operational objectives. As required by the Financial Regulation, the Director-General has put in place the organisational structure and the internal control systems suited to the achievement of the policy and control objectives, in accordance with the standards and having due regard to the risks associated with the environment in which it operates.

DG EAC has assessed the effectiveness of its key internal control systems during the reporting year and has concluded that the **internal control standards are effectively implemented**. Furthermore, DG Education and Culture has taken measures to further improve the efficiency of its internal control systems (in the area of standards 1, 3, 5, 9 and 11) in order to implement the thorough internal reorganisation stemming from the DG's new portfolio and transfer of activities to other Directorate Generals, as well as to update its supervision strategy based on risks (See Section 2.3 for further details).

In addition, DG Education and Culture has systematically examined the **available control results and indicators**, including those aimed to supervise entities to which it has entrusted budget implementation tasks, as well as the observations and recommendations issued by internal auditors and the European Court of Auditors. These elements have been assessed to determine their impact on the management assurance as regards the achievement of control objectives (See Section 2 for further details). In its parent/partner DG capacity, and on the basis of the supervisory processes in place such as management reporting and monitoring, DG EAC considers it has reasonable assurance on its supervision of National Agencies (except one, where there is no financial impact for 2015), the EIT (under close monitoring, the level of which will be reassessed in 2016) and the Erasmus+ Student Loan Guarantee Facility.

In conclusion, management has reasonable assurance that, overall, suitable controls are in place and working as intended; risks are being appropriately monitored and mitigated; and necessary improvements and reinforcements are being implemented. The Director General, in her capacity as Authorising Officer by Delegation has signed the **Declaration of Assurance without reservation**. From the assurance elements described in this report, DG Education and Culture concludes that **its key internal control objective has been met in 2015**. The multi-annual residual error rate is indeed below 2 % in all management modes covered by this Annual Activity Report. DG EAC does not make a reservation in the context of its supervision responsibilities in relation to the Executive Agencies EACEA and REA, as their own recurring reservations are balanced overall against other positive considerations, as described below and especially because of the absence of issue that would point to any weaknesses in terms of EAC's supervision responsibilities. **Controls carried out in 2015 were cost-effective.**

## Information to the Commissioner for Education, Culture, Youth and Sport

The main elements of this report and assurance declaration have been brought to the attention of Commissioner Navracsics, responsible for Education, Culture, Youth and Sport<sup>15</sup>.

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<sup>15</sup> Ares(2016)1490200 of 29.3.2016.

# 1. POLICY AND PROGRAMME KEY ACHIEVEMENTS

## Key results and progress towards the achievement of general and specific objectives: closer to Europe 2020 goals

2015 confirmed that the issues addressed by DG EAC are not only very close to the concerns of citizens but are even vital to them, if the EU is to respond to political and social crises. All indicators linked to **Europe 2020 headline targets**, namely higher education attainment and early school leaving showed progress. Furthermore, other impact indicators (for the EU society at large) related to competitiveness have improved in the recent past: the level of basic skills, the employability of young people, the share of non-EU students or researchers in the EU. In contrast, other impact indicators related to social inclusiveness have deteriorated in recent years: rates of participation in youth out-of-school, cultural or physical activities. The cooperation between Member States at EU level in the field of education and training (ET 2020) and EU funding contribute indirectly to these impacts.

**Efforts to align resources and priorities** have been strengthened in the general context of the implementation of new programmes and staff reduction. With the largest share devoted to education<sup>16</sup>, **human resources** across the DG have been redeployed since 2013, despite overall cuts, towards Europe 2020 priorities e.g. reinforcement as regards country analysis feeding into the overall economic cooperation (European Semester) as well as the development of innovation policy through the EIT. In the coming years, they will support the revised policy priorities of the Commission, namely the EU investment plan, Europe 2020 review, the inclusion of young people and the Digital Single Market. In 2015, there was no such human resources reinforcement, as the DG was expected to align with the priorities of the Juncker Commission by redeploying internally. Resources were screened and redeployed from overhead areas to reinforce business support such as the budget and finance area (see introduction - "DG in brief"). A Human Resources Management Vision was adopted by DG EAC in 2015, which aims to improve transparency on mobility, career development, job satisfaction and management of workload. In 2015, extra **financial resources** have continued to be allocated to IT development to roll out the 2014-2020 generation of programmes. The budget for external communication remained stable in 2015.

### 1.1 Cross-policy achievements

During the year under review, the DG has implemented the Europe 2020 Strategy and the programmes 2014-2020 in its remit. It has strived to maintain an effective contribution of its policy areas notably in the context of the European Semester. Overall, the DG has successfully delivered almost all planned policy outputs and supervised the delivery of the expected programme outputs in a context of a demand much higher than expected, despite a few start-up issues described below.

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<sup>16</sup> See annex 2 table 1 for further information on human resource allocation.

### 1.1.1 Implementation of the Commission's policy agenda

No initiative in the field of DG Education and Culture had been announced in the Commission Work Programme (CWP 2015). Nevertheless the Commission adopted in the year three other **policy outputs** prepared by this DG as lead service (seven in 2014): the Proposal for a Council Decision on the signing, on behalf of the European Union, of the Council of Europe Convention on the **manipulation of sports competitions**<sup>17</sup>, as a major initiative (see 1.4), as well as the 2015 **Joint Report in Education and Training** (ET 2020)<sup>18</sup> and the 2015 **Joint Report on the EU Youth Strategy**<sup>19</sup> (see 1.2 and 1.3).

#### *Notable Result*

Both joint reports feature a **strong emphasis on the scope of the Paris Declaration**<sup>20</sup> and on inclusion, while setting the policy priorities for EU cooperation in the Education and Training and Youth fields over the next years.

*"The primary purpose of education is not only to develop knowledge, skills, competences and attitudes and to embed fundamental values, but also to help young people - in close cooperation with parents and families - to become active, responsible, open-minded members of society."* Joint declaration of ministers, 17 March 2015

Moreover, the Commission adopted two staff working documents respectively on the situation of young people in Europe<sup>21</sup> and on the results of the second cycle of the Open Method of Coordination in the youth field (2013-2015)<sup>22</sup>.

As its policy areas do not sit under a single mandate of a Vice President in the Juncker Commission, DG EAC has mainly contributed to the relevant portfolios of **team leader Vice-Presidents**, drawing on its considerable experience in cross-DG cooperation. This is why the DG has immediately applied the Juncker approach of working in teams, with several contributions to the **Investment Plan**<sup>23</sup> (including financially for the 2014-2020 programmes), the **Digital Single Market**<sup>24</sup>, the **European Agenda on Security**<sup>25</sup> (including earmarked budget), the **European Agenda on Migration**<sup>26</sup>, the forthcoming communication on *cultural diplomacy*, the proposal for a revision of the **copyright rules**<sup>27</sup> and the revision of the *Europe 2020 strategy* including its social dimension. Although DG EAC's initiatives are not mentioned in the Commission Work Programme, they have contributed to the Commission priorities. DG EAC has also used alternative channels to help shape coherent policies and to showcase results (e.g. High Level Groups, Presidency's agenda, and close work with the European Parliament).

<sup>17</sup> COM(2015)84 of 2 March 2015

<sup>18</sup> COM(2015)408 of 26 August 2015 and CONS 14454/1/15 of 12 January 2016

<sup>19</sup> COM(2015)429 of 15 September 2015 and CONS 14454/1/15 of 12 January 2016

<sup>20</sup> [http://ec.europa.eu/education/news/2015/documents/citizenship-education-declaration\\_en.pdf](http://ec.europa.eu/education/news/2015/documents/citizenship-education-declaration_en.pdf)

<sup>21</sup> SWD(2015)169 of 15 September 2015

<sup>22</sup> SWD(2015)168 of 15 September 2015

<sup>23</sup> COM(2015)10 and 11 of 13 January 2015

<sup>24</sup> COM(2015)192; SWD(2015) 100 of 6 May 2015

<sup>25</sup> COM(2015)185 of 28 April 2015

<sup>26</sup> COM(2015)240 of 13 May 2015

<sup>27</sup> COM(2015)627 of 9 December 2015

Meanwhile DG EAC **contributed** to the implementation of the Commission's growth and jobs agenda – Europe 2020 – by providing among others significant input to the coordination of economic policies at EU level (European Semester, Annual Growth Survey) and the implementation of the *Youth Guarantee* initiative. Attention has also been paid to the risk of lacking policy effectiveness for less strategic issues (e.g. early education and school, multilingualism, literacy, etc.).

As a follow-up to DG EAC's work, in 2015 the **Council of Ministers** adopted the two aforementioned reports<sup>28</sup>, as well as conclusions dealing among other issues with the prevention of radicalisation, early school leaving, reinforcing youth work to ensure cohesive societies, as well as cultural and creative cross-overs to stimulate innovation, economic stability and social inclusion or the role of culture in the EU development policy and external cooperation. To better **prevent violent radicalisation among young people** through EU actions, the informal European Council on security made reference as early as February in its conclusions to education initiatives. The informal meeting of Education Ministers in Paris in March and the subsequent May Council of Education Ministers have confirmed the same political consensus. These actions have been prepared since then in the fields of education, youth, sport and culture.

### 1.1.2 Implementation of the 2014-2020 programmes

Well-known brand names, programmes supervised by DG EAC have made over time an **acknowledged difference in terms of EU added value**, as evidenced by the popularity of Erasmus and its positive contribution to the reputation of the EU among citizens. In a general context of tight fiscal constraints, the European Parliament and the Council of the EU have clearly acknowledged, based on 2007-2013 evidence and impact studies prepared by the Commission, the added value to invest at EU level in education, innovation and culture. Although it is too early to measure the specific added value of the 2014-2020 generation of EU programmes, one prima facie evidence of added value of spending in the areas of DG Education and Culture remains the **substantial increase in the budget granted** to education, training, youth and sport (+40%), to researchers' training and career development (+30%) and to culture and the audiovisual sector (+9%) within the 2014-2020 Multi-annual Financial Framework.

Under the increased emphasis of the College on an "**EU budget focused on results**", DG EAC has committed itself in 2015 to provide best available evidence on the performance and in particular, the added value of its programmes, as reflected in its Annual Activity Reports and the recent VALOR platform (see 1.1.4). The **mid-term evaluation of programmes** has started to be prepared with REA, EACEA and National Authorities in the Member States as well as other Research-family Directorate Generals for a submission to the other EU institutions by end of 2017. The initial steps for the preparation of the post-2020 programmes have also been initiated in the context of the mid-term review of the Multiannual Financial Framework 2014-2020.

2015 was the second year of implementation of the **2014-2020 programmes**, with a total available budget of €3.365 billion in commitment appropriations. This represents a very significant EU support in key areas for growth and jobs and social inclusiveness: education, innovation, research, cultural and creative sectors. DG EAC has supervised and implemented with entrusted bodies (see section 2.), almost as planned:

1. **Erasmus+** with € 1.866 billion in terms of operational expenditures committed and € 244 million for external actions (see 1.2.1.3 and 1.2.2);
2. **Marie Skłodowska-Curie actions** (MSCA) and the **European Institute**

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<sup>28</sup> Adopted by the Council on 24 November 2015

**of Innovation and Technology**<sup>29</sup> – part of the Research Framework Programme Horizon 2020 with € 1.117 billion (see 1.2.2.3 and 1.2.2.4);

3. **Creative Europe** programme with € 68.3 million (see 1.5).

On a cross-programme note, more opportunities are foreseen over 2014-2020 for policy support<sup>30</sup>, for cross-sector projects and for exploitation of results.

*Notable Result*



A striking example of reactivity in 2015 to unforeseen events has been the way a new line of priority for tolerance and non-discrimination in education, youth, sport, and culture fields was inserted in the draft 2016 spending work-programmes following the events in Paris and Copenhagen<sup>31</sup>. DG EAC's policies – particularly, but not only, on education and youth participation - can indeed contribute to the **agenda on security**, notably on prevention.

First indications show that DG EAC's programmes are **on track to reach the output targets**. By 2020, more than 4 million mobile students, young people, lecturers, teachers, trainers, education staff and youth workers should have benefited from a mobility action under Erasmus+<sup>32</sup>. Meanwhile 65 000 researchers should have been supported by the Marie Skłodowska-Curie actions. However, implementation levels are still relatively low because of the heavily back-loaded budget profile of programmes<sup>33</sup>. Thanks to close engagement with stakeholders and a large communication campaign (see 1.1.4), the visibility of programmes and the demand for funding have been very high. The planned budget increase over the next years will be fully needed in order to reach the existing targets.

Even if the second year of programme implementation has not been without challenges, a number of concerns mentioned below have been tackled during the year. **Programmes were implemented in 2015 on time**, almost entirely (the Creative Europe financial guarantee will start in 2016) and in all participating countries except in Greece where the strand of Erasmus+ for Youth has been suspended since the end of 2014<sup>34</sup>. Demand for this type of EU support has been strong in most sectors, while often stronger for mobility in comparison to cooperation projects. The IT tools designed have been able to cope with high levels of submission (e.g. more than 48.000 applications in 2015) and changes in business requirements following feedback in the first two years of implementation. However users have perceived information systems as too complex. Budget execution was once more confronted with a risk of running short of payment credits, which was avoided thanks to a smooth management of payments, an efficient

<sup>29</sup> The EIT is an independent EU body, which has its own discharge procedure, set up to address Europe's innovation gap.

<sup>30</sup> For instance, the DG has developed the concept of Prospective Initiatives and Partnerships with civil society under the cross-sector Key Action (KA) 3 of the Erasmus+ programme.

<sup>31</sup> Agenda planning – 2015/EAC/005 (Erasmus+); 2015/EAC/006 (Creative Europe).

<sup>32</sup> Around 2 million higher education students, including 450 000 traineeships; 650 000 vocational students; 800 000 lecturers, teachers, trainers, education staff and youth workers; more than 500 000 young people; up to 200 000 Masters' degree students will benefit from loan guarantees to help finance studies abroad under the brand-new scheme; more than 25 000 students will receive grants for a 'joint master degree', which involves studying in at least two higher education institutions abroad. In addition, the programme will fund 135 000 student and staff exchanges involving non-European partner countries.

<sup>33</sup> See graph on page 16 of DG EAC Management Plan 2015

<sup>34</sup> See section 2.

use of fund sources and the adoption in time of the global transfer adopted at the end of October<sup>35</sup>.

**Executive Agencies** have reported contributions to all general objectives of the DG throughout the implementation of programmes by taking care of the direct project management and the dissemination of results (see section 2.1.2). Both internal and external evaluations and audits have previously borne out the major contribution of the agencies as an effective delivery approach for Commission policies<sup>36</sup>.

### 1.1.3 Finalisation of 2007-2013 programmes

During the 2007-2013 period, DG Education and Culture has managed **the mobility of about 3 million beneficiaries**, through the Lifelong Learning Programme (LLP) for learners and teachers, the Youth in Action Programme (YiA) for young people and youth workers, the Marie Curie actions (MCA) for researchers, and external higher education programmes such as Erasmus Mundus and granted **almost € 870 million to cultural and audiovisual sectors**. In 2015, the projects previously committed under the 2007-2013 programmes have continued to be implemented in parallel to the projects funded under the 2014-2020 programmes. There has been no suspension case since 2012. Mid-term evaluations (2011-12) have confirmed that the 2007-2013 programmes managed in the remit of the DG, mainly through agencies<sup>37</sup>, have achieved the expected impact and European added-value<sup>38</sup>. The main weakness of this programme generation has been the missing link between the information on project results and their use at policy level, which is a priority over 2014-2020.

### 1.1.4 Communication and Valorisation

In 2015, DG Education and Culture contributed to the overall effort of the Commission to help overcome unprecedented political and social crises and restore eroded confidence in the EU, especially among young people<sup>39</sup>. The **promotion of the new programmes** continued across Europe including outreach activities towards National Agencies and other stakeholders, recurrent press work for the Commissioner, programmes on Euronews<sup>40</sup> and Euranet, streamlined websites<sup>41</sup> and a rapidly growing presence on social networks, especially Facebook but also Twitter (Erasmus+ and Creative Europe accounts).

The **dissemination and exploitation of project results** is a key objective of the 2014-2020 programmes. In 2015, DG EAC took major steps toward meeting this objective. It adopted a *Strategy for the Dissemination and Exploitation of Programme Results* in order

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<sup>35</sup> € 170 million for Erasmus+ (9.7 % of the programme budget) – see DG Budget's AAR

<sup>36</sup> See annex 9 of AAR 2013 for performance information included in the 2013 evaluation of EACEA.

<sup>37</sup> See below section 2 and Annexe 6 concerning National Agencies, as well as the AARs of the Education Audiovisual and Culture Executive Agency and the Research Executive Agency.

<sup>38</sup> See for instance the AAR 2013 on evaluation results about Marie Curie Actions (p16); see the AAR 2012 about Lifelong Learning Programme (p3), Erasmus Mundus (p 9), and the European Capitals of Culture (p11); see the AAR 2011 about Preparatory Actions Sport (p12).

<sup>39</sup> 60% of Europeans tend to distrust the European Union, according to the Standard Eurobarometer of Spring 2013. This number had doubled over six years.

<sup>40</sup> Generation Y, is a TV magazine targeting young people with the aim of promoting education and culture projects across Europe and the new EU programmes. The magazine showcases how EU actions in these policy areas have an impact on the everyday lives of young people and respond to their needs.

<sup>41</sup> In accordance with the Commission-wide Web rationalisation process, all of DG EAC's websites were streamlined in 2014, resulting in a reduction of content by more than 85%.

to identify in a systematic way those projects that have the most significant results from a policy and/or communication perspective ("success stories").

#### *Notable Result*

The implementation of the Strategy is underpinned by a **Project Results Platform (VALOR)**<sup>42</sup> which has been filled with project information from Erasmus+, Creative Europe and their predecessor programmes, with the support of the Executive Agency and the National Agencies<sup>43</sup>. The Platform contained information on 43,000 projects in late 2015. It was showcased in the context of the *EU budget focused on results* initiative as a best practice of the Commission services. The EU budget data base contained at the end of 2015 15% of projects from DG EAC out of 20 DGs. Programme results have been used for communication purposes through different channels (social media, websites, publications, graphic support).

### **1.1.5 International cooperation: cross-policy results**

Progress has recently been made in relation to **external policies in the field of higher education and youth** particularly in Asia, in line with DG EAC's specific objectives 1.2, 1.4 and 2.4. However the period has also been marked by the consequences of the war in **Syria** and the situation in **Ukraine** for education, research and culture activities.

#### *Notable result*



In **Asia**, progress has been made on education at ministerial level. In the context of the Asia-Europe Meeting (ASEM), **EU mobility and capacity building were accepted as models of good practice** which are being introduced in other areas, such as South-East Asia. In addition, a ministerial-level policy dialogue with Central Asia launched a road map of activities which will increase the quality of Central Asia's higher education systems as well as comparability between the region and Europe. Furthermore, the relevance of the youth part of the High level People-to-people Dialogue with China has been underlined by Commissioner Navracsics and Vice-President Liu Yandong.

Both the Joint Declaration of the Eastern Partnership Summit (Riga, May 2015) and the review of the **European Neighbourhood Policy** in November 2015 underlined the importance of the work of the Eastern Partnership Platform 4 in the areas of education, youth, research-innovation, and culture, considering the current context particularly in the fight against youth unemployment and social exclusion in the Neighbourhood region.

For **Southern Mediterranean countries**, despite well-known difficult situations on the ground, mobility of students and academic staff has remained a priority and a 2015

<sup>42</sup> **VALOR** is the European digital platform for the dissemination and the exploitation of results in the fields of education, training, youth, sport, culture and audiovisual from all projects funded under the new Erasmus+ and Creative Europe programmes as well as of some projects funded under the previous programmes (Life Long Learning, Youth in Action, Culture...). It flags projects as success stories which can inspire potential applicants or provide input for policy design.

<sup>43</sup> In 2015, around 35,000 Erasmus+, more than 350 Creative Europe projects and some 7,500 projects from the previous generation of programmes (Life Long Learning, Youth in Action, Culture) have been made easily retrievable and published: <http://ec.europa.eu/programmes/erasmus-plus/projects>

seminar on the recognition of credits and qualifications supported this process.

#### Notable result

A close partner of the EU in its southern neighbourhood, **Tunisia** was seriously undermined by the terrorist attacks in 2015. The EU has reaffirmed its support for the country's transition process since the Revolution of 2011<sup>44</sup> and has, from 2016 onwards, **upgraded the possibilities open to Tunisian researchers** and organisations within the EU Horizon 2020 research and innovation programme, in regarding Tunisia as an associated country.

Policy dialogue was pursued with a number of **other key partner countries/regions**, including **China** (willingness to continue to implement joint actions in the fields of education, youth, culture and gender equality), **South Africa** (VET and teacher/lecturer professionalism) and the **Western Balkans** (reform of teacher training).

Meanwhile the EU's cooperation with the **Council of Europe** has been developed in the framework of their partnership renewed in 2014 for three years, based on a 2013 evaluation. In the field of **Education**, cooperation was pursued in the field of human rights/citizenship education and through training programme for mediators in schools between Roma communities and mainstream society. In the field of **youth**, the priorities were social inclusion with a specific focus on outreach to vulnerable young people youth work and participation. The conference on youth participation in the digital age attended by Commissioner Navracsics led to concrete recommendations for a strengthened youth participation, on- and offline. The expert seminar on social inclusion with the Western Balkan countries allowed the region to exchange experiences and good practices on this topic. In the field of **multilingualism**, cooperation with the Council of Europe's European Centre for Modern Languages endeavoured to better link language examinations to the Common European Framework of Reference for Languages and to expand the use of new technologies in support of language teaching and learning, with workshops organised in 11 countries. Lastly, **sport**, through its societal, educational and health-enhancing functions, contributes to the promotion of the core values of the Council of Europe. Cooperation revolves in this area around three Conventions on match-fixing, doping and spectator violence, as well as through preparatory Erasmus+ projects and participation in appropriate Expert Groups dealing with issues of integrity in sport.

**EU funded international cooperation with non-EU countries** has contributed to making European education ([see increasing impact indicator 8](#)), research systems and culture more attractive worldwide, but also to modernising and opening related European systems. Since 2014, the *Erasmus+* programme has integrated five international cooperation programmes<sup>45</sup> to support better this international cooperation and international mobility has been launched in 2015 (see 1.2.1.2). Meanwhile the *Marie Skłodowska-Curie actions* remain fully open to both partner organisations from third countries and to researchers of any nationality worldwide (see 1.2.2.3).

On a cross-cutting note, DG EAC has made a number of contributions to other departments so that the **EU development policy** addresses education and culture in various aspects (i.e. cultural industries, cultural heritage, people-to-people contacts and civil society).

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<sup>44</sup> MEMO/16/286

<sup>45</sup> Erasmus Mundus, Tempus, Alfa, Edulink and the programme for cooperation with industrialised countries

## 1.2 Education and Innovation (General objective 1)

The first general objective<sup>46</sup> of the DG is supported by the *Erasmus+* and *Horizon 2020* programmes (activity based budgets 15.02 and 15.03)<sup>47</sup> and covers education, training, researchers and innovation areas, contributing to a knowledge-based, innovative, sustainable and inclusive Europe.

*As of 2015, the policy for skills, vocational education and training as well as adult learning has been handed over to the DG for Employment, Social Affairs and Inclusion, with which cooperation has been established on the basis of a memorandum of understanding. DG EAC remains responsible for the funding side through Erasmus+.*

### 1.2.1 Cross-cutting results under general objective 1

#### 1.2.1.1 Cross-sector policy results for education

Political attention to education and training as key drivers for jobs and growth in the context of the Europe 2020 strategy was granted through the **European semester** 2015<sup>48</sup>. Following President Juncker's approach to concentrate on the most urgent priorities, the Commission proposed in May a substantially fewer number of and more focused country specific recommendations (CSR)<sup>49</sup>. As part of this new focused approach, 13 Member States<sup>50</sup> received a CSR in the area of education (28 in 2014), based on the Commission's in-depth analysis published in 28 country reports in February<sup>51</sup>. The CSRs were endorsed by the European Council of 19 June. Fewer CSRs should result in better implementation of actions to be taken within a year, without weakening the medium-term reform process in Member States. The ET 2020 cooperation will continue to support both CSR implementation as well as all other countries faced with important education challenges.

With regard to the **European Fund for Strategic Investments**<sup>52</sup>, although based on a principle of non-pre-allocation, the Council has examined the illustrative list of projects to be funded submitted by the Commission, where education was well covered. As part of its broader effort to fight unemployment, the Commission proposed and the EU legislator

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<sup>46</sup> See annex 12

<sup>47</sup> ABB 15.02-Erasmus+ as well as 19.05, 21.02, 21.03 and 22.02 as regards the international dimension. ABB 15.03-Horizon 2020/MSCA and EIT

<sup>48</sup> The European Semester of economic policy coordination gives EU guidance for national economies through Country-specific recommendations (CSRs).

<sup>49</sup> [http://ec.europa.eu/europe2020/index\\_en.htm](http://ec.europa.eu/europe2020/index_en.htm) ; [http://ec.europa.eu/europe2020/making-it-happen/country-specific-recommendations/index\\_en.htm](http://ec.europa.eu/europe2020/making-it-happen/country-specific-recommendations/index_en.htm)

<sup>50</sup> AT, BG, CZ, DE, EE, HU, IT, LT, LV, MT, RO, SK, UK; [http://ec.europa.eu/europe2020/pdf/csr2015/csr2015-overview-table\\_en.pdf](http://ec.europa.eu/europe2020/pdf/csr2015/csr2015-overview-table_en.pdf)

<sup>51</sup> A new set of Integrated Guidelines which provide the basis for issuing CSRs was adopted in 2015 by the Council. The text reflects the importance of education as a driver to achieve the objectives of the Europe 2020 Strategy and offers a good basis for strengthening further this strand of work within the European Semester. It calls on Member States, to make the necessary investments in education, while improving their efficiency and effectiveness. <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32015D1848>

<sup>52</sup> The Regulation establishing a European Fund for Strategic Investments (EFSI) entered into force in July 2015. The idea behind EFSI is to use public money as a catalyst to stimulate private investment where it is most needed in supporting strategic projects which would not receive financing otherwise, in areas such as research and innovation.

agreed in May to frontload €1 billion to speed up the implementation of the Youth Employment Initiative. This will help up to 650,000 young people find jobs, apprenticeships, traineeships or continued education across Europe.

During the second half of 2015 (the "national semester"), the DG also contributed to the preparation of the 2016 **Annual Growth Survey (AGS)**. The 2015 AGS has acknowledged that smart investments in Europe's human capital and performance-oriented reforms of education and training systems are part of the necessary efforts to restore jobs and sustainable growth. Education reforms are also seen as one of the key factors contributing to better social inclusion. The Commission Communication of 21 October 2015 on *steps towards completing the EMU* refers to modern and inclusive education systems as a means to foster upwards convergence through the development of common benchmarks<sup>53</sup>.

Closely linked to this country-based approach, the **2014-2020 European Structural and Investment Funds** programming documents<sup>54</sup> were all adopted in 2015, linking the investment priorities selected by Member States closely to CSRs adopted in the framework of the European Semester.

#### *Notable Result*

As a result of European coordination and peer-learning among other factors, the **Europe 2020 headline indicators target** about education performance has shown improvement from 2009, with a decreasing rate of early school leavers and a higher tertiary attainment rate (see key/impact indicators 1 and 2). Both indicators of the twofold targets are within reach if efforts are sustained but certain Member States are expected to show higher ambition. There has been a steady increase in tertiary attainment, from 22.4% in 2000, to 37.9% in 2014 (target 2020: 40%) (see 1.2.2.2). For early school leavers, there has been a steady decrease, from 17.6% in 2000 to 11.1% in 2014 (target 2020: 10%) (see 1.2.2.1). Nineteen Member States have already met or exceeded their 2020 national targets for at least one indicator<sup>55</sup>. Thirteen countries have already reached the target for both indicators (Belgium, Denmark, Ireland, France, Cyprus, Lithuania, Luxembourg, the Netherlands, Austria, Poland, Slovenia Finland and Sweden). 2014 also marked the first time women have, on average, reached both education targets when assessed separately.

Covering the wider range of ET 2020 benchmarks (see impact indicators 4 to 7), the fourth edition of the **Education and Training Monitor** reported on the evolution of education and training systems across Europe<sup>56</sup>. While focused on empirical evidence, each section in the Monitor has clear policy messages for the Member States and back up the country-specific recommendations. The 2015 edition puts the spotlight on education priorities most in need of public and private investment. **Top of the list is inclusiveness**, because of its potential to boost social cohesion and mobility between generations.

Meanwhile strategic **co-operation with OECD** was pursued on country analysis, educational surveys and assessment tools for an improved evidence base, in line with the

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<sup>53</sup> COM(2015) 600

<sup>54</sup> Partnership Agreements and Operational Programmes submitted by Member States.

<sup>55</sup> However, only 8 of these 19 Member States have already done so for both indicators (Denmark, Greece, Cyprus, Latvia, Lithuania, Austria, Slovenia and Sweden). See Eurostat News release 71/2015 of 20.04.2015

<sup>56</sup> The Education and Training Monitor includes an online visualisation tool for all six operational European benchmarks. [http://ec.europa.eu/education/tools/et-monitor\\_en.htm](http://ec.europa.eu/education/tools/et-monitor_en.htm)

Cooperation Arrangement (2013-2016) agreed at service level. However certain OECD-related activities could partially not be funded on Erasmus+ (€ 1 million) with negative implication at national level, due to circumstances beyond DG EAC's control. The wider implementation of the general framework for the cooperation between the Commission and the OECD could indeed not be finalised on time (e.g. direct grant).

Supported by DG EAC, a 2015 mapping study has established to what extent Member States make **use of evidence-based policy-making tools** in the area of education and training. The mapping suggests that only a few countries make regular use of the more advanced tools (such as cost-benefit analysis, impact assessments, ex post evaluations, theoretical models) or provide systematically analysis to inform policy-makers' choices. A few countries (BE, CZ, IE, ES, FR, FI, NL, UK) have built up a systematic practice of evidence-based policy.

Under the umbrella of the Europe 2020 agenda, the Council and the Commission have updated in 2015 the **strategic framework for European co-operation in Education and Training (ET 2020)**<sup>57</sup> for the period 2015 - 2017<sup>58</sup>. In adopting the draft ET 2020 Joint Report proposed in 2015 by the Commission following a thorough mid-term stocktaking, the Council has endorsed six new priority areas, down from 13 during the previous work cycle<sup>59</sup>:

1. Relevant and high-quality skills and competences for employability, innovation, active citizenship;
2. Inclusive education, equality, non-discrimination, civic competences;
3. Open and innovative education and training, including by fully embracing the digital era;
4. Strong support for educators;
5. Transparency and recognition of skills and qualifications; and
6. Sustainable investment, performance and efficiency of education and training systems.

#### *Notable Result*

The Council held a policy debate in November 2015 on education and migration, devising **strategies for integrating migrants**<sup>60</sup>. Among the issues stressed by Ministers were the importance of language learning, the systematic promotion of European values, fast assessment and validation of prior qualifications and proper training of teachers to deal with this new challenge



<sup>57</sup> OJ C 119 of 28 May 2009

<sup>58</sup> CONS 14454/1/15 of 12 January 2016

<sup>59</sup> Adopted by the Council on 24 November 2015 - [http://ec.europa.eu/education/news/2015/0901-et2020-new-priorities\\_en.htm](http://ec.europa.eu/education/news/2015/0901-et2020-new-priorities_en.htm)

<sup>60</sup> CONS 14454/1/15 of 12 January 2016 and doc. 13449/15

The **2015 Joint Report ET 2020** on the implementation of the strategic framework for European cooperation in education and training<sup>61</sup> stresses how crucial it is to maintain an integrated framework covering all sectors of education and training so as to foster lifelong learning; and to embed ET 2020 in the overall policy agenda of the EU, especially the strategy for jobs, growth and investment, the initiatives against radicalisation and the digital revolution in learning as a part of the digital single market. The strategic objectives, as established in 2009, are still fit for purpose, even in light of the new challenges. Innovations notably take place within the framework of the Copenhagen-Bruges process for vocational education and training<sup>62</sup>. In addition, stakeholders have signalled the need for a greater emphasis on the implementation of the 3rd strategic objective (equity, social cohesion and active citizenship), responding also to radicalisation. During the stocktaking, the Member States have indicated that ET 2020 mutual learning provides them with strong added value<sup>63</sup>. According to the Joint Report, it can be further enhanced through a more systematic approach of its planning, a better clustering of countries during peer learning activities, and an improved knowledge transfer from the technical to the political level. The operational nature of ET 2020 could be further improved e.g. via a work plan, sharpened monitoring, an annual ET 2020 policy debate and an extension of the 3-year work cycles to 5-years to synchronise ET 2020 with the 5-year political cycle governing the EU.

The EU relies on experts nominated by Member States and key stakeholders, as part of a broader cooperation known as the **Open Method of coordination**<sup>64</sup>. In 2014-15, six ET 2020 Working Groups<sup>65</sup> have been dealing with School Policy, Vocational Education and Training, Modernisation of Higher Education, Adult Learning, Transversal Skills and Digital and Online Learning. They finalised their work at the end of 2015, with a set of policy-relevant outputs<sup>66</sup>.

#### *Notable Result*

The 2014 independent evaluation of **ET 2020** has found that cooperation at European level has an **added value compared to purely national action**<sup>67</sup>. ET 2020 accelerates policy learning on themes of common concern at European level, e.g. those identified in the European Semester, with an increased volume and scale of learning, exposing policy-makers to much more (good) practice compared to what Member States would be able to organise without the existence of the Open method of coordination. ET 2020 equips national policy-makers in education and training with concrete tools on themes of common concern that help them in their work (including voluntary monitoring frameworks, competency grids, self-assessment tools, quality assurance guides, policy handbooks), which could not be developed at the same level and scale in a national context. Meanwhile Member States apply ET 2020 mutual learning lessons and tools, when and to the degree they find it useful.

<sup>61</sup> COM(2015)408 of 26 August 2015

<sup>62</sup> The Joint Report covers learning at all levels, including vocational education and training and adult learning, which implies that, within the Commission, the Joint Report is now prepared by DG EAC in close association with DG Employment, Social Affairs and Inclusion.

<sup>63</sup> 2014 ET 2020 National Reports; 2014 Ecorys Interim Evaluation of ET 2020

<sup>64</sup> Co-operation with the Member States is opened via the Open Method of Coordination (OMC), a flexible and non-binding framework which structures cooperation around agreed strategic objectives through peer learning and the exchange of good practice. The Commission provides secretarial and analytical support to the process.

<sup>65</sup> See AAR 2014, section 1.1.2.1.

<sup>66</sup> See highlights from the Working Groups 2014-2015, [http://ec.europa.eu/education/policy/strategic-framework/expert-groups/2014-2015/group-highlights\\_en.pdf](http://ec.europa.eu/education/policy/strategic-framework/expert-groups/2014-2015/group-highlights_en.pdf)

<sup>67</sup> See annex 9 of AAR 2014 for more performance information included in this evaluation.

In line with DG EAC's specific objective 1.1 and the Commission Communications *Rethinking Education*<sup>68</sup> and *Opening up Education*<sup>69</sup> through new technologies, the DG has followed-up the European agenda for stimulating innovative ways of learning and teaching through new technologies and digital content, while raising digital competences. The PIAAC Survey has suggested that many European adults cannot use ICT effectively. The 2014 IEA International **Computer and Information and Literacy** Study<sup>70</sup> has shown that in most participating EU countries (except CZ and DK) 25% of students demonstrate low levels of computer and information literacy<sup>71</sup>. This is why in 2015, DG EAC has promoted this strategy including through initiatives such as the eTwinning, European Schools Gateway, Open Education Europa platforms (see 1.2.2.1) or through the ET2020 Working Group on Digital and Online Learning. The DG cooperates with other Directorate Generals on this issue, including DG for Communication Networks, Content and Technology as for the digital skills dimension of the *Digital Single Market Strategy*. On the research side, DG EAC has also worked closely with the Joint Research Centre (Institute for Prospective Technological Studies) to develop a European Framework for Digitally-Competent Organisations<sup>72</sup>.

Lastly, findings indicate that being proficient in foreign languages is an important factor for being employed. This is the case in 17 Member States reviewed, although different patterns emerge<sup>73</sup>. According to DG EAC's specific objective 1.5 on **multilingualism** (see result indicator 25) and in response to the disappointing results of the 2011 European Survey on Language Competences<sup>74</sup>, the DG has followed upon the 2014 Council Conclusions on multilingualism and development of language competences by publishing two related studies in 2015 in order to collect information about language teaching and assessment in schools and to assess progress through comparable testing methods at national level, providing results that can be aggregated at European level.

### 1.2.1.2 International cooperation for education

In line with DG EAC's specific objectives 1.2 and 1.4, the **policy dialogue with Partner countries** in 2015 (see increasing impact indicator 8) has allowed advances in innovation within higher education, quality assurance and mutual recognition of qualifications and study periods abroad. This was supported by a small number of targeted actions, most often agreed in bilateral multiannual work programmes, such as a study mapping higher education provision in the Western Balkans or a study on VET lecturers with South Africa. Experience suggests this format of dialogue provides a good basis for developing structured external relations while monitoring progress and ensuring follow-up.

*Erasmus+* has also been promoted in each regional context (e.g. seminars for the Western Balkans organised in Belgrade, Pristina and Vienna) and through a large

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<sup>68</sup> COM(2012)669.

<sup>69</sup> COM(2013)654. The Communication Opening up Education focuses particularly on exploiting new technological phenomena like Open Education Resources towards the modernisation of education and training. It aims also to ensure that educational materials produced with public funding are available to all and to offer better ICT infrastructure and connectivity in schools.

<sup>70</sup> Computer literacy enables individuals to investigate, create, and communicate with computers.

<sup>71</sup> See AAR 2014, section 1.1.2.

<sup>72</sup> <https://ec.europa.eu/jrc/en/publication/eur-scientific-and-technical-research-reports/promoting-effective-digital-age-learning-european-framework-digitally-competent-educational>

<sup>73</sup> <https://crell.jrc.ec.europa.eu/?q=publications/languages-and-employability>

<sup>74</sup> 14% of 15 years old pupils in participating countries did not on average reach the level of basic user in their first foreign language.

information campaign beyond Europe to raise awareness of its new opportunities. Several activities within the **international higher education dimension of Erasmus+** started for the first time in 2015 with the availability of Heading 4 funds (see 1.2.2.2).

The Commission has called in its communication on the **enlargement** strategy 2014-15, for candidate and potential candidate countries to step up efforts in education provision. Based on EAC proposals, the agendas of sub-committees with the Western Balkans now include ET 2020 benchmarks and focus more on the implementation of reforms rather than only on the legislative framework.

In **Africa**, significant progress has been made on the harmonisation of higher education. The up-scaled Tuning initiative has started with 120 universities in 42 countries and eight subject areas with a view to developing an African credit transfer system. In parallel, the development of a Pan African Quality and Accreditation Framework has been endorsed by authorities in Africa and the related EU-supported initiative has begun.

### 1.2.1.3 Cross-sector funding results for education

Since 2014, the **Erasmus+** programme<sup>75</sup> has effectively integrated seven previous programmes and included new actions (as for Sport, see section 1.4)<sup>76</sup>. With more than one million people taking part in 18,000 funded projects, the programme is already living up to expectations<sup>77</sup>. The integrated programme put a stronger emphasis on **EU added value and impact as compared to its predecessors** and ensures a close link between the relevant policy agendas and the actions of the programme (see result indicator 22). The programme fosters more cross sectorial cooperation across the education, training and youth sectors (see section 1.3)<sup>78</sup>. The integrated nature of the programme has also led to a far reaching simplification (e.g. unit costs, e-applications). Two-thirds of the *Erasmus+* funding have been allocated to support learning opportunities abroad for individuals, within the EU and beyond (Key Action 1); the rest supports partnerships between educational institutions, businesses, local and regional authorities and NGOs (Key Action 2), as well as reforms to modernise education and training and to promote innovation, entrepreneurship and employability (Key Action 3).

During its second year of implementation, the Erasmus+ programme has been **broadly committed as foreseen** (see section 2.1 about delays and mitigated risk of payment shortages) including Jean Monnet actions (see output/result indicators 26 and 27)<sup>79</sup>. This includes commitments for the new Student Loan Guarantee facility and the international cooperation, implemented for the first time in 2015 (see 1.2.2.2). So as to contribute to integrate migrants/asylum-seekers in Europe's education systems and to develop their skills and competences, DG EAC has raised the importance of this unforeseen priority in the second half of the year through Erasmus+ calls and a number of contacts with National Agencies and stakeholders across sectors.

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<sup>75</sup> Regulation (EU) n. 1288/2013 establishing 'Erasmus+': the Union programme for education, training, youth and sport and repealing Decisions n. 1719/2006/EC, n. 1720/2006/EC and n. 1298/2008/EC.

<sup>76</sup> The Erasmus+ programme 2014-2020 actually combines all the EU's former schemes for education, training, youth and sport, including the Lifelong Learning Programme (Erasmus, Leonardo da Vinci, Comenius, Grundtvig), Youth in Action and five international cooperation programmes (Erasmus Mundus, Tempus, Alfa, Edulink and the programme for cooperation with industrialised countries).

<sup>77</sup> IP/16/141

<sup>78</sup> For instance, calls for proposal under Erasmus+ have been launched in the new area of policy experimentation, which will contribute decisively to strengthen these links across sectors (specific objective 1.3), or as regards certain new types of Jean Monnet actions, namely "projects" supporting innovation, cross-fertilisation and the spread of European Union content (specific objective 1.6).

<sup>79</sup> Annual Work Programme - 2015/EAC/005 of 17 June 2015

The second year of implementation has once more triggered **high interest in the programme either at political level from the European Parliament or other stakeholders, or at beneficiary level with a very high demand**. Although it is too early to assess qualitatively the impact of the programme<sup>80</sup>, the quantitative indicators are positive, in particular for Key Action 1 on Mobility<sup>81</sup>. Some measures were taken in 2015 to increase the number of participating organisations, in particular schools, by increasing the chances of smaller projects to be selected. The foreseen higher budget in upcoming years will further facilitate a sufficient penetration rate of the programme in all sectors.

In line with specific objectives 1.1 and 2.1, **Key action 1** has focussed on intra-EU learning mobility, be it of learners and staff from Higher Education or Vocational Education and Training sectors, staff from Adult or School Education sectors or young people and youth staff (see increasing output indicators under specific objectives 1.1 and 2.1)<sup>82</sup>. Its implementation is reported further under each sector-related section below.

#### *Notable Result*

Over the first two years, provisional figures indicate that **support to mobility has been granted close to 1 Million persons** (Key Action 1). This includes a noticeable boost in 2015 regarding third country partners (see 1.2.2.2). Terms of mobility, in particular duration limits, have been made more flexible under Erasmus, so as to reflect better the evolution of student needs and the structure of degrees (Bologna process) across Europe. Multiple periods of mobility are possible and taking up a traineeship abroad has been facilitated since 2014. Considering the programme budgetary profile, 2015 outputs indicates **a trend significantly above the expected 4 million Erasmus+ learning mobile persons** for the programming period. The currently available resources do not enable to meet the observed high level of demand.

Furthermore, the expanded programme puts more emphasis on **linguistic support**, as well as specific additional support for **people with special needs**, from disadvantaged backgrounds and remote areas. The activities have increasingly targeted people with fewer opportunities, with particular success as for the youth strand (see rising output indicator 18 and 41). Additional efforts will be needed to reach the 2020 target as regards education.

Under **Key action 2**, the level of demand was equally high and demonstrated a strong interest for the proposed project formats. Over the next years, a significant share of the budget increases will have to be allocated to this action to achieve the announced outputs (300 alliances and 25.000 partnerships over the period) and respect the budgetary allocation ratios deriving from the legal basis.

Activities under **Key Action 3** have been geared towards the support to key policy priorities. Forward-looking cooperation projects<sup>83</sup> cover for instance inclusive education, collaborative learning, the modernisation in higher education, excellence in VET, adult

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<sup>80</sup> Most non-mobility projects have a duration of 18 months to 3 years. The VALOR platform is showcasing them (see 1.1.4).

<sup>81</sup> The implementation of the programme was reported to participating countries in December 2015 for the first time in the Erasmus+ annual report 2014.

<sup>82</sup> In 2015, € 21.6 million were frontloaded, anticipated within Erasmus+ and allocated to Higher Education (1/3) and to VET/Apprenticeships (2/3).

<sup>83</sup> The 2015 call for proposals for forward-looking cooperation projects attracted a hundred proposals, out of which 40 high-quality projects were selected, for an overall budget of over 18 Mio€.

learning opportunities or e-participation of young people in democratic life. Cooperation with civil society has been strengthened over 2015-2017 in allocating operating grants to 20 civil society organisations in the fields of education and training so as to establish an on-going dialogue with these key stakeholders<sup>84</sup>.

The demand for **Jean Monnet action** has significantly increased in 2015 and the scope of international activities has been broadened thanks to additional funds from Foreign Policy Instruments. Moreover innovative actions have been implemented, including a more active involvement of the Jean Monnet academic community in the EU policy making process. For instance, their 2015 annual conference was devoted to the role of education in spreading shared values against the background of recent crisis.

While clearly delivering outputs at the expected level, Erasmus+ is still facing **start-up process difficulties** which might hinder its image. Materialising the opportunities of the new integrated programme while duly reflecting the sector specificities has required investment from the part of the Commission as well as from beneficiaries and National Agencies to adapt themselves to the transition. Although the quantitative result – in particular the high level of demand – are demonstrating the validity of the approach, the perception of some stakeholders is that progress can still be achieved, notably as regards information systems. In order to respond to these expectations, actions have been taken to simplify some requirements and National Agencies and beneficiaries are now involved in the information system development to identify more user-friendly solutions. The DG is investing substantial resources (staff and finances) in information systems, so as to correct this perception.

Last but not least, the **European Structural and Investment Funds** (ESIF) are increasingly being used to upscale tools and experimentation tested successfully under Erasmus+ and the Marie Skłodowska-Curie actions (MSCA).

#### *Notable Result*

For example, building on the **synergies between Horizon 2020 and European Structural and Investment Funds**, the Welsh government (UK) was able to set-up a fellowship programme for experienced researchers. The programme is supported both by an EU contribution through the European Regional Development Fund (ERDF) and the MSCA-COFUND action (Horizon 2020) as well as by various regional financial supports (including that of the Welsh government).

The **mid-term review** of the Multiannual Financial Framework 2014-2020 has started in 2015 offering to DG EAC an opportunity to illustrate how Erasmus+ and the Marie Skłodowska-Curie actions support a large number of Commission priorities (employment and growth; new EU global strategy) and can help address new emerging political priorities such as the integration of refugees or social inclusiveness at large following the Paris Declaration. Considering the high visibility and level of demand, as well as their easy absorption capacity, Erasmus+ and the Marie Skłodowska-Curie actions are among the most efficient EU spending programmes. Their potential for reinforcement has been acknowledged.

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<sup>84</sup> Framework Partnership Agreements were concluded for an overall annual amount of about 2.5 Mio€.

## 1.2.2 Sector based results

### 1.2.2.1 Schools

School is a key actor in tackling early school leaving but it cannot work in isolation. This is one of the key policy messages delivered in November 2015 by the ET2020 Working Group on **Schools Policy**, launched in 2014. To identify successful policies to reduce early school leaving and to improve the quality of initial teacher education constituted two main priorities. In addition to the strengthened support of the Erasmus+ programme for schools and their staff (see rising output indicator 17), the following main actions have been pursued by DG EAC this year.

(a) The Europe 2020 target on **early school leaving** (ESL) defines a key focus at EU level (see improving impact indicator 1).

#### *Notable Result*



The **EU average early school leaving has further decreased** and reached 11.1% in 2014, down 2.3 percentage points from 2011; 19 countries<sup>85</sup> have achieved the 10% target, although some large countries still show stagnating or even increasing rates. As a consequence, monitoring has resulted in two Member States receiving a recommendation on ESL in 2015<sup>86</sup>. In the current migratory context, it is worth remembering that those born abroad are on average twice as likely to leave the education and training system early as native-born individuals<sup>87</sup>.

The ET 2020 Working Group on Schools Policy delivered, as planned, its final Policy messages on a **whole school approach to tackling early school leaving**<sup>88</sup> reflecting the views from more than 30 countries on the need for more collaborative practices at school and local level, as well as a brand new practical European Toolkit for Schools for inclusive education and early school leaving prevention (see text below)<sup>89</sup>. These findings have been supported by the Luxembourg Presidency of the EU Council and endorsed by Council Conclusions in November 2015. According to the Working Group, factors outside the school will influence a learner's level of engagement. Therefore, a 'whole school approach' to early school leaving is needed, engaging the entire school community (school leaders, teaching and non-teaching staff, learners and their families) as well as external stakeholders. More time for cooperation, more learners' participation, stronger involvement of parents are indeed called for in the Policy messages. Specific support coupled with continuous monitoring should equally be provided to schools with high early school leaving rates or located in areas with high levels of socio-economic exclusions<sup>90</sup>.

<sup>85</sup> BE, CZ, DK, DE, IE, EL, FR, HR, CY, LV, LT, LU, NL, AT, PL, SI, SK, FI, SE.

<sup>86</sup> MT and RO.

<sup>87</sup> Breaking the statistics down according to categories calls for caution, especially regarding data for foreign-born individuals.

<sup>88</sup> [http://ec.europa.eu/education/policy/strategic-framework/expert-groups/documents/early-leaving-policy\\_en.pdf](http://ec.europa.eu/education/policy/strategic-framework/expert-groups/documents/early-leaving-policy_en.pdf)

<sup>89</sup> <http://www.schooleducationgateway.eu/en/pub/resources/toolkitsforschools.htm>

<sup>90</sup> This work was supported with evidence from a range of sources, including the Eurydice/Cedefop comparative analysis of national policies tackling early school leaving (November 2014), the conclusions of the SIRIUS policy network on education and migrants and of the European Policy Network on School

Challenges associated with the growing diversity, inequalities and social exclusion in Europe, and with the recent increase in migration flows all place new demands on schools and call for systemic, collaborative responses.

*Notable Result*

In developing a dedicated online '**European Toolkit for Schools for inclusive education and early school leaving prevention**', the ET 2020 Working Group has sought to provide concrete support to education practitioners and policy-makers. The Toolkit offers a wealth of good practices from European countries on how to tackle educational disadvantage at school and local level. Various resources are made easily accessible around key areas (school governance; support for teachers; support for learners; parental involvement; stakeholders' involvement). The Toolkit includes specific support for non-native speakers and for children with a migrant or minority background.

(b) The **teaching profession** remained the main other focal concern of school policy work in 2015. A 2014 study had found that in most European countries the teaching profession has lost much of its capacity to attract the best candidates<sup>91</sup>. A 2015 Eurydice report<sup>92</sup> showed that while Member States are taking action to improve the quality and status of teaching, mismatches exist between the demand and offer of professional development for teachers. Therefore the ET 2020 Working Group on Schools policy summarised its findings in a **Guide on policies to improve Initial Teacher Education** illustrated with examples from 30 European countries<sup>93</sup>. It recommends for instance to embed teachers' initial preparation in a continuum of career-long professional development and to support teachers' collaborative learning.

In addition to the two main topics mentioned above, policy development in the school sector continued to address the following issues:

Concerning the ET 2020 objective of reducing the proportion of **low achievers** to below 15% by 2020 (see progressing impact indicator 5), the 2013 Commission analysis of the latest PISA survey showed that EU performance in term of basic skills was slightly better than that of the United States, but lagged behind that of Japan. The EU is seriously lagging behind in maths, but could be on track to achieve its 2020 target in science and reading. These results are a reminder that investment in quality and equity in education is fundamental for Europe's future, if it is to avoid falling behind other economies. When a large share of the population lacks basic skills, a country's long term economic growth is severely compromised. If Member States reduced the share of low-achievers in basic skills to below 15%, the gains by 2090 would be worth 25 trillion Euros<sup>94</sup>. The aforementioned PIAAC survey showed that policies need to focus on improvement at school level, as beyond that it is usually too late to compensate for missed opportunities.

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leaders (EPNoSL), findings from past and ongoing research projects (under Framework programmes for research 6 and 7) such as INCLUD-ED and RESL.eu, as well as the conclusions from a study on the effective use of early childhood education and care (ECEC) in preventing early school leaving (ESL).

<sup>91</sup> [http://ec.europa.eu/education/news/2014/2010428-teaching-profession-attractive\\_en.htm](http://ec.europa.eu/education/news/2014/2010428-teaching-profession-attractive_en.htm)

<sup>92</sup> [https://webgate.ec.europa.eu/fpfis/mwikis/eurydice/index.php/Publications:The\\_Teaching\\_Profession\\_in\\_Europe:\\_Practices,\\_Perceptions,\\_and\\_Policies](https://webgate.ec.europa.eu/fpfis/mwikis/eurydice/index.php/Publications:The_Teaching_Profession_in_Europe:_Practices,_Perceptions,_and_Policies)

<sup>93</sup> *Shaping career-long perspectives on teaching*: [http://ec.europa.eu/education/policy/strategic-framework/expert-groups/2014-2015/index\\_en.htm#schools](http://ec.europa.eu/education/policy/strategic-framework/expert-groups/2014-2015/index_en.htm#schools)

<sup>94</sup> "The economic case for education", EENEE, 2014

The European Policy Network of National **Literacy** Organisations (ELINET) launched in 2014 by the Commission for two years<sup>95</sup> has collected information about literacy levels, identified good practices and policies to tackle low literacy, and developed awareness raising activities at national and European level.

In parallel, the Commission has worked with experts and the OECD towards a better assessment of access (see progressing impact indicator 4) and quality of **early childhood education and care** (ECEC), as foreseen in the Communication and Council Conclusions of 2011, through 3 related Country Specific Recommendations (CSRs)<sup>96</sup>. Although participation rates in early childhood education and care above age 4 are higher than 80% in almost all Member States, 50% of 0 to 2 year-olds are cared for only by their parents, raising questions about the availability of affordable, high-quality childcare. Research shows that participation rates amongst the most disadvantaged are generally low, which means the potential of ECEC to tackle inequalities early remains underexploited. In this context, the ET Monitor 2015 has concluded that parental support measures could particularly be strengthened across Europe, with almost half of the Member States not offering home learning guidance or parenting programmes.

As a result of the refugee crisis, the educational poverty gap to the detriment of students with an **immigrant background** have come more strongly to the fore this year. Recent migration flows include indeed a high share of school-age children and years since arrival play an important role in immigrant achievement. Newly or recently arrived 15 year-old immigrant students show poorer performance than immigrant students who had their full compulsory education in the receiving country. Of all first-generation students, almost 42% are underachievers, while this share is considerably lower (34%) amongst second-generation students. The integration of students with an immigrant background is fairly successful in some Member States, whereas in other countries there is little progress between first- and second generation students. As put forward in the ET Monitor 2015, this situation requires continuing professional development for teachers, positive discrimination measures, language support for students and parental guidance<sup>97</sup>.

The promotion of **multilingualism** was strategically refocused in 2015 on the school level and more particularly on inclusive education and the challenges of learners with an immigrant background.

*Notable result*

Learners whose native language is not the language of instruction should receive additional support, both inside and outside school time while avoiding any type of segregation. Proficiency in their native language should be used as a resource for the whole class. Partnerships with NGOs could be developed to support language learning for parents from a migrant background. Other forms of **support should also be available, especially for newly arrived migrants**, in cooperation with local agencies. These are some of the main policy messages from the 2015 report entitled *Language teaching and learning in multilingual classrooms*<sup>98</sup>. The report gathers practitioner experience on what works to enable migrant children to attain proficiency in the language of instruction so as to participate in learning.

<sup>95</sup> 78 partner organisations from 24 EU Member States as well as TR, CH, NO, IS.

<sup>96</sup> Five EU countries (AT, CZ, EE, IE, UK) received a country-specific recommendation in 2015 on the need to improve childcare provision as a way to increase labour market participation. RO and SK received one on ECEC provision, both with the objective of targeting participation of disadvantaged groups in education and more specifically increasing participation rates of Roma children in ECEC.

<sup>97</sup> [http://ec.europa.eu/education/tools/et-monitor\\_en.htm](http://ec.europa.eu/education/tools/et-monitor_en.htm)

<sup>98</sup> *Language teaching and learning in multilingual classrooms*  
[http://ec.europa.eu/languages/library/studies/multilingual-classroom\\_en.pdf](http://ec.europa.eu/languages/library/studies/multilingual-classroom_en.pdf)  
and related *Policy brief* at [http://ec.europa.eu/languages/library/policy/policy-brief\\_en.pdf](http://ec.europa.eu/languages/library/policy/policy-brief_en.pdf)

The **Erasmus+** Programme has supported school policies through all three Key Actions (see 1.2.1.3). The two first years have shown a sustained interest for mobility projects under Key Action 1, as well as a high demand for establishing Strategic Partnerships (Key Action 2), according to specific objectives 1.1 and 1.2 respectively. In line with specific objective 1.3, the 2015 priorities of Erasmus+ relevant to schools under Key Action 3 have included reducing disparities in learning outcomes affecting learners from disadvantaged backgrounds and promoting innovative collaborative teaching and learning (forward-looking cooperation projects), as well as policy experimentation on measures to recruit the most suitable teachers in particular by developing alternative pathways to teaching (to be initiated by 2016). According to a 2013 study (latest available result), more than eight in ten people involved in Comenius centralised actions for schools say they experienced a lasting impact<sup>99</sup>.

Strategic topics for school education addressed by Erasmus+, such as early school leaving or insufficient basic skills, are concerns shared across European school systems. However European-level initiatives for schools can too easily remain unknown to education professionals in spite of a rising number of organisations involved in the programme (see indicators 19 to 21). Launched in February 2015 and funded by Erasmus+, the **School Education Gateway**<sup>100</sup> links practitioners with European policy makers and other school education stakeholders. In its first year of operation, the platform attracted almost 150,000 visitors and over 6,500 registered users. They could for instance access to some 4,800 face-to-face courses for teacher professional development, 200 mobility opportunities and 150 strategic partnership requests.

The School Education Gateway is closely linked with **eTwinning**<sup>101</sup>, the European initiative to support online school cooperation funded on Erasmus+. The ET2020 Working Group on school policy mentioned above has concluded that participation in targeted school projects, including full use of possibilities offered by Erasmus+ and eTwinning, can help promote student participation and prevent early school leaving.

*Notable result*

The **tenth anniversary of eTwinning** offered the opportunity to celebrate the achievements of the platform. Over those ten years, **eTwinning has reached close to 350,000 registered teachers and has taught nearly two million pupils** how to work together through collaborative projects between classrooms<sup>102</sup>. The eTwinning anniversary conference concentrated on how educators can teach active citizenship and civic competences, fully in line with the Commission's recent call for promoting social inclusion. Attention is to be paid to the sustainability beyond 2016 of fast-growing projects such as eTwinning and the School Education Gateway, in order to meet the expectations which they are raising among stakeholders.



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<sup>99</sup> See AAR 2014, section 1.1.2.2 for more results

<sup>100</sup> The School Education Gateway is a web-based platform available in 23 languages, which aims at becoming a one-stop-shop for school education stakeholders in Europe (ranging from the eTwinning teacher community to policy makers; and from national authorities and experts to all users of Erasmus+ actions). The platform features content tailored to the learning, working and information needs of its target audiences, as well as three specialised tools intended to help schools and teachers to take full advantage of Erasmus+ funding opportunities: the Course Catalogue, for teacher professional development; a mobility opportunities search tool for teachers seeking teaching offers abroad under Erasmus+ Key Action 1; and a partner search tool and collaborative spaces for (future) partners in Erasmus+ Key Action 2 Strategic Partnerships. <http://www.schooleducationgateway.eu/en/pub/index.htm>

<sup>101</sup> eTwinning is a free Web platform for teachers to develop collaborative projects and to share ideas in Europe.

<sup>102</sup> [http://www.etwinning.net/en/pub/news/news/etwinning\\_launches\\_a\\_new\\_mini\\_.htm](http://www.etwinning.net/en/pub/news/news/etwinning_launches_a_new_mini_.htm)  
<http://www.etwinning.net/en/pub/index.htm>

### 1.2.2.2 Higher education

In the field of **higher education**, the priority in 2015 remained to support Member States, including through the Erasmus+ programme, in their effort to implement reforms as foreseen in the EU modernisation agenda for higher education<sup>103</sup> (see improving impact indicators 2, 3 and 6; result indicators 15, 16, 19, 22 and 25 not yet available) and the 2013 *Communication on European Higher Education in the World*<sup>104</sup> (see impact increasing indicator 8, result indicator 23 below target and stable result indicator 27).

First at policy level, the ET 2020 Working Group on the modernisation of higher education set up in 2014 delivered policy conclusions through two country-focussed workshops, respectively under the Latvian and Luxembourg EU presidencies: one to promote employability in higher education (see improving impact indicator 3), and the other to improve completion and tackle dropout in higher education. In relation to the latter, in 2014, the headline indicator on tertiary education attainment increased compared with 2002 in every Member State for which the time-series is available<sup>105</sup> (see improving impact indicator 2).

#### Notable result

The **European Credit Transfer and Accumulation System (ECTS)** was first devised so that students studying on Erasmus could have their study credits gained abroad recognised in their home institution. The Working Group, chaired by the Commission, developed this year a new guide that has brought ECTS **fully up to date with changes in higher education**. From being a tool for transferring credits between institutions, it is now also widely used to help design and evaluate study programmes, and can be applied to all kinds of learning contexts, including non-formal and informal learning.

As for the wider European higher education area, the 2015 Yerevan Bologna Ministerial conference adopted a communiqué calling for the implementation of key **Bologna reforms**: strengthening higher education in terms of employability and inclusiveness; enhancing the quality of teaching and learning; and strengthening its role in promoting democratic and civic values. Ministers also adopted a new ECTS Guide (see text box above); revised Standards and Guidelines for Quality Assurance; and committed inter alia to ensuring that qualifications from other European Higher Education Area countries are automatically recognised at the same level as relevant domestic qualifications.

Secondly, in the framework of the modernisation agenda for higher education and in line with DG EAC's specific objective 1.2, **U-Multirank**<sup>106</sup>, the world's largest international university ranking, has since its launch in 2014 provided the public with performance results on HEIs which have never been published before<sup>107</sup>. Funded by Erasmus+, U-

<sup>103</sup> <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2011:0567:FIN:EN:PDF>

<sup>104</sup> COM(2013)499

<sup>105</sup> Twelve Member States have already reached their respective national target (LT, CY, SE, EE, FI, NL, DK, SI, AT, LV, EL, HU), adding AT to the group of eleven countries from the previous year.

<sup>106</sup> **U-Multirank** is a recent independent tool to compare universities and other higher education institutions (HEIs) in Europe and across the world. It uses multi-dimensional indicators, measuring a wider range of HEI activities than other available ranking systems, in research, teaching and learning, regional engagement, knowledge transfer and internationalisation. One of the key features is that it allows users to decide which performance indicators are important for them, so that the ranking can be tailored to their needs. U-Multirank has received start-up funding from the Lifelong Learning Programme and Erasmus+.

<sup>107</sup> DG EAC does not refer any more to the Shanghai ranking of higher education institutions (HEIs) to assess the attractiveness of European higher education, because like most global rankings it takes a

Multirank highlights now the strengths and weaknesses of more than 1250 higher education institutions from over 80 countries, as planned for 2015. It has been expanded to include a 'whole institution' ranking and three further discipline-specific rankings<sup>108</sup>.

Thirdly, **HEInnovate**<sup>109</sup>, the online self-assessment tool launched by the European Commission in collaboration with the OECD for higher education institutions (HEIs) interested in developing their entrepreneurial capacities has become in two years a reference framework, resulting in more than 600 HEIs from more than 50 countries using the tool world-wide. Four Member States have started to use the tool also at system level<sup>110</sup>. The improved release of the tool includes testimonials from users, offering an opportunity for HEIs to share their stories of success on the website<sup>111</sup>. In complement to the University-Business Fora organised in Brussels and in different Member States, an electronic platform has been set-up with a view to supporting the contribution of higher education to innovation and the labour market.

Progress with the implementation of the **Erasmus+ higher education strand** has contributed to the DG's specific objectives 1.1 in relation to fostering larger<sup>112</sup> mobility (see impact indicator 6 and above-target output indicators 14 and 17) and supporting cooperation between higher education institutions (see output indicator 21). In 2013 worldwide more than 4 million students were enrolled in tertiary education outside their country of citizenship. 16.4% of mobile students worldwide came from 21 EU Member States whereas 52.6% came from Asia<sup>113</sup>. Since the inception of the Erasmus programme, the target of 3 million students was reached in the academic year 2012/2013 with since then more than 272,000 students (+0.7%), including more than 57,000 placements in enterprises (+3.6 %) in 2013/14<sup>114</sup>. This accounts for 5% of the annual overall number of European graduates. One out of two of those who studied or trained abroad benefited from Erasmus<sup>115</sup>. Staff mobility also continued to increase (+9%) in 2013/14.

As well as contributing to a sense of belonging to the European family, Erasmus helps students to boost their skills (linked to specific objective 1.1, see result indicator 15), employability (see result indicators 16 and 22) and career prospects, as demonstrated by an outstanding impact study in 2014<sup>116</sup>. This has shown that **Erasmus increases the**

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narrow approach to ranking, underestimating systematically key factors such as teaching quality or internationalisation of HEIs. This need for a more multidimensional and transparent approach to rankings underlies the DG's efforts to develop the U- Multirank tool.

<sup>108</sup> U-multirank covers 7 subject areas as of 2015: Business; Computer Science; Electrical Engineering; Medicine; Mechanical Engineering; Physics; Psychology.

<sup>109</sup> **HEInnovate** allows the (self-) assessment of an HEI in terms of its entrepreneurial and innovative capabilities in relation to seven dimensions: Leadership and Governance; Organisational Capacity, People and Incentives; Entrepreneurship development in teaching and learning; Pathways for entrepreneurs; HEI – business/external relationships for knowledge exchange; The Entrepreneurial HEI as an internationalised institution; Measuring the impact of the Entrepreneurial HEI.

<sup>110</sup> Bulgaria, Ireland, Hungary, Poland. The Netherlands will do so in 2016.

<sup>111</sup> <https://heinnovate.eu/>

<sup>112</sup> Since September 2014 under Erasmus+, student and staff mobility is possible not only within Europe, but also with partner countries from the rest of the world.

<sup>113</sup> Education at a Glance 2015, table C4.3.

<sup>114</sup> The three most popular destinations for Erasmus students have remained since 2012/2013 Spain, Germany and France. The same countries also sent the most students abroad in 2013/2014 (IP/16/141).

<sup>115</sup> The average Erasmus grant in 2012/2013, designed to cover part of the costs of living abroad and travel, was €272 per month, a 9% increase on the previous year (€250). The grant is topped up in some countries by national, regional or institutional funds.

<sup>116</sup> Erasmus Impact Study, September 2014, based on a large sample of respondents across all Programme Countries; IP/14/1025. See AAR 2014, section 1.1.2.2, for more findings.

**employability advantage** over non-mobiles by 45% in total. The share of employers who consider international experience important almost doubled between 2006 (37%) to 2013 (61%). The risk of long-term unemployment is half or even less for mobiles compared to non-mobiles. 40% of former Erasmus students have changed their country of residence at least once since graduation, which almost double the number of those who were not mobile during studies.

*Notable result*

A new Regional analysis confirmed in 2015 that students from Eastern Europe were even 83% less likely to experience long-term unemployment if they had taken part in Erasmus. Similarly, traineeships and work placements have a positive impact on finding a job and this seems to have been **particularly valuable for students from countries in Southern Europe like Italy and Portugal**, where half of those training abroad were offered a position by their host company.

In order to **support individuals linguistically** prior to their learning mobility and to monitor the contribution of the programme to fostering language skills, the DG and EACEA have developed, in time for the academic year 2014/2015, a recent online service testing linguistic progress achieved by participants over their mobility period and offering them optional relevant online courses ([see result indicator 25](#)).

Loans under the new **Student Loan Guarantee Facility**<sup>117</sup> ('Erasmus+ Master Loan') have started to become available during the academic year 2015/2016<sup>118</sup>. After initial delays in 2014 affecting the roll-out of all Commission Innovative Financial Instruments, the European Investment Fund (EIF) launched in February a first 'call for expression of interest' inviting banks to sign up to the new scheme. A number of banks are in discussion with the EIF and more applications are expected in 2016. (See section 2.1.3)

*Notable result*



Erasmus + Master Loans are becoming available to Master students since mid-2015, as and when banks are selected. The first two banks have already launched the scheme in Spain and France<sup>119</sup>. The risks of insufficient take up or geographic mismatch are therefore decreasing. This new scheme provides more opportunities for young Europeans from any social backgrounds to study for a full master degree in another country by **offering access to loans for Master's study on favourable conditions**<sup>120</sup>. The scheme helps address the existing market gap whereby it is difficult for students in many countries to access adequate finance in order to pursue further studies abroad.

The positive impact of Erasmus mobility on the internationalisation of higher education institutions (linked to specific objective 1.4) was also objectively measured in 2014<sup>121</sup>.

<sup>117</sup> The [Student Loan Guarantee facility](#) enables students completing a full Master's degree abroad (1 or 2 years) to gain access to loans provided by participating banks and guaranteed by the EU, via its partner the European Investment Fund. Leveraging around 500 million € of Erasmus+ funding, the Guarantee facility will provide up to 3 billion EUR in loans to an estimated 200,000 students by 2020.

<sup>118</sup> Unlike other mobility parts of the Programme, the Erasmus+ Master Loan scheme does not directly finance individuals in the year the budget is committed.

<sup>119</sup> IP-15-5153 and IP-15-6207

<sup>120</sup> Conditions such as no need for provision of collateral; lower than market rate interest rate; provision for 'payment holidays'.

<sup>121</sup> Erasmus Impact Study, September 2014, mentioned above

With Erasmus+ all actions for **international cooperation in higher education** have been integrated since then under a single programme, thanks to a financial contribution from the EU external instruments<sup>122</sup> and more user-friendly implementation rules (see rising output indicator 24). All new international actions were opened to countries across the globe<sup>123</sup>. In the first year of implementation for international credit mobility, despite the unfamiliarity with a new action for universities<sup>124</sup>, an additional round of applications in the year ensured that 90% of available funds were used which will support mobility of about 31,000 staff and students between Europe and the wider world. In addition, around 2,800 students, doctoral candidates and university staff received an Erasmus Mundus scholarship. According to their mid-term evaluation (2012), the joint masters and doctoral programmes funded on Erasmus Mundus offered overall considerable added value by facilitating the success of graduates when looking for work and/or further research positions. International experiences and intercultural competence are indeed considered as the most important assets that distinguish Erasmus Mundus beneficiaries from other graduates.

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Contributing to a knowledge-based and innovative Europe, the first general objective<sup>125</sup> of DG Education and Culture is supported as well by parts of the *Horizon 2020* programme (activity based budget 15.03) which aim at improving the skills and mobility of researchers on the one hand (see 1.2.2.3) and at boosting innovation from education and research to the market (see 1.2.2.4).

### 1.2.2.3 Marie Skłodowska-Curie actions

Developing knowledge based competitiveness calls for equipping the human resource base, including researchers, with the right skills to innovate and making Europe's research and innovation system more attractive on a global scale. Contributing significantly to the research effort of Europe<sup>126</sup> in enhancing its human resources (see increasing impact indicator 9), the **Marie Skłodowska-Curie actions** (MSCA)<sup>127</sup> have been implemented, as planned, for the second year in 2015 according to specific objective 1.6. This was achieved with a decreasing budget of € 766 million compared to 2014 (€ 823 million), an expected consequence of funds frontloaded in 2014, and in spite of a shortage of payment appropriations of € 44 million<sup>128</sup>.

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<sup>122</sup> The 11th European Development Fund covering Sub-Sahara Africa, Caribbean and Pacific countries contributes to Erasmus+ for higher education (indicatively 85 million €) as from the autumn 2015.

<sup>123</sup> The international opening of the "Erasmus" mobility action, the supplementary scholarships under the Erasmus Mundus Joint Masters Degrees and the new capacity building action in higher education (which replaced Tempus, Alfa and Edulink).

<sup>124</sup> There is a 16-fold difference between the largest of the 11 budget envelopes (ENI South Mediterranean) and the smallest (DCI South Africa), and the need to tailor applications to the size/popularity of the budget envelopes was a considerable challenge in 2015.

<sup>125</sup> See annex 12

<sup>126</sup> See key performance indicator in the AAR of DG Research and Innovation. The Communication of the Commission *Research and innovation as sources of renewed growth* noted in 2014 significant progress in keeping the EU at the Research and Innovation forefront with other research inventive countries (COM(2014)339 of 10.06.2014).

<sup>127</sup> Marie Skłodowska-Curie actions are supervised by DG EAC as part of the Framework Programme for Research and Innovation, Horizon 2020.

<sup>128</sup> Thanks to the frontloading of € 100 million all MSCA calls have been opened since 2014 (Innovative Training Networks (ITN), Individual Fellowships (IF), Research and Innovation Staff Exchange (RISE), COFUND, and Researchers Night (NIGHT)).

The previous actions over 2007-2013 supported about 50,000 researchers of 148 different nationalities working in more than 85 countries ([see output indicator 28](#)). The Marie Skłodowska-Curie actions significantly contribute to major societal challenges as defined in the Europe 2020 Strategy. By focusing on excellence, by promoting cross-border and cross-sector mobility and by fostering innovative training for researchers, MSCA strongly contribute to Europe's overarching goal to promote smart economic and employment growth. The current actions have continued to aim for excellence ([see result indicator 31](#)). Meanwhile, communication<sup>129</sup> and dissemination<sup>130</sup> have been strengthened since 2013, as recommended by the internal auditors.

#### *Notable Result*

The Marie Skłodowska-Curie *Innovative Training Networks* (€370 million) supported over 1,630 young researchers (PhD candidates) in 2015. They have benefited from an **all-time high popularity record**, as measured by the number of applications submitted to REA (+35% in 2015) with a competitive success rate of more than 8%.

The *Research and Innovation Staff Exchange* (RISE), a new action intended to support exchanges of staff within partnerships of different universities, research institutions, SMEs, etc. across Europe and beyond, has also seen a successful increase by 79% in the number of proposals submitted in comparison with 2014. This can be partly attributed to the awareness campaign *MSCA Bridging business and research* in 2014-15.

The **world-wide attractiveness** of the Framework Programme for Research is further demonstrated by the number of non-EU countries which have requested to be associated with it. For the first time, institutions based in Ukraine (an Associated Country) applied, contributing to more than 10% of proposals. 23% of all individual post-doctoral fellows supported under the Marie Skłodowska-Curie actions in 2015 are non-European nationals while organisations located in 67 countries outside Europe are currently hosting MSCA researchers.

To that end, DG EAC has pursued its collaboration with the Research Executive Agency (REA), which has contributed fully to implement the MSCA objectives by taking care of the direct project management ([see section 2.1.2](#))<sup>131</sup>. Overall there was broad agreement in 2015 among stakeholders and participants that the **simplifications introduced in Horizon 2020** were helpful and effective<sup>132</sup>. Moreover Marie-Skłodowska-Curie fellowship actions are fully based on unit costs.

The results of their interim **evaluation** (2013) [revealed the high added value of Marie-Curie actions](#) with respect to building international networks between research institutions and individual researchers, as well as between academia and business ([see result indicator 32](#))<sup>133</sup>. Moreover, the high added value has also been acknowledged in terms of providing beneficiary researchers with [better career development and mobility opportunities](#), increasing the volume and scope of research, and providing an example of good practice for national authorities.

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<sup>129</sup> The Action [European Researchers' Night](#) (NIGHT), a Europe-wide public event to stimulate interest in research careers, especially among young people, celebrated its 10<sup>th</sup> anniversary in 2015. About 1.1 million people attended NIGHT events in 29 countries: from Israel to Sweden and from Estonia to Portugal.

<sup>130</sup> For instance, roughly 7,000 researchers have already registered through the Marie Curie Alumni portal.

<sup>131</sup> See Annual Activity Report of REA.

<sup>132</sup> About 90% of respondents to the 2015 online survey addressed to participants in on-going Horizon 2020 grants considered the e-signature and the Participant Portal to be "very beneficial" or "fairly beneficial" - Ares(2015)5519004 of 02 December 2015.

<sup>133</sup> See annex 9 of AAR 2013 for more performance information included in the MCA Interim Evaluation.

#### Notable Result



In November 2015, Dr Tiago Brandão Rodrigues, a former MSCA fellow, became the **Education Minister in the new Portuguese government**. He completed an Individual Fellowship from 2010 to 2012 at Cambridge University. His research field was cancer (lymphoma).



Thanks to three MSCA projects for research staff exchanges worth more than € 2,5 million, the **2015 Physics Nobel** co-laureate **Prof. Takaaki Kajita** of the University of Tokyo investigates together with his European partners new ways of detecting gravitational waves, the interaction of neutrinos as well as their coupling with dark matter. Major breakthroughs are expected soon which may lead *inter alia* to a New Standard Model of particle physics.

Moreover, the 2013 evaluation results disclose that the Marie-Curie actions facilitate transfer of knowledge, as well as access to high-quality research infrastructure and industrial facilities<sup>134</sup>. Some 10% of individual fellows were more likely than other researchers of working under a permanent contract, a proxy for MCA fellows' comparatively better employability (see result indicator 29)<sup>135</sup>. Such a research mobility scheme at EU level significantly contributes to the creation of a European Research Area in practice. It creates significant added value compared to purely national schemes by fostering healthy Europe-wide scientific competition whilst ensuring the appropriate level of cooperation which in turn stimulate investment in R&D intensive sectors in Europe.

In 2015, most MSCA result indicators showed progress and were on target except – provisionally – the SME participation rate and the number of funded researchers (see result indicators 28 to 32). It is particularly positive that the number of women receiving an individual MSCA fellowship increased significantly to 44.6% compared to 2014 and is well above target.

#### 1.2.2.4 European Institute of Innovation and Technology

The **European Institute of Innovation and Technology** (EIT)<sup>136</sup> has continued making business, research and education partners work together on innovative solutions to societal challenges. With the financial support of the EU, these partners create an independent legal entity made up of top public and private organisations in their field, named "Knowledge and Innovation Community"<sup>137</sup>.

During 2015 the EIT has continued progressing toward delivering the three following priorities: a) the consolidation of the **existing KICs** (see result indicators 33 and 35); b)

<sup>134</sup> See AAR 2013 on FP7 Marie Curie Evaluation on Individual Fellowships and Co-funding mechanisms (2012).

<sup>135</sup> See DG EAC's 2014 study "Marie Curie researchers and their long-term career development".

<sup>136</sup> The European Institute of Innovation and Technology (EIT) is a body of the European Union established by the Regulation (EC) No 294/2008 of the European Parliament and of the Council of 11 March 2008 amended by Regulation (EU) of the European Parliament and of the Council of 11 December 2013. It became operational in 2010 in its premises of the EIT Headquarters in Budapest, Hungary. The EIT currently employs approximately 50 members of staff.

<sup>137</sup> Knowledge and Innovation Communities (KICs) are excellence-driven partnerships of higher education institutions, research organisations, companies and other stakeholders within self-supporting networks. They are co-funded by the EIT up to 25% from a 7-15 year grant.

the coordination of new KICs<sup>138</sup> and c) a stronger impact across the Union through outreach activities and new results-driven approaches. In the context of DG EAC's specific objective 1.8, the majority of the EIT funding went to the KICs (97%) and around 1% was devoted to other operational activities such as outreach and dissemination carried out by the Institute.

The EIT has started to trigger successfully the transfer of higher education, research and innovation activities to commercial applications, in particular through **start-up enterprises** (see rising result indicator 34)<sup>139</sup>.

#### *Notable Result*

Of the 175 start-ups admitted by one KIC to its accelerator programme, a quarter raised private funding and attracted **over €20 million of external funds**.

As regards **policy areas**, the Institute supports the Europe 2020 strategy (e.g. *Digital Single Market*, Energy Union) in coordinating KICs. The results of the KICs' activities in the fields of sustainable energy, digital innovation and climate change have started to be visible with 443 business ideas incubated in 2015 (which contributed to the exceptional result highlighted in indicator 34).

#### *Notable Result*

Highlighting the EIT's success in combining education, research and business, **five EIT KICs' alumni were selected for the Forbes' 30 under 30 lists of Social Entrepreneurs**<sup>140</sup>. Two are highlighted here:



Govinda Upadhyay is an alumnus of an EIT KIC InnoEnergy Masters Programme who joined a start-up accelerator in ClimateKIC. He designed a 4 euro solar lamp that can be assembled from local materials without

special training.

Arno Zimmerman is an alumnus of ClimateKIC Masters and Doctoral programme, whose start-up has so far raised over 2€ million. He designed a solar thermal refrigerator that enables reliable cooling of medicine and food.



The **two new KICs** were successfully set up during 2015 in order to contribute to addressing Europe's challenges respectively in the areas of a) innovation for healthy living and active ageing, b) raw materials - sustainable exploration, extraction processing, recycling and substitution.

Concerning **outreach activities**, the Regional Innovation Scheme (RIS) foreseen in the EIT Regulation was implemented by the KICs for the first time in 2015 to reach out to potential excellent innovation players across the EU.

<sup>138</sup> Two new KICs were designated in 2014: "EIT- Raw Materials" and "EIT Health - Healthy living and active aging". Two more will be designated in 2016: "food4future" and "added value manufacturing" and one in 2018: "urban mobility".

<sup>139</sup> See the AAR of DG Research and Innovation as for positive result of the EU Innovation Output Indicator.

<sup>140</sup> The "30 Under 30" is an annual selection by the American Forbes among the most important young entrepreneurs, creative leaders and brightest stars.

Since 2014 the Institute has started to manage a substantial increase of its budget<sup>141</sup> (see improving result indicator 35). With an enhanced support of the DG until mid-2014, the EIT has progressively strengthened its **operational capacity** to deliver, including in the case of new KICs. The EIT in 2015 successfully implemented the priorities laid down in the Strategic Innovation Agenda<sup>142</sup>. Progress was noted during 2015 for instance in the implementation of the simplification agenda of the EIT and a stakeholder forum. The Institute has shown an increasing operational capacity and the leadership and managerial abilities of its headquarters have been reinforced. In 2015 the EIT formally requested the opening of the process leading to full financial autonomy (see section 2.1.4).

The EIT Governing Board adopted in December 2015 the EIT's Monitoring Strategy. Its implementation will improve the EIT's ability to assess the KICs' performance and in turn of DG EAC to assess the EIT's effectiveness. An **evaluation** of the EIT will be carried out in 2016 and the results are due by February 2017. Further review is planned for 2017 in the context of the Horizon 2020 interim evaluation.

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*Concerning vocational education and training, as well as adult learning, see as well the AAR of DG Employment, Social Affairs and Inclusion, the Commission department in charge of the policy in these areas since 2015.*

The Erasmus+ Programme has continued to support policies in VET-vocational education and training (1.2.2.5), as well in adult education (1.2.2.6), in a context of overall rising demand for mobility. The priorities of the programme complement the overarching Copenhagen Process in VET and the new priorities 2015-2020 of the European Agenda for Adult Learning. In supporting their mobility, Erasmus+ has contributed to equip staff with the necessary skills **to address the pressing challenges of low-skilled and disadvantaged students** at risk of poverty and social exclusion including migrant and refugee training (see rising output indicator 18). In both sectors, the professional development of staff is embedded in the framework of a "European Development Plan" aimed at modernising and internationalising the teaching capacities of the sending organisations (see rising output indicator 17 and result indicator 19).

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<sup>141</sup> € 2,355 million over the period 2014-2020, of which € 254 million in 2015 (EU28). See annex 8.

<sup>142</sup> Decision No 1312/2013/EU of the European Parliament and the Council of 11 December 2013 on the Strategic Innovation Agenda of the EIT: the contribution of the EIT to a more Innovative Europe – L347/892

### 1.2.2.5 Vocational Education and Training

Under **Key Action 1** (see 1.2.1.3 for key action definition), funds were committed to support the learning mobility of more than 130,000 VET learners at upper secondary level but also apprentices, who represent a rising political priority (see encouraging impact indicator 7 and rising output indicator 14). Erasmus+ has seen an increase in traineeship and apprenticeship opportunities as compared to previous programmes.

#### *Notable result*

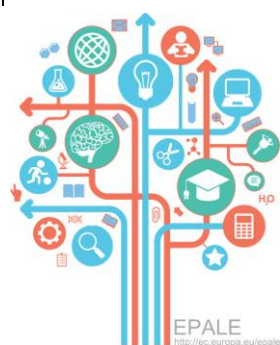
One innovation was the awarding for the first time of **the Erasmus+ VET Mobility Charter guarantee of quality**. In 2015, 234 VET Charters were awarded to VET providers across the participating countries of the Programme, as a result of a 36% success rate. This represents a promising start for further development in the coming years as VET providers aim to enhance their internationalisation strategies.

Under **Key Action 2**, support in 2015 was granted in priority to work-based learning and apprenticeships, fostering alliances between education and employment, increasing labour market relevance of VET provision and reducing skills mismatches. The programme has also helped increase transparency and mutual trust between VET systems, foster continuing VET and develop the skills of teachers and trainers.

### 1.2.2.6 Adult Education

Under **Key Action 2**, priority was given in 2015 to extending the offer of high quality learning opportunities to groups most in need in particular to enhance basic skills (literacy, numeracy and digital), as well as to developing educators' competences particularly in effective use of ICT in adult learning.

#### *Notable result*



A brand new **e-Platform for Adult Learning in Europe (EPALe)**, launched officially in April 2015, is well on its way to facilitate professional development of staff, contributing to European efforts to achieve the ET2020 benchmark of 15% of adults participating in education or training (10.7% in 2014 up from 9.1% in 2009). Although not all of the Erasmus+ countries have joined yet with a National Support Service, EPALe is already a success. Its content has been developed considerably, with more than 6,800 items published in 2015 (news, resources, events, blog posts). At the end of 2015, almost 9,500 users had registered to the platform, with more than 23,000 unique visitors during the month of December, and almost 11,000 followers on Twitter. The majority of EPALe users come from all over Europe, but the platform has also attracted about 10% of users from other continents.

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As a conclusion, policy and programme activities under general objective 1 were **implemented according to plan** and are on course to meet their multiannual objectives. The spending programmes have achieved the annual performance in the reporting year for indicators where information is available. However since the source of information for a number of indicators will only be available when project owners issue their final reports, they cannot indicate definitely yet whether the programme has, or not, achieved its performance in the reporting year. Final reports will be analysed by the Executive Agency when a critical mass of final reports is gathered in 2017-18.

The DG has implemented the necessary corrective and preventive actions **to mitigate identified risks**. These were mainly linked to the launch of the new Erasmus+ Programme. Close supervision and monitoring also allowed minimising those risks linked to the delegation of most budget execution to the Executive Agency and National Agencies.

As for innovation policy area, after some weaknesses in prior years, the European Court of Auditors found no issues with the **EIT's management** of its 2014 budget<sup>143</sup>. DG EAC is committed to assessing the EIT's readiness for financial autonomy during 2016. The selection process of the EIT Director launched by DG EAC is expected to be completed in 2016.

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<sup>143</sup> The Court's report for 2014 is available at <http://www.europarl.europa.eu/committees/en/cont/discharge-2014.html?id=20150708CPU04805>

### 1.3 Youth (General objective 2)

The second general objective<sup>144</sup> of the DG is supported by the *Erasmus+* programme (activity based budget 15.02) and covers the youth area, contributing to a knowledge-based, innovative, sustainable and inclusive Europe.

In 2015 the Commission made a new start in the field of youth policy, in proposing a **new joint Council-Commission EU Youth Report**<sup>145</sup>, the first of this kind under the Juncker Commission<sup>146</sup>. The findings covering 2013-2015 are anchored in the agenda of the Commission, in particular the aims to get young people back in decent work and to contribute to their social and civic inclusion, which has received renewed attention in the aftermath of the 2015 Paris and Copenhagen attacks. The report reflects the findings from national reports, from recent studies or expert groups' reports in the field of youth (OMC), as well as the views of young people who have been consulted (e.g. Structured Dialogue, Youth forum, etc.)<sup>147</sup>. The Commission has also launched tools to improve the knowledge on the situation of young people: the *Youth Monitor*<sup>148</sup> visualising country data on various youth indicators, and on youth policies, a *Youth Wiki* to be finalised in 2017 through a National Structures Network established in 2015.

What the EU Youth Report reveals about the **situation of young people** is that generally they are better educated than their predecessors and less young people drop out of school in the EU. Young people are active users of Internet and social media. Around half are active members of organisations. One in four has been a volunteer. However, it is a picture of contrast and of a **growing divide**: while young people are higher educated, they frequently face difficulties to be included in society - as workers, as autonomous members of their communities and as citizens. Especially obstacles tend to accumulate for those who struggle with disadvantages in the first place: low educational achievers, young people with a migrant background or with health issues are at greater risk of becoming "Not in Education, Employment or Training" (NEETs)<sup>149</sup>.

The Council broadly endorsed the Commission proposal when adopting the EU Youth report and an **EU Work Plan for youth 2016-2018** in November 2015<sup>150</sup>. It has decided that the future work cycle of the Youth Strategy should focus on:

- increased social inclusion of all young people, taking into account the underlying European values;
- stronger participation of all young people in democratic and civic life in Europe;
- easier transition of young people from youth to adulthood, in particular the integration into the labour market.

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<sup>144</sup> See annex 12

<sup>145</sup> The joint Council-Commission EU Youth Report draws the lessons from the implementation of the EU Youth strategy during a 3 year cycle. It reviews the situation of young people in the EU across different policy areas (education, employment, entrepreneurship, participation, voluntary activities, social inclusion, culture, health, youth and the world...). It proposes priorities for the next 3-year cycle to be defined through the Open Method of Coordination. This edition report on the period ending in 2015.

<sup>146</sup> COM(2015)429; SWD(2015)168; SWD(2015)169 of 15.09.2015

<sup>147</sup> The findings are based on reports prepared by Member States, data from Eurostat, which has developed an EU Dashboard of Youth Indicators since 2013, and dedicated Eurobarometer surveys (2013; 2015).

<sup>148</sup> [http://ec.europa.eu/youth/news/2015/0507-youth-monitor\\_en.htm](http://ec.europa.eu/youth/news/2015/0507-youth-monitor_en.htm)

<sup>149</sup> 8 million young people aged 15-29 are unemployed; 13.7 million are NEETs, close to 27 million are at risk of poverty or exclusion.

<sup>150</sup> Official Journal of the European Union, C417 of 15 December 2015

The target groups to be reached are **young people at risk of marginalisation**, young people neither in employment, nor education or training, and young people with a migrant background, including newly arrived immigrants and young refugees.

EU added value is in particular visible in terms of **positive impact of the cooperation funded by the EU on national youth policies**. Member States (Youth Council) have themselves taken the initiative to set up the Youth Open method of coordination and invited the Commission to support the process. According to preliminary evaluation findings, the main instruments of this cooperation framework bring a real added value to their action at national level and contribute to improving youth policies (peer learning, evidence building, structured dialogue with young people, reporting mechanisms, mobilisation of EU programmes). The method promotes wider involvement of stakeholders, gives an impulse to the development of national youth strategies, provides political stewardship to the EU programmes addressing youth and helps forge a shared approach to common challenges which it brings to the fore. The EU Youth Strategy has also encouraged the development of cross-sector coordination mechanisms in the Member States, which are particularly relevant for mainstreaming the youth dimension in other policies. In this respect the creation of the Youth Monitor mentioned above provides valuable data to all stakeholders.

During 2015, DG EAC has implemented the EU **Work Plan for Youth 2014-2015**, which identified three priorities in the wider framework of the EU Youth Strategy: a) development of youth work and non-formal and informal learning to address the effects of the crisis on young people; b) enhanced cross-sectorial cooperation; c) empowerment, with a special focus on access to rights, autonomy, participation and active citizenship within and outside the EU.

As regards the first priority, the unemployment rate, which had started to decline in mid-2013, has continued to recede gradually, but remains above pre-crisis levels.

#### *Notable Result*

The overall improvement in labour market conditions has applied - with a time gap and considerable differences between countries - to young people, one of the most severely affected groups of the active population. This has resulted in **decreasing but persistently high youth unemployment in the EU** (20.4% in August 2015, down from 21.9% at the same date in 2014)<sup>151</sup>. For instance, the employment rate of recent graduates from at least upper secondary education increased in 2014 for the first time since 2008 (76.1%, up 0.6 percentage point from the previous year). However, this positive development is due entirely to an improvement in employment outcomes of upper secondary qualifications; employment among tertiary graduates shows decreasing employment rates, although the average rate in the EU is still over 80%.

In line with DG EAC's specific objective 2.1, the focus in 2015 has remained on the contribution of youth work and non-formal activities to addressing the effects of unemployment on young people, in particular to strengthen their **employability** (see encouraging impact indicator 3 and rising output indicator 36 under specific objective 2.1). Inclusive economic growth initiatives as pursued by the Europe 2020 Strategy (*Youth on the Move* flagship initiative; *Youth Employment Package* including the *Youth Guarantee*) strive to help youth find new jobs. DG EAC has continued to contribute in particular to the 2012 *Youth Opportunity Initiative* by supporting placements of volunteers (see also section on the Traineeship Office).

<sup>151</sup> *European Economic Forecast*, Directorate-General for Economic and Financial Affairs, Autumn 2015

The **contribution of youth work** to youth employment (see result indicators 37 and 43) and to social inclusion is crucial. This was highlighted by the expert group set up under the Work Plan 2014-2015, who presented as planned their final findings on the specific contribution of youth work<sup>152</sup> (see also rising output indicator 40) to address the challenges young people are facing. Their report<sup>153</sup> contains good practice examples and ready-to-use messages targeted in particular to Public Employment Services and other Youth Guarantee providers, employers and young people. The expert group urges all stakeholders to ensure that the practices showcased in this document result in concrete action to further support youth work and ultimately enhance the employment and social inclusion of young people in Europe.

Concerning the two other priorities, DG EAC has continued to mainstream a **youth dimension in EU policy-making** along the eight fields of action of the Youth Strategy (2010-2018), promoting particularly in 2015 social inclusion in the aftermath of the economic crisis and the terrorist attacks in France and Denmark.

Under the Juncker Commission, the youth field has engaged further at EU level in **cross-sector cooperation with relevant other policy fields**, such as education and employment. This has materialised in line with specific objective 2.3 with a peer-learning exercise between Member States on how to make youth policy-making more cross-sector at national level. A policy debate took place in the Council in November on the role of youth policy and youth work with regards to migration – supporting intercultural awareness and the integration of migrants<sup>154</sup>.

DG EAC has kept on co-chairing the **Structured Dialogue**<sup>155</sup> for youth in its revised architecture. A Council Resolution on encouraging political participation of young people in democratic life in Europe adopted in November 2015<sup>156</sup> provided a useful basis to make the structured dialogue more diverse and effective by calling for the participation of youth workers and professional youth service providers in the process. In parallel, the **European Youth Portal**<sup>157</sup> was further developed to reach more young people and increasingly to promote youth participation online. For instance, in 2015, the Structured Dialogue Online Participation Platform was tested. Overall, during 2015 the portal was viewed by 1.4 million unique visitors.

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<sup>152</sup> Youth work means in this context actions directed towards young people regarding activities where they take part voluntarily, designed for supporting their personal and social development through non-formal and informal learning.

<sup>153</sup> [http://ec.europa.eu/youth/library/reports/contribution-youth-work\\_en.pdf](http://ec.europa.eu/youth/library/reports/contribution-youth-work_en.pdf)

<sup>154</sup> CONS 14454/1/15 of 12 January 2016

<sup>155</sup> The Structured Dialogue involves regular consultations of young people and youth organisations, as well as a dialogue between youth representatives and policy makers (EU Youth Conferences, European Youth Week).

<sup>156</sup> OJ C417/10 of 15 December 2015

<sup>157</sup> The European Youth Portal provide information and opportunities for young people across the wider Europe to work, travel or participate in volunteering, civic, social or cultural activities.

### Notable Result

The **European Youth Week**<sup>158</sup> in May 2015 triggered considerable social media presence<sup>159</sup>. The main theme of this week was "Unlocking young people's potential as a key to participation, in working life and in society with a focus on embracing diversity through youth participation". To cover all 33 countries participating in the Erasmus+ programme, activities were organised by the National Agencies for youth. This edition of the event saw the launch of *Ideas Labs*, a new concept to give young people space to express their ideas on youth empowerment, employment and entrepreneurship, as well as global development issues. In total more than 137,000 people (out of which 87000 young people) were engaged in the national events of the European Youth Week. The week also offered a good opportunity to showcase the successful implementation of the successive EU funding programmes for Youth.



Meanwhile, regional and bilateral policy **dialogues with key partner countries** continued according to specific objective 2.4 (see 1.1.5 about the youth part of the High level People-to-people Dialogue with China).

In a context where social inclusion of youth is again a key priority for the EU, **Erasmus+, as the integrated EU programme for youth**, has confirmed its attractiveness during its second year of implementation in spite of shortage of payment appropriations (see output indicators under specific objective 2.1 all above target)<sup>160</sup>. It was carried out as planned except in Greece where the strand of Erasmus+ for Youth has been suspended at the end of 2014<sup>161</sup>.

With a view to implementing the programme in a manner as inclusive as possible, DG EAC has adopted an **Inclusion and Diversity Strategy for the youth sector**. Erasmus+ funded actions have increasingly targeted young people with fewer opportunities, a unique feature compared to other programmes (see rising output indicator 41). The ET Working Group on school policy mentioned above (see section 1.2.2.1) has concluded that out-of school educational opportunities may provide additional opportunities for young people to 'shine' and can increase their participation against a less favourable context (see decreasing impact indicator 10).

The National Agencies responsible for the implementation of the Erasmus+ (Youth) programme did not only managed a sharp increase in number of submissions, but as well showed a **rapid reaction to the two main challenges faced during the year: terrorist attacks, refugee flows**. A series of Transnational Cooperation Activities have addressed these policy priorities. The Commission has also facilitated the development of specific measures during the last round of the programme in 2015 or for 2016, such as a training course to foster youth workers' capacity to work with migrants.

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<sup>158</sup> [www.youthweek.eu](http://www.youthweek.eu)

<sup>159</sup> In January, DG EAC became the owner of a new major Facebook page, European Youth, which has approx. 115,000 followers. The page is the result of a merger between two Facebook pages (Youth on the Move and the European Youth Portal) and is co-managed by DG EAC and DG Employment.

<sup>160</sup> The shortage in payment appropriations within the Youth strand of the Erasmus+ Programmes amounted to 20M€. Additional payment appropriations were received end October 2015 as result of the Global Transfer procedure adopted.

<sup>161</sup> An amount of 4.157.540 € was concerned for 2015. See section 2.1.1.

More generally, DG EAC reported to the Member States on the achievements of Youth **non-formal learning** activities supported by the EU over 25 years, with around 2.5 million young people and youth workers having participated in such activities<sup>162</sup>. In many countries no such programmes of cross-border mobility exist. The Youth strand of the Erasmus+ Programme has continued to benefit from the ring fencing of a 10% specific budget line in the legal basis. In line with specific objective 2.1, Erasmus+ has supported more opportunities for young people to be back in education or employment and encouraged their full participation in society in order to reinforce social cohesion in the EU. For instance, the **European Voluntary Service (EVS)** has been reinforced in Erasmus+ and has benefited from the recent European Volunteering Platform as part of the European Youth Portal. More than 10,000 volunteers were supported by the EVS in 2015.

According to the 2011 monitoring survey, 67% of participants believe that their job chances have increased thanks to their experience funded by the EU youth programme (61% in 2010). These results are confirmed by the participants reports (a survey among participants in youth mobility activities) received since 2014. According to specific objective 2.1 (see output indicators 36 and 43), Youth in Action and Erasmus+ (Youth) have contributed to the effective recognition of non-formal learning with notably 500,000 **Youthpass certificates** - the certificate describing learning outcomes in the Youth in Action and Erasmus+ (Youth) - delivered since 2007. According to the 2013 survey on the impact of *Youthpass*, approximately 80% of previous participants agreed that *Youthpass* has increased the usefulness of projects funded in certifying their non-formal learning outcomes.

The mid-term **evaluation** of the previous programme Youth in Action and a beneficiary survey largely confirmed in 2011 the sustainable impact of such an EU support afterwards e.g. on continued work for NGOs and increased mobility for participants<sup>163</sup>. The activities would likely not find funding elsewhere. They have been considered relevant by the participating young people and other stakeholders, comparing positively with youth programmes organised in Member States.

Beyond its individual benefits, youth mobility triggers also **systemic changes** in youth work and organisation in Europe in line with specific objectives 2.2 and 2.4 (see encouraging output indicator 42 and above-target result indicator 44). The intervention logic of Erasmus+ in this sector works on the basis of multiplying effects, from the direct benefit of individuals taking part in the programme, through the intermediate benefit of the organisations involved in the various actions, to the systemic impact on the way youth policy is implemented at sub-European level. Important against this logic is the existence of a youth sector strong enough at national, regional and local levels to take advantage of the opportunities offered at EU level.

According to specific objective 2.3, Erasmus+ pursues to ensure due consideration of youth issues within EU policy-making and helps bringing the European Union closer to young people. A telling example is the **European Youth Forum**, an umbrella organisation of more than 100 National Youth Councils and international youth organisations in Europe representing about 40,000 young people which is funded by the programme. Its 2013 evaluation found the Forum to be a useful instrument to the Commission because of its structured opinions and input on youth-related topics<sup>164</sup>. With the focus of the 2015 edition on social integration, the Forum has confirmed to be the most suitable mechanism at EU level to channel communication on youth-related issues with a broad range of young people in Europe.

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<sup>162</sup> Activity report for the Youth in Action programme, December 2014.

<sup>163</sup> A public consultation has been launched in the context of the on-going evaluation of the Youth Strategy

<sup>164</sup> See annex 9 of AAR 2013 for more performance information included in this evaluation.

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As a conclusion in relation to general objective 2, policy and programme activities were implemented **according to plan except in Greece** and are on course to meet their multiannual objectives. The spending programme is on course to meet its multiannual targets and has achieved the annual performance in the reporting year for indicators where information is available.

Bearing in mind the possible project duration, the analysis of final reports will be finalised in 2017. Although result indicators 37, 38, 39 and 43 are not yet available for that reason, the impact of the Erasmus+ programme (Youth) on individuals can be temporarily evaluated, based on the analysis of already available information (Participants' reports, project evaluations by experts, etc.). Such assessments allow to preliminary conclude that the performance of the programme is **on course to meet its objectives** not only in terms of quantitative outputs but as well as it concerns the qualitative outcomes. Moreover, the swift reaction of the implementing structures in the field of youth to new policy challenges such as those known in 2015 could be considered as best practice.

## 1.4 Sport (General objective 3)

The third general objective<sup>165</sup> of the DG is supported by the *Erasmus+* programme (activity based budget 15.02) and covers the sport area, contributing to an innovative, sustainable and inclusive Europe.

In the field of Sport, in line with DG EAC's specific objectives 3.1 to 3.3, the Commission has continued implementing the **European Union Work Plan for Sport (2014-2017)** and the 2011 Communication *Developing the European Dimension in Sport*<sup>166</sup> with the support of the *Erasmus+* programme. In this context, the DG has steered 5 expert groups to contribute in fields such as human resources development (education and training), good governance (see result indicator 46), economic dimension in sport, match-fixing (see result indicator 45), and health-enhancing physical activity (see impact indicator 11 and result indicator 47).

In relation to **good governance**, focus has been put on new subjects such as developing guidelines relating to human rights and democracy in the context of the awarding procedures of major sport events, and recommendations on gender equality in sport, including a pledge board.

In relation to **health-enhancing physical activity**, the expert work resulted in recommendations to encourage physical education at school and to create valuable interactions between schools, the sport sector, the private sector and local authorities (see below).

- Regarding the **economic dimension of sport**, the Expert Group has developed recommendations to measure the economic benefits of sport in the EU as well as on major events with a focus on economic, social and environmental sustainability. In the context of the *Digital Single Market*<sup>167</sup> initiative (see section 1.5) the Commission conducted three public consultations on issues with a potential relevance for sport, namely (i) tackling unjustified geo-blocking, (ii) the revision of the Audiovisual Media Services Directive, and (iii) the review of the Satellite and Cable Directive.

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<sup>165</sup> See annex 12

<sup>166</sup> COM(2011)12 of 18 January 2011.

<sup>167</sup> COM(2015) 192 of 6 May 2015

In line with specific objective 3.1, the Commission adopted in 2015 a Proposal for a Council Decision on the signing, on behalf of the European Union, of the Council of Europe Convention on the **manipulation of sports competitions**, on the basis of article 218 TFEU<sup>168</sup>. DG EAC acted as lead service in the preparation of this "major initiative" of the Juncker Commission. Although the proposal was blocked by the Council, the Commission will continue to seek a way forward to enable EU signature. The Commission has negotiated this Convention on behalf of the EU with the objective of ensuring that the provisions of the future Convention were fully aligned with EU law and EU policies in the areas of sport, online gambling and fight against corruption (see result indicator 45). An important other step has been the implementation of the new World Anti-Doping Agency code and respective EU coordination.

As a new development under specific objective 3.2, Commissioner Navracsics set up a High Level Group on Sport Diplomacy to assess the value of **sport in EU external policies** and in diplomacy in general. Considering the external context of the EU, the Group is invited to prepare recommendations addressed to the Commission by the end of June 2016.

As a new development under specific objective 3.3, the Commissioner set up a High Level Group on **Grassroots Sport** to provide ideas on how the EU could better support this part of sport. The Group will also analyse the role of grassroots sport in promoting **tolerance and social inclusion** in European society, including a focus on social inclusion of newly arrived migrants. When sport is played in respect of fundamental values - such as respect, tolerance, mutual understanding and solidarity - it can create a sense of belonging and therefore supports social inclusion.

Relating to the same objective 3.3, a policy debate took place in the Council in November on the role of sport in fostering the integration of disadvantaged youth in society, including **migrants**<sup>169</sup>. On the occasion of International Migrants' Day, the European Commission took the opportunity to underline the important role of sport in supporting social inclusion. Sport has the capacity to gather people together, irrespective of national, cultural and social differences. The Erasmus+ budget has allowed the Commission to dedicate funding to encourage sport organisations, already having vast experience in the area of social inclusion through sport, to undertake even more initiatives, addressed to refugees. Migrants who are given the opportunity to play in local sport organisations have indeed the opportunity to integrate with local communities and to feel to be part of them<sup>170</sup>.

More widely in order to tackle the social and economic costs of physical inactivity and as a contribution to the well-being of European citizens, DG EAC has continued to facilitate the implementation of the 2013 Council Recommendation on **Health-Enhancing Physical Activity** (HEPA)<sup>171</sup>. According to a 2014 Eurobarometer survey, 59% of EU citizens never or seldom exercise or play sport. One in four European adults and four in five adolescents are not sufficiently active<sup>172</sup>. A 2015 study has estimated the costs of

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<sup>168</sup> COM(2015) 84 of 2 March 2015

<sup>169</sup> CONS 14454/1/15 of 12 January 2016 and doc. 13440/15

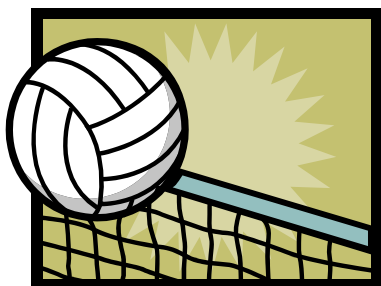
<sup>170</sup> [http://ec.europa.eu/sport/news/2015/1218-sport-social-inclusion\\_en.htm?pk\\_campaign=Email-Jan2016&pk\\_kwd=News10](http://ec.europa.eu/sport/news/2015/1218-sport-social-inclusion_en.htm?pk_campaign=Email-Jan2016&pk_kwd=News10)

<sup>171</sup> The 2013 Council Recommendation on health-enhancing physical activity (HEPA), the very first Council Recommendation in the field of sport, addresses the high rate of physical inactivity and its significant costs in Europe. Member States are invited to develop and implement national strategies and action plans involving all relevant policy sectors, including new measures, to promote physical activity. A monitoring framework is promoted by the Commission to help Member States to assess national trends in cooperation with the World Health Organization (WHO).

<sup>172</sup> For adults aged adults aged 18–64 the WHO recommends at least 150 minutes of moderate-intensity aerobic physical activity throughout the week or at least 75 minutes of vigorous-intensity aerobic physical activity throughout the week or an equivalent combination of both.

physical inactivity in Europe: related diseases would cause an estimated 500,000 deaths each year; about €80 billion could be spared if all Europeans exercised on average for 20 minutes per day<sup>173</sup>. Through networking and with Erasmus+ support (see result indicator 47), the Commission has conveyed this message to the educational and youth sectors (see section 1.3). However the success of the promotion of HEPA largely depends on Member States' capacity to implement effectively the Council Recommendation at national level across sectors (see above). The monitoring provisions in the Recommendation moreover require solid input from national focal points and close coordination with the WHO. The first two years of implementation have demonstrated a very high interest from stakeholders in that respect, with the following result.

#### *Notable Result*



The network of national physical activity focal points, appointed in 2014 by Member States, have started to deliver data corresponding to 23 indicators on HEPA levels and policies defined to follow-up the implementation of the Council Recommendation on health-enhancing physical activity (HEPA)<sup>174</sup>. As a result, the Commission published in 2015 the first **country-specific overviews on HEPA** in cooperation with the World Health Organisation Regional Office for Europe, and including more than 100 success stories and up to date monitoring and surveillance data<sup>175</sup>.

The new EU intervention in the field of sport has been one of the communication priorities for DG EAC. Requested by the Parliament and the Council, the first **European Week of Sport**, which took place in September 2015 with over 7,000 events across Europe, was a key tool for that purpose, by coordinating existing and new initiatives under one EU umbrella. Although participation in the Week was not mandatory 31 European countries participated actively. Moreover, the Week received firm commitments from major sport stakeholders (30 European sport or sport-related organisations) and the private sector allowing the implementation of activities at European, national and local levels. The evaluation of the Week confirmed the major success of the first edition and showed that key players remain committed to cooperate in the context of future editions of the Week<sup>176</sup>.

According to latest **evaluation** findings (2011), the transnational projects funded under the 2009-2013 Preparatory Actions in the field of sport demonstrated significant EU added value, in particular through addressing issues with a cross-border dimension (see result indicators 45 and 46), developing the European dimension in sport, strengthening networks and kick-starting co-operation between organisations working on sport around Europe. For these reasons, since 2014, **Erasmus+: Sport** has been focused on grassroots sport activities in the Member States (see result indicator 48) and has promoted European policy cooperation in the field of sport. It has supported European networks, providing opportunities for cooperation among stakeholders and the exchange of know-how in different areas relating to sport and physical activity. The right balance between grassroots support and strategic developments should be stricken over the programming period.

<sup>173</sup> Study on the Economic Cost of Physical Inactivity in Europe, June 2015.

<sup>174</sup> [http://ec.europa.eu/sport/policy/societal\\_role/health\\_participation\\_en.htm](http://ec.europa.eu/sport/policy/societal_role/health_participation_en.htm)

<sup>175</sup> [http://ec.europa.eu/sport/news/2015/0928-hepa-who-factsheet\\_en.htm](http://ec.europa.eu/sport/news/2015/0928-hepa-who-factsheet_en.htm)

<sup>176</sup> [http://ec.europa.eu/sport/library/documents/ewos-2015-evaluation-report\\_en.pdf](http://ec.europa.eu/sport/library/documents/ewos-2015-evaluation-report_en.pdf)

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As a conclusion, policy and programme activities under objective 3 were implemented **according to plan** and are on course to meet their multiannual objectives. However since the source of information for most indicators will only be available when project owners issue their final reports, they cannot indicate yet whether the programme has, or not, achieved its performance in the reporting year. Final reports will be analysed by the Executive Agency when a critical mass of final reports is gathered in 2017-18.

The DG has implemented the necessary corrective and preventive actions **to mitigate identified risks**. These were mainly linked to the launch of the new Erasmus+ Programme. Close supervision and monitoring also allowed minimising those risks linked to the delegation of most budget execution to the Executive Agency.

## 1.5 Culture (General objective 4)

Contributing to a creative, innovative and inclusive Europe, the fourth general objective<sup>177</sup> of DG Education and Culture is supported by the Creative Europe programme (activity based budget 15.04) which aims to foster cultural diversity in Europe.

*As of 2015 the policy and the sub-programme for the cinema and the audio-visual sector has been handed over to the DG for Communication Networks, Content and Technology, with which good cooperation has been established on the basis of a memorandum of understanding.*

On the *policy side*, Union action under the European agenda for Culture<sup>178</sup> has been pursued in 2015 along the four priority areas of the **Work Plan for Culture 2015-2018**<sup>179</sup>: accessible and inclusive culture; cultural and creative sectors: creative economy and innovation; cultural heritage; promotion of cultural diversity, culture in EU external relations and mobility. Two new policy handbooks were delivered, on cultural awareness and expression, and on access to finance for the cultural and creative sectors (see output indicator 54). In November, the Council amended the Work plan in order to include a new action with regard to the **integration of refugees**, upon a proposal from the Commission.

With a view to fostering the creative economy and in line with its specific objective 4.1, DG Education and Culture has continued contributing to implementing the Europe 2020 agenda in following-up the implications of the 2012 Commission Communication on the promotion of **cultural and creative sectors (CCS)** for growth and jobs in the EU (see encouraging orientation of impact indicator 13)<sup>180</sup>. This has been implemented in 2015 through a focus on improving access to finance for the cultural and creative sectors (see above), and by contributing actively to the adoption of Council conclusions on cultural and creative cross-overs to stimulate innovation, economic stability and social inclusion. Cooperation with other Commission services to mainstream cultural and cultural diversity issues in key EU policies was pursued, not only on trade files (Transatlantic Trade Investment Partnership - TTIP) but also on competition related cases (e.g. Google case of abuse of dominant position, the Prism merger).

For the same purpose, DG EAC has been actively involved in all stages of the preparation of the **Digital Single Market Strategy (DSM)**<sup>181</sup>. The Commission communication has a balanced approach in acknowledging that cultural diversity is an important asset for the European digital economy, and that the DSM is an opportunity for improving both access to culture and the performance of European cultural and creative industries. Regarding copyright, the need to safeguard the viability of the industry's financing models, concerns over the remuneration of creators (e.g. private copying remuneration) and enforcement aspects, as well as the developments in the field of online and cross-border education have been identified as needs to be taken into account. DG EAC is participating in the in-depth review of the copyright framework, a priority of the Juncker Commission led by DG Internal Market. The DG has been involved in the public consultation process, as in the other relevant action strands (Audiovisual Media Services Directive review, internet

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<sup>177</sup> See annex 12

<sup>178</sup> The European Agenda for culture, the first policy framework for culture at EU level, adopted in 2007, sets out three strategic objectives: cultural diversity and intercultural dialogue; culture as a catalyst for creativity and innovation; and culture in international relations.

<sup>179</sup> COM(2014)535 of 25 August 2014

<sup>180</sup> COM(2012)537 of 26 September 2012

<sup>181</sup> COM(2015)192 of 6 May 2015

platforms), in order to prepare the legislative initiatives adopted in 2015 or to be adopted in the course of 2016. The Commission presented in December a *Communication towards a modern, more European copyright framework* together with a *Regulation on ensuring the cross-border portability of online content services in the internal market*<sup>182</sup>. This proposal would enhance access to cultural content as it would allow consumers to have a better experience of the content through easier access while travelling in the EU.

The Commission has started a **dialogue with representatives of the music industry** to identify the possibilities for action specific to this field in a short and medium term perspective. This discussion which was kicked-off in December involves key players in the sector (songwriters, musicians, major and independent labels, platforms, authors' rights associations, festivals and music experts). In 2016, this will be followed up with a view to establishing a possible preparatory action in the field of music and to paving the way for a more focused form of support after 2020.

In line with DG EAC's specific objective 4.3, policy cooperation has been pursued aiming for instance at the effective organisation of dialogue on cultural issues at European level (see increasing result indicator 53) with a view to contributing to growth (see impact indicator 13), employment (see result indicator 50) and cultural diversity (see impact indicator 12). The evaluation of the Agenda for Culture's implementing tools has shown indeed that the **Culture Open Method of Coordination** (OMC) brings about benefits in the fields of mutual learning and the building of knowledge networks<sup>183</sup>. As a result of the 2013 evaluation, and in order to achieve greater impacts, the Commission has provided a reinforced support to the OMC working groups through research papers and/or external expert contribution. Important improvements have also been made to the Structured Dialogue process with civil society stakeholders in the field of culture: the new Dialogue structure, through its more flexible organisation, allows a stronger link with the policy priorities of the new Culture Work Plan<sup>184</sup>. The Culture Forum had nevertheless to be postponed to Spring 2016 due to the security situation prevailing in Brussels in November 2015, following the terrorist attacks in Paris.

Moreover a large number of EU policies and programmes have an impact on **cultural heritage**. There was previously no overall approach giving visibility to these actions, whereas a number of them have a clear potential to contribute to smart and inclusive growth (see promising impact indicator 13). For that reason, in line with DG EAC's general objective 4, DG EAC has followed-up the 2014 *Communication on cultural heritage*<sup>185</sup> and related Council Conclusions which have identified areas of specific European added value in an Europe 2020 perspective: employment and skills, spill-over effect on other sectors such as tourism and research, social and digital inclusion, export potential for European companies, etc. The number of sites on the list of the European Heritage Label<sup>186</sup> increased in 2015 from 20<sup>187</sup> to 29<sup>188</sup>. Sites are labelled as they

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<sup>182</sup> COM(2015)626 and 627 of 9 December 2015

<sup>183</sup> See annex 9 of AAR 2013

<sup>184</sup> The European Agenda for Culture launched a structured dialogue with civil society at European level through three Platforms set up by the Commission (Intercultural Dialogue, Access to culture, Cultural and Creative Industries). <http://www.voiceofculture.eu/>

<sup>185</sup> COM(2014)477 of 22 July 2014.

<sup>186</sup> The European Heritage Label is an initiative from the European Union established in 2011, building on a 2006 intergovernmental initiative. It aims to raise awareness of sites which have played a significant role in the history, culture and development of the EU.

<sup>187</sup> Commission Decision PE/2015/1406 of 10 March 2015

<sup>188</sup> In December 2015, nine sites have been recommended to be added to the European Heritage Label list: The Neanderthal Prehistoric site and Krapina Museum (HR), the Olomouc Premyslid Castle and Archdiocesan Museum (CZ), the Sagres Promontory (PT), the Imperial Palace (AT), the Historic

symbolise European values and integration. They have benefited from a greater visibility thanks to a dedicated EU promotion strategy<sup>189</sup>. Activities in this field have also included the European Heritage Days and the European Heritage Prize. The support to cultural heritage under the Creative Europe programme included support to both transnational cooperation projects<sup>190</sup> and European cultural heritage networks. Such funding has helped provide heritage professionals with up-graded skills in areas such as digital technologies, audience development, and new business models (contributing to general objective 1).

In the field of **external cultural relations**, Union action has been pursued in line with DG EAC's specific objective 4.3. As a Party to the 2005 UNESCO Convention on the Protection and the Promotion of the Diversity of Cultural Expressions, the EU is committed to making cultural diversity an essential element of its external action. In order to promote the European model of intercultural dialogue, the Council adopted in November Conclusions on the role of culture in the EU development policy and external cooperation, prepared in liaison with DG EAC. Against the background of war in Iraq and Syria, DG EAC ensured that actions against the destruction and illicit trafficking of cultural heritage in conflict areas are included in the EU external strategy and contributed to giving a more prominent role to culture (as well as other DG EAC's areas in the external aid programmes and policies)<sup>191</sup>. As a result a policy debate took place in Council specifically on that topic, paving the way for further actions to be undertaken in 2016, in particular as regards the role of customs.

#### Notable Result



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Ministers condemned the destruction of cultural heritage in Syria, Iraq and other conflict areas, highlighting the link between **illicit trafficking in cultural objects and the financing of the terrorist activities** of ISIL/Da'esh<sup>192</sup>. A number of policy options were raised including the adoption of an EU regulation on the import of cultural goods from third countries, better co-operation with UNESCO, better training for customs officers, proper return of illegally-traded goods post-conflict, use of digitisation to facilitate restoration and recovery of cultural goods, a possible role for EUROPEANA<sup>193</sup>, and the possible designation of 2018 as the European Year of Cultural Heritage.

In terms of **bilateral relations relevant to culture**, President Juncker has committed the Commission in his political guidelines "*to negotiate a reasonable and balanced trade agreement with the United States of America*", that "*will not sacrifice our cultural diversity on the altar of free trade*". The conclusion of an agreement on cultural

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Ensemble of the University of Tartu (EE), Franz Liszt Academy of Music (HU), Mundaneum (BE), WWI Eastern Front Cemetery N°123 (PL) and the European District of Strasbourg (FR).

<sup>189</sup> [http://ec.europa.eu/programmes/creative-europe/actions/heritage-label/index\\_en.htm](http://ec.europa.eu/programmes/creative-europe/actions/heritage-label/index_en.htm)

<sup>190</sup> The former Culture programme provided funding totalling €38 million for more than 130 cultural heritage cooperation projects.

<sup>191</sup> €30m earmarked for culture under the Development Cooperation Instrument; a further €30m already allocated to the African Caribbean and Pacific Countries, under the European Development Fund.

<sup>192</sup> CONS 14454/1/15 of 12 January 2016 and doc. 13647/2/15 REV 2

<sup>193</sup> Europeana is an interface with millions of books and archival records that have been digitalised by more than 2000 institutions across Europe. For more information see: <http://www.europeana.eu/portal/>

cooperation with Colombia and Peru, postponed since 2014, was kept on hold considering the need for a wider approach to culture in external relations.

On the *funding side*, Union action in the area of culture is delivered since the start of 2014 via the European Structural and Investment Funds and the **Creative Europe Programme 2014-2020**<sup>194</sup>. In a context of declining cultural participation in Europe<sup>195</sup>, the programme has a dual focus both on the intrinsic value of culture and on its economic benefits. It consists of two sub-programmes supporting respectively culture (DG Education and Culture) and audiovisual (DG Communication Networks, Content and Technology), while the new cross-sector strand of *Creative Europe* aims at strengthening the financial capacity of the cultural and creative actors and notably the SMEs (see result indicators 55 to 60). In terms of geographical scope, Turkey, Georgia and Moldova have started to participate in Creative Europe as of 2015. Ukraine signed up in 2015. Once its internal ratification process is completed, it will be the third neighborhood country to join the programme.

The Creative Europe programme was implemented for the second year according to plan<sup>196</sup>, together with the Executive Agency EACEA (see section 2.1.2), including related dissemination actions. The programme has received **a higher number of applications than in 2014**. It has provided co-funding for cultural activities at the European level including transnational cultural cooperation projects, networks, platforms and literary translations. EU funding in these fields play a unique role in stimulating at EU level cross-border cooperation between cultural operators, fostering the professionalisation and internationalisation of the sectors (see result indicators 49 and 50), and helping the international careers of thousands of artists/cultural professionals, as well as increasing the access of European citizens to non-national European works (see impact indicator 12 and result indicators 51 and 52). As a result of funding and according to DG EAC's specific objective 4.2, it was estimated for 2012 (latest available estimate pending the Creative Europe mid-term evaluation prepared for 2017) that a few thousands artists/cultural workers had been mobile and several thousand cultural works had been circulated. Since 2007, millions of citizens have been reached directly and indirectly through the projects funded by the EU (previous programmes Culture, MEDIA and MEDIA Mundus). In 2015, measures have been taken to enable a better data collection of results from project promoters in particular regarding job creation (see 1.1.4).

#### *Notable Result*

In 2015, the strong demand from the cultural and creative sectors could only be met to a limited extent considering the available budget under Creative Europe or cuts in culture budgets at national and private level resulting in a lack of matching funds. For example the typical **cooperation projects for cultural professionals** recorded, over the first two years of the programme, a success rate as low as 13%. Nevertheless the 143 cooperation projects selected in 2014-2015 have already helped create 3,288 jobs, of which 705 of a permanent nature.

<sup>194</sup> Regulation No 1295/2013/EU of the European Parliament and of the Council of 11 December 2013 establishing the *Creative Europe* Programme (2014 to 2020) and repealing Decisions No 1718/2006/EC, No 1855/2006/EC and No 1041/2009/EC; [http://ec.europa.eu/programmes/creative-europe/opportunities/index\\_en.htm](http://ec.europa.eu/programmes/creative-europe/opportunities/index_en.htm)

<sup>195</sup> The 2013 Special Euro barometer 399 on cultural access and participation (IP/13/1023) – the latest on the topic since 2007 – suggests that, despite marked differences across countries, fewer Europeans are engaging in cultural activities, as performers or spectators, and that this decline in participation has affected all cultural activities except cinema.

<sup>196</sup> Annual Work Programme - 2015/EAC/006 of 17 June 2015 to be amended by 2015/EAC+/010 in 2016.

**Simplification measures** (online application process<sup>197</sup>) have applied since 2014, without any noticeable difficulty (see 1.1.2). The network of **Creative Europe Desks** has provided the expected visibility to the programme as of 2015 and the required assistance to potential applicants in all participating countries. Online chats with citizens have kept on demonstrating the value of using social media as an efficient way of connecting with people and encouraging engagement with EU programmes (see 1.1.4). Lastly, the implementation of a memorandum of understanding as of 2015 with the DG for Communication Networks, Content and Technology has ensured the overall consistency and efficiency in the management of the integrated Creative Europe programme.

However to optimise budget execution over the whole programme duration, it had been decided in 2014 to postpone the launching of the new **financial guarantee facility**<sup>198</sup> and the pilot projects under the cross-sectorial strand. In relation to specific objective 4.4 (loans guaranteed to SMEs in cultural and creative sectors), after initial delay<sup>199</sup>, the agreement with the European Investment Fund is expected to be signed by the first quarter 2016 with a view to launching the guarantee facility shortly after. Other activities foreseen under the cross-sectorial strand were timely implemented (support to the Creative Europe Desks, EU Presidencies, communication actions, most studies...).

Illustrating the added value of the culture cooperation at EU level, the **European Capitals of Culture (ECoC)** celebrated their 30<sup>th</sup> anniversary in 2015. From Athens in 1985 to *Mons*<sup>200</sup> and *Pilsen*<sup>201</sup> in 2015, 50 cities across Europe have been European Capitals of Culture, making it one of the most ambitious cultural projects in Europe. In 2015, according to specific objective 4.3, the ECoC 2015 were implemented as planned and the EU Council designated *Plovdiv* - the first Bulgarian European Capital of Culture ever - and the Italian city of *Matera* as the two European Capitals of Culture for 2019<sup>202</sup>.

As the results of the ex-post evaluation of previous Capitals of Culture confirmed<sup>203</sup>, the ECoC title helps boost investments in cultural and other infrastructure. As measured through ex post evaluations, public participation in ECoC remains high and this action contributes to the long-term regeneration of cities. The leverage effect in some Capitals has been estimated to generate up to 8 Euro in return per each euro invested and the title helps generate between € 15 and 100 million of investment in the cultural programmes of the cities. In order to maximise the potentially wider economic benefits of the title, the Commission has recommended to future ECoCs to begin their international marketing and commercial revenue generation strategies earlier in the process. For the future, Member States have been encouraged to specify as early as possible during the selection process their financial contributions to winning cities.

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<sup>197</sup> See example of improved efficiency under section 1.3 in AAR 2014 of EACEA.

<sup>198</sup> The Cultural and Creative Sectors Guarantee Facility will facilitate access to finance for SMEs in the cultural and creative sectors and improve the capacity of participating financial intermediaries to assess the risks associated with their projects, including through technical assistance and networking measures.

<sup>199</sup> See section b) "final outputs" under specific objective 4.3 for further information

<sup>200</sup> <http://www.mons2015.eu/en>

<sup>201</sup> <http://www.plzen2015.cz/en/>

<sup>202</sup> Commission Recommendation for a Council Decision (COM(2015)166 of 21 April 2015) based on the Decision No 445/2014/EU of the European Parliament and of the Council of 16 April 2014 establishing a Union action for the European Capitals of Culture for the years 2020 to 2033 and repealing Decision No 1622/2006/EC

<sup>203</sup> On ex post evaluation results of the European Capitals of Culture, see AAR 2012 (p11), annex 9 of AAR 2014 (COM(2015)74 of 2 March 2015) concerning the 2013 ECoC - Košice (SK) and Marseille-Provence (FR) and annex 9 of this AAR (COM(2015)580 of 26 November 2015) concerning the 2014 ECoC - Riga (LT) and Umeå (SE).

Regarding the **EU Prizes**, Europe's *Prize for Cultural Heritage*<sup>204</sup>, the *EU Prize for Literature*<sup>205</sup> and the *EU Prize for contemporary architecture/Mies van der Rohe*<sup>206</sup> were once more awarded in 2015 contributing to specific objective 4.3 through their dissemination effect. The goal of the prizes is to attract attention to the European culture, artists and creative sectors. They promote the EU under an attractive and human angle, close to the pastimes of citizens, celebrating the cultural diversity of the continent. The prizes are rather well established, but do not always achieve the impact European Union Prizes should have. Efforts will therefore be devoted to further increase their visibility, especially towards the general public, and to exploit their links with other sectors in order to make these prizes more coherent with the political priorities of the Juncker Commission.

#### Notable Result



The Common Linnets  
(Netherlands) - Public Choice  
Award 2015

The *European Border Breakers Awards* (EBBA 2015) were presented in January 2015 to reward top-notch pop musicians<sup>207</sup>. A pioneering study (by Spotify) looked at the locations of the listeners of the top-ten artists shortlisted for the Awards 2015 and revealed that **85% of streams came from outside the home markets of the EBBA winners**, confirming the dissemination role of this European Prize.

On a more specific note, the modalities of the project for a **European House of History** have been agreed<sup>208</sup> after protracted negotiations due to different financial management practices applied in the Commission and in the European Parliament. DG EAC has also followed up the Preparatory Action **New Narrative for Europe**, which aims to give a voice to European citizens and specially the youth, to articulate what Europe stands for. The purpose of this is to contribute to bringing Europe closer to its citizens and reviving a "European" spirit based on Europe's core values of human dignity, freedom, democracy, equality, and respect for human rights.

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As a conclusion in relation to general objective 4, the DG has implemented the necessary corrective and preventive actions to mitigate identified risks in relation to objective 4. These were mainly linked to the launch of the new Creative Europe Programme. Close supervision and monitoring also allowed minimising those risks linked to the delegation of most budget execution to the Executive Agency.

Both policy and programme activities under objective 4 were implemented according to plan and are on course to meet their multiannual objectives. However since the source of information for most indicators will only be available when project owners issue their final reports, they cannot indicate yet whether the programme has, or not, achieved its performance in the reporting year. Final reports will be analysed by the Executive Agency when a critical mass of final reports is gathered in 2017-18.

<sup>204</sup> [http://ec.europa.eu/programmes/creative-europe/actions/heritage-label/0414-eu-heritage-winners\\_en.htm](http://ec.europa.eu/programmes/creative-europe/actions/heritage-label/0414-eu-heritage-winners_en.htm)

<sup>205</sup> <http://www.euprizeliterature.eu/>

<sup>206</sup> [http://ec.europa.eu/programmes/creative-europe/news/2015/0210-mies-van-der-rohe\\_en.htm](http://ec.europa.eu/programmes/creative-europe/news/2015/0210-mies-van-der-rohe_en.htm)

<sup>207</sup> [www.europeanborderbreakersawards.eu](http://www.europeanborderbreakersawards.eu)

<sup>208</sup> Commission Implementing Decision on the financing of the Commission contribution to the House of European History for the years 2015 and 2016, 27 November 2015

## 1.6 Corporate services: delivering to the entire Commission

On behalf of the Commission, DG Education and Culture manages two corporate activities to the benefit of all services of the Commission or other EU institutions or bodies: the Central Library and the Traineeships office.

### 1.6.1 Library and e-Resources Centre

The Library and e-resources Centre of the European Commission (formerly Central Library) has remarkably extended its collections especially in digital format (see result indicators 61 and 62, both above target). It has pursued its **customer-orientation**, in tailoring its revamped Website for researchers in 2015, with a wealth of smart shortcuts to curated and evidence-based information and a new user-friendly discovery tool ("Find-eR") available to all Commission staff<sup>209</sup>. This has resulted once more in a very high rate of satisfaction of users (see excellent result indicator 63).

#### *Notable Result*

According to the new **external evaluation** delivered in 2015, the Library and e-Resources Centre has effectively met its objective over 2010-2015 in making available relevant collections and services, both to Commission staff and external users<sup>210</sup>. About half of the surveyed Commission staff indicates using library services. These library users are very satisfied with the services provided and results achieved. The 'digital first' acquisition policy meets indeed the needs of current users. The Centre complements other available information sources, although its institutional objectives do not explicitly refer to wider knowledge management across the Commission. Lastly, according to evaluators, the current deployment of staff to the different activities is in line with the importance of the various objectives. In 2015, efficiency has been increased considering a 14% decrease in staffing level compared to end 2014.

The increasing attention for e-resources has triggered a change in the name of the Library. However the closure of local libraries across Commission departments<sup>211</sup> has reduced the visibility of the Centre. This is why **communication activities** have been deployed. In 2015 awareness raising has been intensified across the Commission and presence on social media has increased.

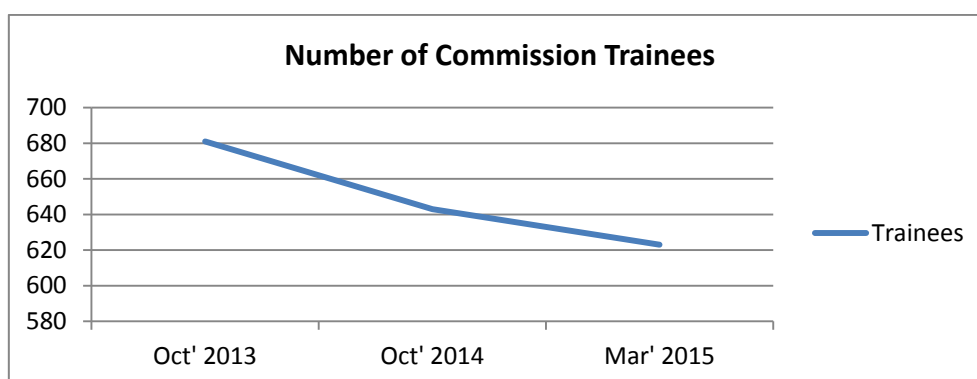
<sup>209</sup> Find electronic resources: [http://ec.europa.eu/libraries/index\\_en.htm](http://ec.europa.eu/libraries/index_en.htm)

<sup>210</sup> See annex 9 for more performance information included in this evaluation

<sup>211</sup> See AAR 2014. Libraries in FISMA and FPI closed in 2015.

## 1.6.2 Traineeships Office

The Traineeships Office of the Commission provides university graduates with working experience within the European Public Administration. The overall **satisfaction rate** with its service and the perception of the usefulness of this programme remained very high (see result indicator 65). The latter has confirmed its **attractiveness**, which has grown even further in the current economic context<sup>212</sup>, although budget reduction as of 2014 led to a decrease in the total number of trainees within the European Commission<sup>213</sup>.



In 2014, the results from the **external evaluation** of the Traineeships programme over 2007-2013 showed that its objectives were highly relevant, not only on the demand side (would-be trainees face a lack of similar opportunities on the labour market), but also on the Commission side (need for a pool of young people for future collaboration)<sup>214</sup>. The evaluation also demonstrated the relevance of the eligibility criteria, which allow the programme to attract qualified candidates with a balanced representativeness of overall population, while ensuring that candidates are those who would benefit from the experience. In addition, the programme has been compliant with the Quality Framework for Traineeships in nearly all respects.

While it was noted that the programme has **measurably increased the employability of trainees** in the labour market<sup>215</sup> (see section 1.3 as for Youth funding) and facilitated the maintenance of professional networks over the medium-term, the Commission has started reflecting on the learning content approach and the training dimension of the programme that could be reinforced.

Furthermore, the main benefits of the Traineeship were **achieved cost effectively**: costs are far outweighed by the value of useful work conducted by trainees; efficiency savings have been realised through the modernisation and digitisation of its procedures.

<sup>212</sup> The number of applications was multiplied by more than three from the first session of March 2013 (7,370 applications received) to the second session of 2015 (22,500 for October – to be compared with 15,608 at the same date in 2014).

<sup>213</sup> 623 trainees for the March 2015 session and 651 trainees for the October 2015 session (against 643 trainees in October 2014 and 681 at the same date in 2013).. 12 Service Level Agreements concluded with Executive Agencies and EU bodies are also in force for placements of in-service trainees.

<sup>214</sup> See annex 9 of AAR 2014 for more performance information included in this evaluation.

<sup>215</sup> After one year, former trainees were six percentage points more likely to be employed than candidates who had not been offered a traineeship (81% of former trainees were employed compared to 75% of unsuccessful applicants). After two years, the difference increased, with 88% of former trainees being employed compared to 79% of unsuccessful applicants.

Over the last three years, major **simplifications**<sup>216</sup> and modernisation measures have been put in place to adapt the Traineeships office to the digital era and to continue responding efficiently to this increasing demand. Not only the exchanges with trainees, but also their pre-selection and their assessment has progressively been made paperless since 2013, facilitating checks as well as online remote assessment with anonymity of applications. During 2015, the Traineeships Office introduced a pre-eligibility check phase to simplify the assessment process. This digitalisation cuts radically the workload generated in the past by the manual handling of thousands of paper applications (see result indicator 64). In 2015, the Travel costs reimbursements for trainees have been modernised in applying the Erasmus+ system based on unit costs.

Lastly, corporate coverage<sup>217</sup> has been ensured for 2015-2019 by the **Inter-Institutional** health insurance of in-service trainees following an Inter-Institutional Call for Tenders finalised in 2015.

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<sup>216</sup> The Commission's Decision on Unit costs for Erasmus+ will apply in 2015 to travel expenses of trainees.

<sup>217</sup> Covering the Commission, European Parliament, the Council, the Committee of the Regions, the European Economic and Social Committee, the Ombudsman and the Court of Justice.

## 1.7 Economy and efficiency of activities

DG Education and Culture is continuously fine-tuning its internal arrangements in order to improve the efficiency and economy of its operations<sup>218</sup>. The following further initiatives announced in DG EAC's Management Plan 2015 show how these principles are implemented in the DG<sup>219</sup>.

The main efforts in 2015 have aimed at preserving efficiency as policies and programmes integrated in 2014 were managed for the first time by different departments as a result of the 2015 **reorganisation of the Commission**. More coordination across Directorate Generals has been required to manage jointly instruments contributing to the same objectives or areas, the cost of which has been kept as low as possible. This has been implemented together with the DG for Employment, Social Affairs and Inclusion as regards the Erasmus+ programme and with the DG for Communication Networks, Content and Technology, as regards the Creative Europe programme.

DG EAC has applied the principle of **economy** in particular through the respect of appropriate procurement procedures so as to minimize the cost of inputs.

Concerning **efficiency and effectiveness**, the DG has carried out monitoring and evaluation work as announced in its Management Plan 2015<sup>220</sup>.

The following two examples announced in DG EAC's Management Plan for 2015 illustrate more precisely how the DG is continuously trying to improve its functioning further and thus allowing the reallocation of its resources to the most relevant objectives.

1) **Use of IT tools to proactively monitor financial transactions**, facilitating interactivity between units within the DG, shortening lead times and improving planning efficiency and transparency. Performance within the central financial cell has been improved despite the **loss of 2 FTEs** thus realising real economy and efficiency gains.

2) **Up-dating the Traineeships office's working methods** has enabled the Commission to **reduce substantially the workload** generated in the past by the manual handling of thousands of documents. This has been completed in 2015 thanks to a) the development of a full paperless and remote assessment of anonymous applications through a secured online system; b) the simplification of the Travel costs reimbursements, by applying the Erasmus+ scheme based on unit costs, which is more simple than reimbursing real costs as previously; c) sending electronically all relevant information to facilitate the arrival of trainees one month before they start in. This initiative has been perceived positively by trainees and by the Commission services, as it relieves workload and complies with the Commission's paperless policy. As a consequence, the number of Units of DG EAC could be reduced by one with the integration of the traineeships programme at the end of the year within the Unit in charge of the Youth strand of Erasmus+.

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<sup>218</sup> According to the financial regulation (art 30), the principle of economy required that the resources used by the institution in the pursuit of its activities shall be made available in due time, in appropriate quantity and quality and the best price. The principle of efficiency concerns the best relationship between resources employed and results achieved.

<sup>219</sup> Management Plan 2015, part 3 (tables)

<sup>220</sup> See annex 9.

## 2. MANAGEMENT AND INTERNAL CONTROL

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

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

- the reports by AOSDs;
- the reports from Authorising Officers in other DGs managing budget appropriations in cross-delegation;
- the reports on control results from entrusted entities in indirect management as well as the result of the Commission supervisory controls on the activities of these bodies;
- the contribution of the Internal Control Coordinator, including the results of internal control monitoring at the DG level;
- the reports of the ex-post supervision or audit;
- the opinion of the internal auditor on the state of control, and the observations and recommendations reported by the Internal Audit Service (IAS);
- the observations and the recommendations reported by the European Court of Auditors (ECA);
- the report issued by DG BUDG on the validation of local systems in DG Education and Culture.

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

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

Because of the nature of the targeted final beneficiaries who are mostly individuals, the implementation of the EAC programmes requires a specific combination of accurate implementation with user friendliness and simplicity. The **management and control systems** have been designed taking into account the inherent characteristics of DG EAC's programmes, including the need for large scale externalisation. In order to counter the potential risks, DG EAC has strengthened the management and control structures of the programmes by the introduction of an integrated control framework, where DG EAC's controls build upon controls performed by DG EAC's partners in the implementation of the programmes.

In terms of **governance within DG EAC**, the Director-General retains overall responsibility for the management and actions of the DG; key decisions are taken after consulting the Director's Board (DB), composed of the Director General, the Deputy Director General and the Directors of DG EAC and EACEA. As the main senior management discussion body, it ensures coherence and promotes a collegial approach. The DB is supported in the decision making on budget, finance, assurance, internal control, IT and HR matters by a Director's Steering Committee, composed of the Directors of DG EAC and EACEA. Key management indicators are reported to senior management in a consolidated way in a monthly Dashboard. This

enables management to monitor where the achievement of management objectives is at risk.

The majority of financial transactions under the Commission's direct management in the EAC "domain" are delegated directly by the Commission to the Executive agencies. The DG has **a centralised financial circuit** (except for the Central Library), including in relation to the management costs of the National Agencies. Financial initiation and verification tasks have been centralised in a single financial cell in order to concentrate financial expertise and to benefit from economies of scale.

The assurance methodology retains the approach of the previous AAR and the results obtained are stable compared to those achieved in 2014.

## 2.1 Control results

*This section reports and assesses the elements identified by management that support the assurance on the achievement of the internal control objectives<sup>221</sup>. The DG's assurance building and materiality criteria are outlined in the AAR Annex 4. Annex 5 outlines the main risks together with the control processes aimed to mitigate them and the indicators used to measure the performance of the control systems.*

See below for an overview of the various kinds of executed payment appropriations:

<b>Payments 2015</b>	<b>Direct</b>	<b>Entrusted</b>	<b>Proportion</b>
EACEA	-	33.686.298	1,7%
EIT	-	227.017.581	11,6%
Erasmus+ handled by National Agencies	-	1.607.292.997	82,4%
LLP (2007-13) handled by National Agencies	-	10.156.516	0,5%
Youth in Action (2007-13) handled by National Agencies	-	920.885	0,0%
Creative Europe	7.451.216	-	0,4%
Former Culture and Media programmes (2007-13)	237.599	-	0,0%
Traineeships	7.333.041	-	0,4%
Library	2.385.109	-	0,1%
MSCA and H2020 & FP7	2.601.648	-	0,1%
Erasmus+ direct	30.608.877	-	1,6%
LLP and YiA (2007-13) direct	5.333.232	-	0,3%
Other	7.334.352	7.441.274	0,8%
<b>Total (includes EFTA, R0, etc.)</b>	<b>63.285.075</b>	<b>1.886.515.551</b>	<b>1.949.800.626</b>
	3%	97%	100,0%

<sup>221</sup> Effectiveness, efficiency and economy of operations; reliability of reporting; safeguarding of assets and information; prevention, detection, correction and follow-up of fraud and irregularities; and adequate management of the risks relating to the legality and regularity of the underlying transactions, taking into account the multiannual character of programmes as well as the nature of the payments (FR Art 32).

The objectives, indicators and assessments in this section cover all significant expenditure and revenue, financial instruments or other significant<sup>222</sup> non-expenditure items<sup>223</sup>, and the overall conclusion (table) demonstrates the completeness of the coverage by presenting the available main indicators per distinct control system.

<b>Control objective</b>	<b>Result</b>
Control effectiveness as regards legality and regularity	Controls are effective as regards legality and regularity; supervisory controls are effective as regards entrusted bodies; Multiannual residual error rate for the implementation through NAs of <b>0.64</b> (0.87% over 2011-2014);
Efficiency and Cost-effectiveness	Overall, the DG EAC cost of control is estimated to be in the range 1,38%-4,87%. Costs of control are proportional and cost effective;
Fraud prevention and detection	Suspected irregularities or fraud and ongoing investigations of OLAF had no impact on the assurance over the reporting period;
Other control objectives: safeguarding of assets and information, reliability of reporting	<ul style="list-style-type: none"> <li>• Entrusted funds appropriately safeguarded;</li> <li>• Accounting and reporting is reliable;</li> <li>• Budget execution in line with targets.</li> </ul>

### ***Coverage of the Internal Control Objectives and their related main indicators***

#### ***- Control effectiveness as regards legality and regularity***

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

Regarding the legality and regularity of the underlying transactions, the **key control objective** is to ensure that the multi-annual<sup>224</sup> residual error rate does not exceed 2% in any management mode<sup>225</sup>.

In order to **protect the financial interests of the Union**, DG Education and Culture has also set up a robust and proportionate legal framework throughout the expenditure cycle, including the prevention, detection and investigation of irregularities, the recovery of funds lost, wrongly paid or incorrectly used and, where appropriate, penalties.

<sup>222</sup> i.e. having a value of more than 10% compared to the total annual expenditure as per the AAR Annex 3 Table 2.

<sup>223</sup> These include revenue operations (e.g. assigned revenue, fines, interest); assets (e.g. (in)tangible or financial assets, inventories, accounts receivable, treasury) and liabilities (e.g. guarantees offered, sickness and pensions schemes). These are covered in the AAR Annex 3 Tables 4, 5-bis, 7.

<sup>224</sup> As the first significant audit findings on the 2007-2013 programmes were available in 2011, DG EAC assesses the legality and regularity of the management of the latter in this report over a period of five years (2011 – 2015).

<sup>225</sup> The residual risk of error is estimated by the residual error rate obtained from an examination of a representative sample of transactions less any corrections made resulting from the supervisory and control systems in place. In addition, DG Education and Culture aims to recover amounts due as a result of ex-post audits within 12 months from the completion of the audit.

## 2.1.1 Erasmus+ and legacy programmes (LLP and YiA) handled by National Agencies

DG EAC's main spending activity is the implementation of the Erasmus+ programme 2014-20 (see section "DG in brief" in introduction) and the legacy of the predecessor programmes Lifelong Learning Programme and Youth in Action through the National Agencies. Appropriations managed account for 83% of executed payments in 2015. Contribution to NA management costs by the Commission totalled € 69 million.

### *Governance*

As a consequence of the multi-annual character of the projects and programmes, the underlying transactions treated by each control stage and reflected in the multi-annual residual error rates cover the entire period of the 2007-13 programme, as well as the new programmes initiated in 2014. For example the supervisory and control framework and annual declarations pertain to the new programme, whereas the concrete transaction testing relates to the 2007-13 period.

Transactions covered by financial audits in particular have to follow a consecutive cycle whereby multi-annual transactions must be closed before the stages of random selection, contracting of audits, audit fieldwork and finalisation of audit results can be completed and included in a given year's AAR. This means the building blocks used to provide assurance derive from different periods, with the assessment of the systems relating Erasmus+ while the financial audits and reported multi-annual residual error rates relate to the predecessor programmes. As the inherent risk in each programme is relatively stable, this approach does not put into question the relevance of these results for the assurance given in the AAR.

**Under Erasmus+,** DG EAC operates an **integrated control system for management through 60<sup>226</sup> National Agencies** (NAs), under the supervision of the National Authorities (NAUs) of the participating countries<sup>227</sup>, as well as an Independent Audit Body<sup>228</sup>. For LLP and YiA the governance structure did not include an Independent Audit Body, with only the National Authority providing supervisory assurance. The primary level of controls on beneficiaries is executed by the National Agencies, who also carry out more in depth secondary *ex post* and on-the-spot controls. Independent Audit Bodies provide an opinion on the control systems of the NAs. DG EAC's supervisory controls aim (a) to obtain quantifiable error reporting through externalised financial audits and (b) to review the national control systems (primary and secondary controls)<sup>229</sup>. In addition, DG EAC received *ex ante* formal assurance from the National Authorities on the proper functioning of the control system of the National Agencies.

2015 is **the first full year** for the structures in place under the Erasmus+ legal base to enable reporting in the AAR 2015. These are covered in the relevant Internal Control Template in Annex 5.

### *Building blocks*

All individual management opinions for National Agencies are summarised yearly in

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<sup>226</sup> 60 NAs for Erasmus+, one for Switzerland handling the legacy of LLP/Youth in Action. The Erasmus+ NAs are the same entities as for LLP or YiA for 57 agencies, with the other 3 resulting from mergers of agencies from the predecessor programmes.

<sup>227</sup> See annex 5 for more details on this management mode (also including details of the approach for the 2014-20 programme) and annex 6 for the list of National agencies and corresponding amounts of appropriations managed.

<sup>228</sup> In line with the structure of indirect management in the Financial Regulation additional assurance is provided by an audit body functionally independent from the entrusted entity.

<sup>229</sup> See the Internal Control Template in Annex 5 for a detailed description of this management mode.

overall management opinions by programme<sup>230</sup>. The information was deemed reliable after additional clarifications were obtained in the context of the annual reports by National Authorities, received in the last quarter of the year. NAs faced challenges in reporting in a timely manner as they adapt to the requirements of the new programme 2014-2020, and also issues with information systems have had an impact on the reporting process. In some cases, Independent Audit Bodies were nominated late, which had a knock-on effect on the reporting.

The 2014 NA Management Declarations and NA reports confirmed in 2015 a **satisfactory level of quality** and relevance. 100% of all NA Declarations and Reports were received by the end of June. For the 2015 reporting period 23 out of 60 NAs had submitted their yearly report by the legal deadline of 15/2/16, while as at 15/3/16, 55 had done so.

The first reports of the Independent Audit Bodies were received during 2015, and have generally been adequate to support the assurance given, although further improvements will be expected and monitored in 2016.

As regards supervisory controls, DG EAC has conducted a number of financial ex-post audits and supervisory visits in 2015<sup>231</sup>.

As a result of the above, DG EAC considers it has a **sufficiently complete knowledge of the way in which its programmes are implemented by NAs**. The management information reported by the NAUs and NAs for the year 2014, which was received in 2015, was sufficient to draw full assurance conclusions, except in the case of Youth in Greece (see below).

## Key control results for assurance on National Agencies

The key supervision and control results for assurance in 2015 are: the primary controls by National Agencies, secondary controls by National Authorities (for LLP/YiA) and IAB (for Erasmus+), and the "ADEC" financial audits and supervisory visits carried out by DG EAC.

### *Primary and secondary control results*

Due to the reporting cycle of NAs, the error which can be reported in a given year's AAR is composed of data drawn from reports received during the reference year which cover control results relating to the year before. Therefore for AAR 2015, control results obtained in 2014 and reported in 2015 are used to calculate the error rate.

The **residual error rate detected by National Agencies** obtained in 2014 and reported in 2015 implementing the Lifelong Learning programme in their (random) desk controls on actions funded from the programme launched in 2011 was 0.42% for LLP (compared to 0.44% obtained in 2013 and reported in 2014). This result is statistically not significantly different over the last five years. There was no structural increase for a particular sub-programme, or programme country. On average, the multi-annual NA residual error rate over 2011-2015 for the controls carried out by NAs remains well under 1%, amounting to 0.52%<sup>232</sup>.

Although according to DG EAC's methodology, only fully closed programmes are

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<sup>230</sup> The IT tool NA Lifecard facilitates follow-up all recommendations from the Management declarations and audit opinions.

<sup>231</sup> In 2015 nine supervisory visits were carried out in nine countries, at both National Authority and National Agency level. Four National Agencies covered all fields, another four covered only the Education and Training fields and one covered only the youth field.

<sup>232</sup> This rate is before taking into account the financial audits of the NAs and the assessment of assurance. The coverage of primary controls is between 2-5%, and they are extrapolated in order to come to a residual error rate.

currently included in the residual error rate, the data for programmes which are still running are consistent with a residual error rate under 1%. The number of items tested by the National Agencies and reported in 2015, are as follows:

For LLP:

Desk checks on supporting material (as of 31st Dec 2014)	Number of contracts	Number of checks (to date)	Residual error rate
LLP agreement 2011	40.384	10.904	0,42%
LLP agreement 2012	43.966	11.090	0,58%
LLP agreement 2013	40.540	6.316	0,35%

Similar figures are available for Youth in Action:

On-the-spot checks after the action (as of 31st Dec 2014)	Number of contracts	Number of checks (to date)	Residual error rate
YiA agreement 2011	6.868	180	0,40%
YiA agreement 2012	8.739	158	0,23%
YiA agreement 2013	9.878	63	0,36%

For Erasmus+, verified data on residual error rates will only be available from AAR 2016.

#### *Supervisory control results*

As regards the **supervisory review** of the submissions made to DG EAC by the National Agencies and Authorities, the indicator set on the number of outstanding very **important recommendations** showed overall a slight deterioration as compared to the previous reporting (end 2013) for all key control areas. Compared to the situation of end 2014, at the end of 2015 there has been an increase in the number of open recommendations (from 6 to 15) as well as key control areas affected (from 3 to 5, being monitoring and supervision activities by National Authorities, checks of grant beneficiaries, grant award procedures, management supervision and segregation of duties). The increase of open very important recommendations is mainly the case in the field of checks of grant beneficiaries (7 open recommendations).

On the basis of a risk-based **supervisory visit** made in 2015 to an NA competent for the education and training field, one critical observation was issued and addressed to the National Authority. The issues were solved and the recommendation could be closed at year-end.

In one case, opinion of full assurance could not be given in 2015 : i.e. Youth agency in Greece (no assurance regarding YiA (0.156% of multi-annual entrusted amounts)<sup>233</sup>. The Commission in cooperation with the NAU will ensure **reinforced monitoring** in 2016. In December 2014 further payments were suspended to the Greek National Agency in charge of the Erasmus+ programme in the field of Youth. In December 2015, the new National Authority for Erasmus+ informed the Commission that it would repeal the previous decision to transfer the youth part of the programme to the NA competent in the field of education and training, and would re-designate the previous National Agency for youth to manage the youth part of Erasmus+. Until a new ex-ante compliance assessment needed for this re-

<sup>233</sup> There is no financial impact for the financial year 2015, as payments were suspended.

designated National Agency is completed all activity is frozen in this area. With no transactions being made, the financial risk is therefore very minor.

All 59 remaining agencies (including Switzerland) are considered to have given reasonable assurance. It should however be noted that the assessment under the new reporting framework has generated an increased number of NAs which have required concerted follow-up by DG EAC and the relevant National Authority to finally obtain reasonable assurance. These cases will be followed up in detail during the 2016 exercise. Based on the conclusions above, **DG EAC's methodology for defining the materiality criteria**<sup>234</sup>, which received a positive assessment<sup>235</sup> from the European Court of Auditors in its Annual Report 2009, foresees the application of the following error rates for the different groups of NAs, which were identified in particular on the basis of the reporting by Authorising Officers by sub-delegation on the use of resources<sup>236</sup>.

NAs/NAUs with no assurance:	20%
NAs/NAUs with partial assurance:	5%
NAs/NAUs with acceptable assurance: combined multi-annual residual error rate detected in financial audits and primary controls by NAs	0.61%

In terms of the contribution to the residual error rate, 0,02% relates to the multiannual effect of NAs with partial or no assurance.

The results of the **supervisory controls** by DG EAC, which consist of "ADEC" financial audits carried out at EU level as mentioned above showed a low level of error at the level of the National Agencies. Approached from a multi-annual perspective<sup>237</sup> and taking into account the impact of recoveries, the results show a modest 2011-2015 detected error rate of 0.11% (LLP: 0.02%; YiA: 0,70%). Management costs of the National Agencies have been reviewed and no issues of legality and regularity were detected.

Assuming that the error rate detected in primary controls in YiA is equal to the one found for LLP<sup>238</sup>, the resulting combined multi-annual residual error rate observed from controls and audits is 0.64% (0.87% in AAR 2014)<sup>239</sup>. The coverage

<sup>234</sup> See Annex 4 on materiality criteria.

<sup>235</sup> Overall assessment of reliability level "A". See annex 7.3 of the Annual Report of the European Court of Auditors 2009, OJ C303 of 9.11.2010, p.171

<sup>236</sup> For the multi-annual approach, NAs that were considered lacking reasonable assurance in the past are only included in the calculation of this year's error rate if the observed past weaknesses have not been corrected yet (which is again the case for Greece in 2015).

<sup>237</sup> 48 audits over 2011-15 covering 48 out of the 75 NAs for the 2007-13 programme and a cumulative budget coverage of 75-80%.

<sup>238</sup> Due to the slightly different structure of ex post controls for YiA NAs (resulting notably from the average smaller size of the supported projects), this detected error rate is only available for LLP. As YiA NAs verify supporting documents systematically ex ante, which is not the case for LLP, the corresponding ex post error rate is likely not to be higher than for LLP. Assuming the same error rate for YiA as for LLP therefore seems a cautious approach.

<sup>239</sup> Although recoveries are made following audits of NAs, there is no material effect on the error rate on a multiannual basis so the residual and gross error rate are effectively the same. The error rate combining the results of financial audits and primary ex post controls is calculated as follows:

$$(A_{LLP} + P_{LLP}) * w_{LLP} + (A_{YiA} + P_{YiA}) * w_{YiA}$$

where:  $A_X$  = error rate observed in financial audits for programme X

$P_X$  = Primary ex post control error rate for programme X

of the residual error rates observed by the financial audits of NAs and by the NAs' primary controls is indeed complementary and there is only little overlap between the two. While NA primary controls are designed to detect errors from beneficiaries that were not detected by the *ex ante* control system in the NA, financial audits focus on errors made by the NA (both *ex ante* and *ex post*)<sup>240</sup>. It has, therefore, been decided to add both error rates when calculating the residual error rate under indirect management through NAs.

The Director responsible for the implementation of the Erasmus+, LLP and YiA programmes has issued an opinion that National Authorities and National Agencies have put in place appropriate management and control systems and that they function effectively so as to give reasonable assurance on the legality and regularity of the underlying operations, with lack of assurance for one agency. She considers that National Authorities and National Agencies have put in place appropriate management and control systems and that they function effectively so as to give reasonable assurance on the legality and regularity of the underlying operations.

**Management's factual conclusion on the control results:** This leads to an aggregate 2011-2015 residual error rate for the implementation through NAs of 0.64% (0.87% over 2011-2014). As this is below the 2% threshold, there is **no need to make a reservation for this management mode**.

## 2.1.2 Supervision of Executive Agencies (EACEA and REA)

### Governance

The Commission retains a **supervisory role** of the activities of the agencies. The supervisory measures are implemented taking account of the structure and maturity of the respective agencies, as well as the status of DG EAC as a parent DG *vis-à-vis* the other parent DGs. The Directors of the Executive Agencies (EA) falling under DG EAC's responsibility give assurance on the use of the funds delegated to them in their Annual Activity Reports (AAR). Each of the Executive Agencies receives its delegation to implement the operational budget (programmes) directly from the Commission. Consequently, the Executive Director of the EA is the Authorising Officer by Delegation (AOD) and produces an AAR providing assurance on this expenditure under direct management by the EA. However, the operating (administrative) budget of the EA is financed through a subsidy contribution from the Parent DG(s), which is expenditure authorised by the AOD in the Parent DG(s), for which the Director of the Agency is Authorising Officer. Therefore this expenditure must be covered by the AAR and declaration of assurance by the AOD in the Parent DG(s) and is treated within this section.

### Building blocks

Given that the EACEA and REA execute parts of programme supervised fully or partly by DG EAC, their related **primary and secondary control systems** are similar to those of the Parent Directorate Generals. EACEA carries out a multi-annual audit strategy on its beneficiaries using a contracted external auditor. REA's ex-post audits are performed in the context of a common audit strategy with the Research family DGs, with specific audits for the relatively low-risk People FP7 and MSCA H2020 sub-

(here:  $P_{LLP} = P_{YiA}$ )

$W_X$  = budget weight of programme X in total budget

<sup>240</sup> While NA primary controls may also detect errors made by the NA (which would constitute an overlap with ADEC audits) this is not their primary objective and the number of cases can be assumed to be limited.

population<sup>241</sup>.

The consumption of each EA's administrative budget has been **monitored** on a monthly basis, with significant budget revisions approved by the Steering Committee. Executive Agencies have overall maintained their budget execution in line with revised forecasts over the year.

### *Supervisory controls*

The EA Director's declaration of assurance is complemented by the monitoring and **supervision on the functioning of the EA**, which enables a close scrutiny via the Steering Committee of the alignment of implementation of policy objectives, through:

- The assessment of the EA's new or amended legal acts and procedures;
- The systematic monitoring of EA through its Steering Committee complemented with periodic horizontal coordination meetings at various appropriate levels;
- The assessment of the periodic reports of the EA together with a structured monitoring of performance indicators in relation to the objectives of the Agency (including the error rate of *ex post* audits of projects) and of the management cost per programme;
- The implementation of the internal control standards in EA that have been externally evaluated as being of a satisfactory level;

The monitoring of the implementation of the action plan following each EA's 'three-yearly' evaluations, including its monitoring visits carried out as planned, as well as the audits carried out by the various bodies that audit the Agency, Internal Audit Service of the Commission (IAS) and European Court of Auditors (ECA) and the validation by other bodies of EA's systems (e.g. DG Budget's compulsory annual validation of the EA's accounting systems), in order to verify that policy objectives are reached in an effective, efficient and economic manner.

### *Supervision of REA*

The REA Director's declaration of assurance is complemented by the monitoring and **supervision on the functioning of REA** through the same elements as listed above, but the scope of the supervision measures is adapted to the specific context:

- REA intervenes in the implementation of (only) one programme on behalf of DG EAC, falling under the responsibility of one operational unit in the DG;
- DG Research and Innovation acts as lead parent DG, being responsible for the budget line and payment of the operating subsidy and for completing the formal Commission legal procedures (e.g. Delegation Act, Steering Committee, Annual Work Programme) for REA.

## **The Education Audiovisual and Culture Executive Agency (EACEA)**

### *Control results*

In summary, EACEA requires **reservations on the predecessor programmes**, where the use of an actual cost approach makes the inherent risk of error high, and which has been addressed at the level of programme design for the 2014-20 period by the introduction of scales of unit costs, lump sums and flat rates. Data is not yet available to provide the error rate for Erasmus+ and Creative Europe due to the lack

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<sup>241</sup> See for more details the related ICT in annex 5 and the EA's own AAR.

of closed projects at this stage.

The value at risk amounts to 1.87% (0.72% over 2011-2014) of the total payments budget of EACEA for the same period (€10,7 million from a total of €570 million). The errors concern mainly the difficulties encountered by some beneficiaries in producing adequate justifying documents and the non-respect of some eligibility rules under the criteria of reimbursement of actual costs. All errors identified were recovered.

In its Annual Activity Report (AAR) 2015, **EACEA has maintained its AAR 2011 reservation** on the management of the **(2007-2013)** Lifelong Learning Programme (LLP) because of the occurrence of significant errors in the underlying transactions found through ex post controls by external auditors<sup>242</sup>. The multi-annual detected error rates is 4.52% of the LLP programme for 2011-2015 (4.39% over 2011-2014). In addition reservations have been made for the Culture and Youth in Action programmes due, among other factors, to the effect of specific closed audits with a particularly high error rate, bringing the detected error rate above 2% for 2015. As this situation has been presented transparently in EACEA's AAR based on their consultation with the central services, no reservation is required by DG EAC in this case as regards its supervisory role as parent DG.

The Agency had continued to implement the **action plan** adopted in response to the reservations made in its annual activity reports 2010 (Culture and Youth programmes) and 2011 (LLP), and had also decided to implement additional actions, with the aim of improving the desk control strategy on on-going projects and having an impact on the LLP error rate at a shorter term. Although the action plan should have a mitigating effect on this error rate, it is likely to be persistent with respect to the LLP programme, as most of its grants are budget-based "actual cost" schemes which are much more prone to difficulties in terms of eligibility of costs. EACEA has calculated since 2012 error rates on a multi-annual basis. While these actions are expected to result in some reduction in errors, a more sustained improvement is only foreseen in the period 2014-2020 via the switch from cost-based grants to grants based on lump sums or flat rates under the future Erasmus+ programme.

The difference in error rates experienced by EACEA for LLP and Youth compared with the NAs can be explained by the nature of the actions. While the latter mainly deal with European-wide cooperation projects for which the coordinator is responsible for financial management, the NAs mainly deal with individual mobility, smaller partnerships and some cooperation projects; these are simpler in nature and make greater use of lumps sums.

**Key indicators** of EACEA have either met or surpassed target over the last four years. In terms of the subsidy paid by EAC (€33 million), the EA has justified its use and any unused appropriations have been recovered by the parent Directorate Generals.

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<sup>242</sup> See EACEA AAR based its own 2011-2015 error rates on the results of approximately 120 ex post audits per year.

During the reporting period, no specific difficulties were encountered and no weaknesses are to be reported on the budget lines for the EACEA subsidy.

In contrast, for the management of *operational* appropriations, EACEA has maintained since 2011 a reservation on the LLP programme 2007-2013 and added a reservation for the Culture programme 2007-2013 under its revised multi-annual calculation of the error rate.

For this AAR of DG EAC, **no financial or reputational reservation** is required, given that there is no weakness in terms of DG EAC's supervision responsibilities, and the situation with respect to the amount at risk has been transparently presented in the EACEA AAR 2015.

## The Research Executive Agency (REA)

### *Control results*

DG EAC acts as **one of the parent Directorate Generals** of the **Research Executive Agency (REA)**, which is responsible for implementing the major part of the People programme, DG Research and Innovation being the lead parent DG for REA. The implementing of the 2014-20 Marie Skłodowska Curie Actions (MSCA) programme delegated to REA represents with € 825 million (701 million in 2014), 53% of REAs financial activity. In terms of AAR reporting, as the MSCA, forming part of H2020, do not have a sufficient number of closed transactions to be auditable, thus control results are not available the assurance given is related to the People programme under FP7. No issues are noted regarding DG EAC's contribution to REA's operating costs, which has received a consistently clean opinion from the European Court of Auditors.

In its AAR 2015, **REA has not made a reservation regarding the 2007-13 FP7 People programme** supervised by DG EAC, based on specific audits for this low-risk segment. The development of the error rate under the People programme, insofar as it shows a lower impact due to the different nature of its regularity risk compared to FP7 as a whole, with the results of representative audits in this area having now reached a reasonable volume<sup>243</sup>. The 0.93% estimated error rate (1.27% in AAR 2014) on projects audited ex post under the representative strand for the People programme is estimated to have a budgetary impact<sup>244</sup> on EU funding granted of 0.76% (1.08% in 2014). Given the low number of audit findings, this error rate cannot be regarded as a statistically reliable estimate but corroborates the assessment of a low risk level of legality and regularity errors inherent to the People programme. The financing modalities for researchers mobility grants are based on an extensive use of flat rates and remain much simpler compared to other parts of FP7. The impact in terms of unjustified EU funding of the main type of error (i.e. underpayment of searchers) remains relatively low. The Director of REA confirms that he has sufficient assurance on the proper use of resources and that the available control procedures provide the necessary guarantees on the legality and regularity of underlying transactions for the programme managed for DG EAC.

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<sup>243</sup> See REA's AAR. Final audit findings are available for 160 audits over 2009-2015 of which 124 under the representative strand.

<sup>244</sup> The difference between the gross error rate and the budgetary impact is due to the fact that some negative adjustments detected through an audit relate to the (e.g. annual) reporting period, but will not have budgetary impact on the (multi-annual) project because the eligible costs and financial contribution are normally corrected at the final payment stage.

Based on the regular reporting and monitoring activities carried out during the period, supervision of REA appears effective for the elements relevant to DG EAC. No reservation is required given that there is no weakness in terms of EAC's supervision responsibilities.

As regards DG EAC's specific participation, REA's 2015 Annual Activity Report showed **no reservation on the FP7 2007-13 People programme**, despite the reservation on its other FP7 programmes. This is due to the more favourable design of the grant scheme, with greater use of lump sums and unit costs making errors less likely. For this AAR of DG EAC, no financial or reputational reservation is required.

### 2.1.3 Supervision of the European Investment Fund

#### *Governance*

As mentioned above (see section 1.2.2.2), at the end of 2014, DG EAC signed the Delegation Act with the European Investment Fund (EIF) as foreseen in the Erasmus+ legal base, for the implementation of the Student Loan Guarantee Fund. A limited amount of administrative start-up fees have been paid to the EIF during 2015 to launch the two aforementioned student loan schemes in Spain and France. With a cap at 90% for an individual loan and at 18% of the total portfolio volume, the EU risk is limited to 16% of the total loan amount. No operational payments to the Financial Intermediaries have yet been necessary as no defaults have occurred which would result in the guarantee being called.

The supervision framework with respect to the EIF is governed by a Financial Administrative Framework Agreement common to all instruments and a Delegation Agreement based on a template provided by central services which DG EAC has applied with no major derogations. DG EAC exercises its supervisory and operational control via the Steering Committee for the instrument.

#### *Building blocks*

The reporting assurance is reinforced under the indirect management mode with an annual declaration of assurance, including on the results of monitoring and control of Financial Intermediaries, and an Independent Audit Opinion. DG EAC has agreed modalities for the reporting of the independent audit body using agreed-upon-procedures, and will reassess their effectiveness based on the results of the first reporting period. Asset management is outlined in the "safeguarding of assets" section below.

#### *Control, supervisory and audit results*

The agreed-upon-procedures report was received from the EIF's external auditor in accordance with the Delegation Agreement on 15 March 2016. No issues were noted as a result of the procedures carried out.

Due to the currently low financial exposure, **DG EAC does not consider there is any significant assurance risk for EIF** attached to the administrative fees paid during 2015 or arising from its supervisory activities as member of the Steering Committee and designated service for the instrument during the year.

### 2.1.4 Supervision of the European Institute for Innovation and Technology

The executed payments regarding EIT in 2015 represent 11,6% of the total, or €227 million, of which €4.5 million is the operating budget of the EIT itself.

#### *Governance*

The Governing Board of the EIT is entrusted with the role of strategic leadership and the overall direction of the operational activities implemented by the EIT Headquarters. It is independent and autonomous in its decision-making and is responsible for the selection, evaluation and support of the Knowledge and Innovation Communities (KICs). The Executive Committee supports the activities of the Governing Board (GB) by overseeing the implementation of its strategic decisions. It consists of the EIT Governing Board Chairperson and three appointed Governing Board Members.

In accordance with the EIT Regulation, the European Commission has appointed an observer from DG EAC to take part in the meetings of the Governing Board and of the Executive Committee.

DG EAC as parent DG supervises EIT's operational and administrative activities, as defined in the relevant regulations and via Memoranda of Understanding and Working Arrangements.

#### *Building Blocks*

EIT is responsible for the primary and secondary controls on KICs activity. EIT's primary controls consist of administrative checks which are augmented by audit certification on the major items of expenditure in accordance with the H2020 methodology. Secondary controls are assured by *ex post* audits after payment on a representative and risk basis. EIT also maintains an in-house internal audit capability to provide recommendations to improve sound financial management.

In addition to carrying out its supervisory function as the parent DG, in 2011, the Commission granted **conditional financial autonomy** to the EIT. Meanwhile DG EAC has retained the competence to provide additional *ex ante* verification regarding two significant modes of implementation (i.e. "Knowledge Innovation Communities" (KIC) grant management and high value tender procedures), according to agreed arrangements<sup>245</sup>.

External to the EIT, the IAS is its internal auditor as defined in the framework financial regulation<sup>246</sup>. The European Court of Auditors is the external auditor in the context of the EIT's annual discharge, covering the entire budget of operational and administrative appropriations, and also provides recommendations via special reports. They are therefore valuable inputs for DG EAC in evaluating the performance of the EIT.

#### *Control, supervisory and audit results*

During 2015 the EIT expressed its intention to request the launching of a process leading to full financial autonomy, which would result in DG EAC eliminating its additional *ex ante* control of high-value procurement and of the transactions related with the annual grants to KICS.

DG EAC is planning its assessment of the EIT's state of readiness and considers there to be a possibility of granting autonomy during 2016.

In 2015 the EIT GB launched a procedure for the selection of a new EIT Director. This procedure is still ongoing.

As with Executive Agencies, DG EAC does not carry out direct audits or controls on the EIT or the KICs, apart from its additional *ex ante* controls described above, for which no error rate is applicable.

The control results of the EIT's audits showed a residual error rate below 2%

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<sup>245</sup> See the related ICT in Annex 5 for more details on this management mode.

<sup>246</sup> OJ L 328, 7.12.2013, p. 42–68

(0,69%)<sup>247</sup>, with no reservation being necessary in EIT's 2014 AAR. The Declaration of Assurance given by the European Court of Auditors for 2014 indicates that the EIT's accounts were true and fair and that the underlying transactions were legal and regular.

The **IAS** has been active during 2015 assessing EIT's KIC call in 2014, making recommendations to improve transparency, stimulate competitive process, enhance legal certainty of the final decisions and better handle conflicts of interest. The IAS final audit report did not result in any critical or very important recommendations. Furthermore, the IAS performed a 2nd follow-up engagement on a Limited Review of Grants. The closure of two very important recommendations was conditional on the signature of the Framework Partnership Agreements that have been actually signed beginning of 2016. Additionally, one action concerning the grant assurance strategy is still pending to be closed.

Previous recommendations regarding human resources have now largely been met, while the above recommendations are being addressed in cooperation with the Governing Board, and in some cases with the assistance of external consultants. In particular the EIT has launched the redesign of its KPIs to better assess KIC performance and has recently adopted a comprehensive Monitoring Strategy.

The **Court of Auditors** has carried out a performance audit on EIT, to be published in April 2016. The **Court of Auditors** has also audited during 2015 the use of grants by several Agencies, including the EIT. The report is not yet finalized.

DG EAC therefore considers **it has sufficient assurance for EIT at the supervisory level with regard to 2015**, but will continue to follow up the implementation of all outstanding matters and ensure financial autonomy is only granted after substantial justification and objective evidence.

## 2.1.5 Direct management

### *Governance*

**DG EAC** has a small remaining amount of direct expenditure (3% of executed payments during 2015) which is managed directly via centralised financial circuit, except for the Central Library.

### *Building blocks*

As mentioned above, financial initiation and verification tasks have been centralised in a single financial cell in order to concentrate financial expertise and to benefit from economies of scale.

Ex post audits of actions implemented by direct management by the DG through cost based grants (approximately 2% of executed payments) are carried out by an external audit firm and based on a random selection method (MUS) across all such

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<sup>247</sup> The EIT selected 14 KIC Partners purely on a random basis in addition to 16 Partners selected based on risk assessment. The total EIT grant audited in the risk-based and random samples were EUR 24,341,487.40 and EUR 4,821,784.97, respectively. All final audit reports were received by the EIT by 15 May 2015. On the basis of the audit results, the EIT initiated the recovery of EUR 263,239.16. As the total amount of grant audited under 2013 Grant Agreements was EUR 29,163,272.37 for the 30 KIC Partners selected, the detected error rate in the audited sample is 0.90%. As the detected error rate of 0.90%, as well as the residual error rate of 0.69%, is well below the materiality level of 2% established in the EIT's control strategy and used by the European Court of Auditors, the EIT considers that grants paid as part of 2013 Grant Agreements are free from material errors. <http://eit.europa.eu/sites/default/files/EIT%20GB%20Decision%20-%20Annual%20Activity%20Report%202014.pdf>

transactions of the DG, which provides a sound basis for applying the results of the controls to the full sub-population. In addition to ex-post grant audits, additional ex post controls have been carried out for additional categories of transactions such as expenditure under procurement contracts and corporate services (Traineeship Office, Central Library).

#### *Control results*

**Authorising Officers by sub-delegation** have reported no issues that would put into doubt the assurance on this management mode, and accounting controls indicate the regularity and legality of transactions introduced in ABAC are reliable.

No financial errors were detected as a result of the ex post controls apart from on projects.

The multi-annual residual error rate **for DG EAC's direct management by the DG** is **0.66% over 2011-2015** (0,87% over 2011-2014), which is below the 2% threshold. For all the reasons above, it is considered that **DG EAC has reasonable assurance on direct management for 2015**.

### **2.1.6 Amount at risk**

*In the context of the protection of the EU budget, at the Commission's corporate level, the DGs' estimated overall amounts at risk and their estimated future corrections are consolidated. For DG EAC, the estimated **overall amount at risk**<sup>248</sup> **for the 2015 payments made is 15,2 M€**. This is the AOD's best, conservative estimation of the amount of expenditure authorised during the year (1.950 M€) not in conformity with the applicable contractual and regulatory provisions at the time the payment is made.*

*This expenditure will be subsequently subject to ex-post controls and a small<sup>249</sup> proportion of the underlying error will be detected and corrected in successive years. The **conservatively estimated future corrections**<sup>250</sup> **for those 2015 payments made are 0,19 M€**. This is the amount of errors that the DG estimates to identify and correct from controls that it will implement in successive years.*

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<sup>248</sup> In order to calculate the weighted average error rate (AER) for the total annual expenditure in the reporting year, detected, estimated or proxy error rates have been used (not the RER).

<sup>249</sup> Corrective capacity is limited by the fact that DG EAC transactions are generally high volume, low value, so the impact of individual corrections is low.

<sup>250</sup> This estimate is based on recovery orders issued in 2015, as the recoveries made in future years are expected to be in line with this value rather than of the period since 2009, where some recoveries which did not relate to irregularities were erroneously included, or recoveries were of a "one-off" nature which is unlikely to be repeated.

2015		
Amount at risk	Distinct elements	Rate
<b>GROSS</b> Weighted average error rate calculated/estimated for DG EAC, in %, for the total of 'payments made' in 2015		
EACEA	<b>33.686.298</b>	0%
NAs	<b>1.625.811.672</b>	0,64% <sup>251</sup>
EIT	<b>227.017.581</b>	2,00% <sup>252</sup>
Direct Management	<b>63.285.075</b>	0,73% <sup>253</sup>
Total as per annex 3 (incl. EFTA, RO, etc.)	<b>1.949.800.626</b>	
"implied" amount at risk for the year 2015, in € units, calculated as the weighted average error rate in % (above) x the 2015 payments made (in line with table 2 of annex 3)		<b>15.419.168</b>
Estimated future corrective capacity in 2015 based on the recovery context table 8 in annex 3, as received from BUDG and reported in the AAR 2015 (up to one decimal figure)		<b>0,01%</b>
"implied" corrective capacity for 2015 in € units, calculated by applying the corrective capacity % (above) x the 2015 payments made (in line with table 2 of annex 3)		<b>194.980</b>
Overall amount at risk		<b>15.224.188</b>

- **Efficiency and Cost-effectiveness**

Based on an assessment of the most relevant key indicators and control results, DG EAC has assessed the **cost-effectiveness and the efficiency of the control system** and reached **a positive conclusion**.

Regarding efficiency, for 2015 all financial indicators have remained satisfactory, i.e. below target ceilings. For instance, the average payment time for the whole DG (18 days) has been maintained at a better level than target since 2012. In terms of legal time limits, the overall percentage of late payments has equally been stable since 2012 (2% in 2015).

In line with Commission-wide policy, in recent years DG EAC has also made a concerted effort to increase the proportion of front-line operational staff and decrease the proportion of administrative support, budget and co-ordination staff. The percentage of staff with an operational profile has risen from 60% in 2010 to 70% at the end of 2015.

N.B. The location of two corporate services in EAC (the Central Library and the Traineeship Office) inflates the proportion of administrative support staff. Excluding corporate staff, EAC's share of operational staff was 76% at the end of 2015.

Regarding cost effectiveness, DG Education and Culture has made an initial estimation of the costs of the resources and inputs required for carrying out the controls described in annex 5 and estimates, in so far as possible, their benefits in terms of the amount of errors and irregularities prevented, detected and corrected by these controls but also in terms of non-quantifiable errors. This approach emphasises the core financial and operational checks of the controls chain, and may

<sup>251</sup> Gross error rate is 0,64% with ,001% Commission recoveries (ADEC) added back = 0,641%

<sup>252</sup> In order to ensure the most conservative estimate possible in the context of a positive legality and regularity opinion, the maximum limit of 2% has been used.

<sup>253</sup> Gross error rate is 0,66% with recoveries of ,07% added back = 0,73%

be complemented in future years if more detailed analysis or more specific methodologies are available.

The DG's **control strategy** is based on a single integrated control chain framework in order to provide a reasonable assurance throughout the project cycle. In order to better reflect DG EAC's specificities, the approach taken to assess cost-effectiveness of controls is based on the logic of building blocks of assurance and a single integrated control framework. DG EAC differentiates the frequency and the intensity of the controls – in view of the different risk profiles among its current and future transactions and of the cost-effectiveness of its existing and alternative controls, in particular as outlined to National Agencies in the programme implementation guidance. Under the current generation of programmes and for 2007-2013, Executive Agencies and all entrusted entities are always responsible for the primary level of controls in order to ensure the protection of the Union's financial interest. For all management modes, DG EAC is responsible for the controls at Commission level, so all reported costs of controls are presented as a percentage of the total budget. However, **EAs have been excluded from the calculation taking into consideration their specific AAR reporting obligations.**

Following the same methodology as in 2014, DG EAC's initial estimate is that the cost of controls in total regarding its overall activities is between **a minimum of 0,49% (2014 - 0,41%)** (based on FTEs who performed "checks") **and a maximum of 1,00% (2014 - 1,24 %)** (based on FTEs who performed "controls" in a broad sense).

When also taking into account "**primary level of controls performed by its entrusted entities**"<sup>254</sup>, the estimation of their cost of controls based on their operating grant regarding their overall activities is **between a minimum of 0,94% (2014 - 0,65%)** (for "checks" based approach) **and a maximum of 4,08% (2014 - 3,81%)** (for broaden "controls" approach).

Consequently when adding the two layers of controls, **the global cost of control is between a minimum of 1,38% (2014 - 1,02%) and 4,87% (2014 - 4,85%) of the budget managed (EAs budget excluded).**

EUR million	Maximum ("Broad chain of Controls") *	Minimum ("Checks")
Amount** managed by DG EAC	1.956	1.956
Of which cost of controls at Commission level (%)	<b>1,00%</b>	<b>0,49%</b>
Amount** managed by entrusted entities only	1.854	1.854
Of which cost of controls at primary level as a percentage of commitments managed by entrusted entities only except EAs (%)	<b>4,08%</b>	<b>0,94%</b>
<b>Total cost of controls %***</b>	<b>4,87%</b>	<b>1,38%</b>

\* Controls as defined in a broad sense: may involve various "checks", as well as the implementation of any policies and procedures to achieve objectives

\*\*Amount defined according to Activity Based Budget (ABB), except Executive Agencies.

\*\*\* (Commission level cost of controls + Entrusted Entities cost of controls in value)/ Amount managed by DG EAC X 100 = % Total cost of controls

<sup>254</sup> Mainly NAs and EIT

**Our assessment is that these costs are proportional and cost effective** given the likely risk of error if such controls were not in place, and the requirement to ensure an error rate below 2%.

More specifically, while the EAC-related budgetary "domain" totals € 3.0 bn (ie including operational budget executed by EACEA and REA), DG EAC 'own' budget is €2.0 bn in 2015.

Indeed, DG EAC's budget is largely entrusted to National Agencies (86%). While most of DG EAC's FTEs are performing policy-related tasks, some FTEs carry out **supervisory controls on these National Agencies** (methodology and guidelines, supervisory visits, etc.). These are estimated to represent **approximately 31 FTEs or €4,2m in 2015**.

**In terms of additional disclosure, DG EAC's supervisory controls on executive agencies**, the EIF and the EIT **represent approximately 5,7 FTEs or €0.76m**. For EACEA's and REA's checks and controls, detailed calculations by control stage for the budgets handled by EACEA and REA are available in their respective AARs.

DG EAC's other types of expenditure (direct grants, central library, traineeships, procurement) representing less than 10% of total budget managed and less than 10% of the FTEs devoted to control and therefore are not analysed in detail.

As regards **benefits of controls**, at present, since a quantitative estimation of the total volume of errors prevented and detected is not available, it is not possible to quantify the related benefits, other than the amounts recovered as a result of these controls (€0,2m in 2015, €1.5m in 2014). For quantifiable benefits, for the first two years, this can be estimated using the hypothetical "no control" scenario, which would involve estimating the error which would result if all controls were taken away. A very prudent estimation, is that a 15% error rate would be the minimum if the Commission or its intermediaries performed no controls at any stage. This in a general way shows that the control framework in place does not cost more than it "saves" in total.

Quantifiable benefits alone do not present the true situation with regard to the **cost-effectiveness of controls**. Non-quantifiable benefits resulting from deterrent effects of controls, the implementation of a sound management and control system, the positive reputational effect in the context of a substantial increase in the budget granted to DG EAC with the 2014-2020 Multi-annual Financial Framework, have to be taken into account to reach an informed conclusion as to the relative cost-effectiveness of the controls.

Overall, the DG EAC cost of control at 1,38%-4,87% of the budget managed (see table above) is a prudent and conservative estimate. The structures in place are therefore considered to be cost-effective.

#### - **Fraud prevention and detection**

Within DG Education and Culture, the controls aimed at preventing and detecting fraud are not unlike those intended to ensure the legality and regularity of the transactions (the unintentional errors). Each year DG EAC reviews all reporting from National Agencies on possible fraud or irregularities. In 2015, none of them has required particular precautionary measures.

DG EAC is also regularly called upon to contribute to ongoing OLAF investigations or to organise the follow-up to completed OLAF investigations. €0,1m of financial prejudice to the EU budget resulting from fraud was established in final OLAF case reports concerning DG EAC received during 2015. One case was referred to OLAF

and none to IDOC during 2015 by DG EAC.

**DG EAC has developed and implemented its own anti-fraud strategy (AFS)** since 2014, elaborated on the basis of the methodology provided by OLAF. It is planned to be updated during 2016, and has been supplemented with a lower-level procedural document, covering how cases are referred and followed up.

DG EAC has conducted awareness raising activities covering direct and indirect management in line with the DG's new organisation which will guide further implementation of the strategy. Presentations were made to National Agencies and Initiating Agents in direct management, thereby covering the entire budget covered by this AAR. DG EAC also coordinates its activities with entrusted entities (EACEA, REA, EIT, and EIF) in the area of anti-fraud.

Considering the level of fraud impact faced by the DG, in particular the financial prejudice recorded by the European Anti-fraud Office in the remit of DG EAC, the residual risk of fraud does not justify additional temporary measures until full implementation of the AFS. DG maintains tight cooperation with OLAF and follows the small number of ongoing cases closely. Therefore it is possible to conclude positively on assurance in respect of fraud risk.

Suspected irregularities or fraud and ongoing investigations of the European Antifraud Office (OLAF) had no impact on the assurance over the reporting period.

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

For 2015, the performance of DG EAC has been satisfactory as regards the use of resources and the reliability of reporting. Key indicators are monitored by senior management through a monthly Dashboard and during the year, effective corrective actions have generally been taken, particularly in the fields of human resources, budget execution and document management

***Safeguarding of assets***

DG EAC has entrusted management of funds related to the Student Loan Guarantee Fund Financial Instrument to the European Investment Fund (EIF), as stipulated in the Erasmus+ legal base. EIF manages a minimum reserve (set at €10m in the Delegation Act, revised in mutual agreement to €5m in early 2016), and will also manage non-Euro currency once non—Eurozone financial intermediaries are participating in the instrument. Asset management is conducted via the "Asset Management Designated Service (AMDS)", DG ECFIN, according to agreed Asset Management Guidelines (AMG). The main asset management goal is to maintain the value the fiduciary account in the context of a negative interest rate environment.

Pre-financing is managed and controlled mainly in the context of Delegation Agreements with National Agencies.

***Accounting controls***

In the context of the accounts quality exercise, DG EAC implemented its programme of regular controls in order to verify the correctness and completeness of the accounting activities in the DG. Two types of controls were carried out:

*Controls on the accounts:* These are the checks proposed by DG Budget in the context of the accounting quality revision programme. Regarding reliability of reporting, DG BUDG in 2015 conducted a review of local systems, with no critical or very important findings or recommendations. *Accounting controls on files via an ex post control procedure:* DG EAC's Financial Management Report for 2015 submitted to the Directors Steering Committee without observations.

## **Budget execution**

The total available budget including all types of appropriations in DG EAC's domain amounted to EUR 3.365 billion in commitment appropriations (CA) and EUR 3.378 billion in payment appropriations (PA). Overall execution (all appropriations) end of December reached 97% in commitments (same % as 2014) and 92% in payments (vs 90% in 2014).

In terms of voted appropriations (C1) of the year:

Commitments appropriations: despite a very marginal amount for a preparatory action under chapter 15.02 and for a pilot project under chapter 15.04, the operational credits show a 100% execution rate. As regard the administrative expenditures, the execution rate reached nearly 100%.

Payment appropriations: The overall execution rate reached 99,6% of available appropriations. The operational credits have largely been fully executed except for minor amounts under Erasmus+ and Creative Europe and for two preparatory actions. However, the overall execution rate for administrative expenditures reached 81% only, slightly under the overall forecast (86%). In particular, the "Support expenditure for Creative Europe" reached only an execution rate of 7% against a forecast of 42%.

## **Cross-sub-delegations**

Cross-sub-delegations represent €8,13 million in CA and €5.915 million in PA. The total executed CA represents 94% and 98% in PA. The Authorising Officers by Delegation of other DGs have all submitted their reports on the 2015 activities as foreseen in cases of crossed sub-delegation.

Following a reorganisation of the European Commission, the E-Platform for Neighbourhood file was transferred from DG DEVCO to DG NEAR in January 2015. Technical problems between DG DEVCO and DG NEAR led to a delay in the payment of the pre-financing only in May 2015, that will result in some delays in the implementation of the action and the resulting payments. In 2015 the prolongation of the Preparatory Action was voted. However, the assessment done by the Commission concluded that additional commitment appropriations for the year 2015 are not necessary due to the long delay in the implementation of the 2014 appropriations (EUR 1 million in commitments) and the absence of the possibility of duly assessing the results of its activities. As result, the 2015 CA in 2015 for a value of EUR 500.000 were not used and therefore had to be decommitted. Other Directorate Generals indicated in their reports that no particular problems or reservations were made.

No issues related to cross sub-delegations have a material impact on DG EAC's assurance.

## **2.2 Audit observations and recommendations**

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

DG EAC has no critical recommendations from the IAS/ECA and Discharge Authorities and has only a limited number of Very Important recommendations (out of 8, 1 open and 7 ready for review) with no bearing on assurance.

## **Opinion of the Internal Auditor**

The Internal Auditor has concluded<sup>255</sup> that the internal control systems audited are overall working satisfactorily although a number of very important findings remain to be addressed in line with the agreed action plans, and that particular attention should be given to the impact of the delay observed in implementing one very important recommendation regarding monitoring the performance of the National Agencies (see below).

## **IAS Audits**

Compared to a total of 31 IAS audit recommendations at the beginning of 2015 (which includes those transferred from the former IAC function), DG EAC had 19 open recommendations at the end of 2015 (14 are considered implemented at the DG level and ready for review by the IAS).

Two new audits were initiated by the IAS in 2015: the Erasmus+ Control Strategy in EACEA and National Agencies (for which the action plan has been defined by DG EAC and sent to IAS early 2016) and one planned consultancy on granting full financial autonomy to the EIT by DG EAC (to start in 2016).

Due to the integration of the DG's IACs into the IAS in February 2015, no new audits were launched after the second semester of 2014 by this service. All ex-IAC audits with open recommendations at the integration date are now being followed up by the IAS. All the recommendations (15) from the IAC services by the IAS (none are critical; 10 VI, 5 I) have been implemented (3) or are ready for review (12) at the end 2015. These recommendations stem from 4 audits.

Seven of the issued "VI" recommendations stem from an **audit on human resources**<sup>256</sup>. These were ready for review by IAS at end 2015. The remaining "VI" recommendations were issued in the fields of **country analysis** (one already implemented and another downgraded to "Important" ready for review in 2015) and on the use of **communication framework contracts** in DG EAC (2, both implemented in 2015).

The IAS carried out a limited review in the first quarter of 2015 on the **methodology applied for calculating the error rate reported in the Annual Activity Report 2014**. Two of the recommendations have been implemented during 2015 (2 rated as "Important" and one "Desirable"). The third recommendation is expected to be implemented in the first quarter of 2016.

## **IAS follow-up of audit reports**

The IAS carried out a first follow-up review of its 2012 **Lifelong Learning Programme (LLP) audit** (EAC supervision of LLP implementation by EACEA), and closed one recommendation on the EACEA Reporting to the Parent DG. The two remaining recommendations (downgraded by IAS to 'Important'), linked also to the supervision strategy of Executive Agencies, is ready for review now that the remaining Memorandum of Understanding (MoU) on Information and Communication was signed between DG EAC and EACEA in March 2016<sup>257</sup>.

The implementation of the 2 of the 5 recommendations from the 2013 **performance**

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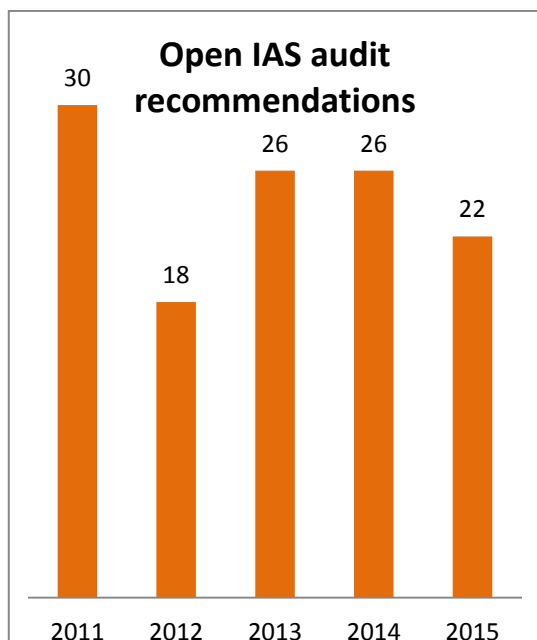
<sup>255</sup> Ares(2016)763514

<sup>256</sup> Issues highlighted by the auditors relate to weaknesses in governance and management culture, organisation, corporate identity, strategic approach to HR management and overall low work satisfaction.

<sup>257</sup> Ares(2016)1198754

**audit of National Agencies** (LLP and Youth in Action) is ongoing. Three recommendations related to the need for a clearer link between the Commission's and the National Agencies' objectives, to the NA annual reports and another one on the revision of IT tools were closed by end 2015. The completion date of one very important recommendation on internal performance has been postponed by 18 months, pending an external study, due by mid-2016. The implementation of one remaining recommendation on performance measures is on track.

All 5 recommendations related to the audit on IT risks and IT project management methodology, were closed by the end of 2015.



(\*) the 2015 figures also cover 2 IAS recommendations closed at DG level, for which the implementation status has yet to be analysed by IAS

### **European Court of Auditors' findings and recommendations and discharge**

For its 2014 **Declaration of Assurance** (DAS) the Court observed an increase in errors in the area of Competitiveness for growth and jobs (Chapter 5 of the Court's Annual Report), which also includes the education and culture policy area.

For 2014, the **estimated level of error** communicated by the Court **for Chapter 5 has increased from 4.0% to 5.6%**. This error rate is not broken down by policy area so there is no "DG EAC" rate from the ECA.

The single reference related to DG EAC is related to an over-claim of travel costs in a project managed by the **Greek National Agency (Box 5.3, point d) in Chapter 5 ECA Report)**<sup>258</sup>. DG EAC has already initiated the necessary recoveries procedure.

The Court issued no new recommendations under Chapter 5 that directly concern DG EAC. However, there is a general orientation to the Research family to put greater emphasis on risk assessment when targeting controls, which could also be considered by DG EAC.

There were no **special reports** issued by the Court for DG EAC as main DG. The preparatory work has been done by the Court of Auditors for a Special Report in the field of Education, addressed to DG EMPL, for which DG EAC is associated. The report is expected to be published in 2016.

<sup>258</sup> The example is in Box 5.3, point d) in Chapter 5 ECA Report.

A special report on the European Institute of Innovation and Technology is expected to be published by ECA in the first half of 2016.

DG EAC's performance is in line with its peer Directorate Generals in the policy group, and the Court considered that DG EAC's Annual Activity Report 2014, which included no reservation, provides a fair view of DG EAC's financial management.

### **Follow-up of Discharge recommendations relating to budgets of previous years**

*Follow-up of Council discharge recommendations:*

**2013/COU/0212** (2013 Council - Ensure that public procurement rules are applied correctly)

In the field of education and culture, it is mainly the National Agencies (NA) in the Member States that undertake procurement in their capacity of beneficiaries of EU funds. Guidance and supervisory controls will continue to address this area.

*Follow-up of 2011 European Parliament discharge recommendations:*

Three identical recommendations issued by the EP in 2013 in the context of the 2011 discharge, requesting Agencies to explore possibilities for further synergies among themselves, and a recommendation requesting DG EAC to be more ambitious with its budget for the Sport strand in 2014 were implemented.

**2011/PAR/0362:** EP 2011 - Revise the one-sided and inadequate financial ratios established in order to evaluate the financial situation of beneficiaries, with an expected implementation date by end **2015**.

The current system for evaluating the financial capacity of applicants has been reviewed and a new draft procedure prepared.

**2011/PAR/0363:** EP 2011 - Improve and adapt to beneficiaries control systems, with an expected implementation date by end **2015**.

The Agency adopted an action plan in conformity with the timetable in 2011 – beginning of 2012. Effects are expected to materialize from AAR 2016.

*EIT discharge*

The 2013 discharge of the EIT was granted in October 2015, after being initially postponed by the European Parliament.

### **Other reports**

There are 4 important recommendations stemming from DG Budget's audit on validation of local systems, for which the final report was received in February 2016. These relate mainly to the Internal control environment (the creation of an overview document of procedures), to the Control environment for library local IT system, the applicable time limit for the payment of commercial invoices and the quality of data in ABAC Contracts (registration of new and amended contracts).

All recommendations and results of audits are integrated in DG EAC's annual Internal Control action plan and followed up in detail.

As a result of the assessment of the risks underlying the observations made together with the management measures taken in response, the management of DG Education and Culture considers that the recommendations issued do not raise any

assurance implications and are being implemented as part of the on-going continuous efforts in terms of further improvements.

## 2.3 Assessment of the effectiveness of the internal control systems

*The Commission has adopted a set of internal control standards, based on international good practice, aimed to ensure the achievement of policy and operational objectives. In addition, as regards financial management, compliance with these standards is a compulsory requirement. DG EAC has put in place the organisational structure and the internal control systems suited to the achievement of the policy and control objectives, in accordance with the standards and having due regard to the risks associated with the environment in which it operates.*

DG EAC assesses annually the effectiveness of its key internal control systems, including the processes carried out by implementing bodies in accordance with the applicable Commission guidance.

A detailed **Internal Control Action plan** is validated each year and is monitored by the Internal Control Coordinator on a permanent basis. It includes also follow-up of all recommendations and risks results. Although risk management is a continuous exercise in DG EAC, there is periodic monitoring and reporting on risk evolution and action plan implementation as the Risk register includes action plans with identified action, clear owner and target date. In 2015, two risk assessment exercises were performed. An IAC audit on risk management performed in 2012 concluded that risk assessment is a mature process and found strong management awareness and involvement in risk management. This reflects the strength of the risk management culture in DG EAC and constitutes a major building block of DG EAC's internal control system.

The 2015 internal control assessment relies on a number of **monitoring measures and sources of information**: the overall supervision of the design and implementation of the Internal Control System by the Internal Control Coordinator; the close supervision provided by lead coordination units of the respective control standards through structured desk reviews; the annual review exercise carried out via a specific working group composed of the Director supporting staff and horizontal units to capture the overall perception of effectiveness. This has led to an assessment of the state of internal control across the different Directorates at the end of 2015, with respect to both compliance and effectiveness of the control arrangements in place.

Furthermore, results have been **cross-checked** with the information on internal control issues received through the Authorising Officers by sub-delegation's reports, with the analysis of the register of exceptions and the internal control weakness or non-compliance events recorded during the year. Besides the follow-up of recommendations (IAS/ECA) (see 2.3), the Commission Synthesis, IAS and DG BUDG overall opinions and specific Central Services requirement on Internal Control Standards (ICS) have all been taken into account.

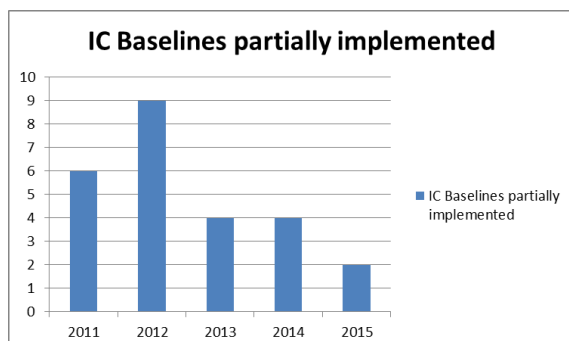
The internal audit recommendations are relatively evenly spread across Internal Control Standards (ICS). The standards with IAS recommendations issued in 2015 relate largely to ICS 9 (Supervision), both the general strategy and specific entrusted bodies. Most recommendations from past audits (IAC and IAS), whose implementation is on-going, relate to ICS 1 (Mission), and ICS 12 (Information and Communication).

This is generally in line with the risks identified in 2015 and for 2016 linked to each ICS, which are - in decreasing order - ICS 12 (Information and Communication), ICS 8 (Processes and procedures) and ICS 7 (Operational structure).

The analysis on the above sources had enabled the Internal Control Coordinator (ICC) to report on the state of internal control to the Directors Board. Based on these results, a detailed **Internal Control Action plan** will be monitored on a permanent basis.

### 2.3.1 Effective implementation of the internal control standards

DG EAC has concluded that the implementation of ICS is overall effective including the non-financial activities. This is the result of a constant effort of management to take ownership of DG EAC's internal control system and of a high degree of awareness among staff. At the end of 2015, only a limited number (2) of ICS baseline requirements were assessed as partially implemented out of 36 (compared to 4 out of 38 in 2014).



### 2.3.2 Implementation of Priority Internal Control Standards in 2015

In its management plan (MP) 2015, DG EAC had foreseen a number of measures to improve the effective implementation of the 2015 priority Internal Control Standards (ICS). By the end of 2015, these measures were **assessed overall as satisfactorily implemented, thanks to remedial measures taken**. The 2015 prioritised standards were **ICS 1, 3, 5, 9 and 11 for 2015**, taking additional measures to reinforce the assurance provided:

- **Mission (ICS 1)**

DG EAC's mission has been adapted to correspond to its new portfolio under the new Commission, taking into account the transfer of activities to other Directorate Generals and the impact of the changes on the DG's profile as a whole. Also as follow-up to audit recommendations and 2015 risks, substantial efforts were made by some Directorate's to align their vision and mission values and to communicate them to all concerned staff (ICS 12). In the framework of the new organisation chart in force as of 1<sup>st</sup> January 2015, better coordination has been achieved within the DG. With the change of Director General in September, emphasis has been placed on increasing the impact of DG EAC on policy initiatives led by other DGs. These will be carried forward in 2016, but the improvements in 2015 mean that this is not expected to be a pressing issue.

- **Staff allocation and mobility (ICS 3)**

A number of organisational changes have been made in 2015 to fine-tune DG EAC's structure towards the refocused objectives of the DG, in particular to strengthen the coordination of the Erasmus+ programme. Lastly, the traineeship programme has been integrated within the context of Youth policy and actions towards young people. As follow-up to human resources related audit recommendations and 2015 risks, the human resources management vision was adopted which aims, amongst others, to improve transparency on mobility, career development arrangements, job satisfaction and management of workload. DG EAC will continue to implement talent management and organise mobility with the support of the DG and senior / middle management.

- **Objectives and Performance indicators** (ICS 5)

DG EAC's Management Plan has been adapted to correspond to the changes in its mission and portfolio. The AAR raised no observation from central services, nor from the Court of Auditors. All Dashboard indicators have been reviewed as planned in 2015. Budget and HR indicators are to be further revised or redeveloped in different tools in 2016. DG EAC also developed a shorter format and earlier delivery of the Mid Term Review (MTR) of the Management Plan, which was used to prepare the hand-over file between Directorate Generals.

- **Management Supervision** (ICS 9)

An initial detailed preparation of a supervision strategy was discussed in two workshops during the year, with the strategy to be adopted in early 2016. Supervision of performance is now better integrated in the reporting process, which is important in the context of the MFF review and the Budget Focused on Results initiative.

Delegation agreements with the Agencies have been signed as well as a specific Memorandum of Understanding with EACEA, which further strengthens our supervision organisation.

In 2015, the EIT formally requested the opening of the process leading towards granting of financial autonomy. Renewed working arrangements in the supervision of the EIT were put in place. Detailed work to assess the compliance of the EIT with the requirements for its financial autonomy will be launched and completed during 2016.

As mentioned above, 2015 was the first year of implementing the Student Loan Guarantee Fund and of cooperation with the European Investment Fund (EIF). A visit to the EIF and the detailed overview of the application and negotiation process provided reassurance that EIF is professionally managing the financial processes.

- **Document management** (ICS 11)

Document management procedures at DG EAC were adapted to comply with the general rules and new requirements resulting from the reorganisation of the Commission. In addition, new rules on the use of electronic workflows and signature have been implemented following the recommendations and instructions of the e-Domec Steering Committee and the Group of Resources Directors.

All 2015 priority Internal Control Standards were implemented as planned, although certain slippages in the timetable were noted. DG EAC's supervision strategy with regard to its agencies and other entrusted entities to be finalised in early 2016, after adaption to ensure it is in line with the forthcoming revision of the Internal Control Standards and role of the Internal Control Coordinator.
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### **2.3.3 Implementation of other internal control standards**

The level of implementation of internal control standards not prioritised for 2015 remained satisfactory and effective.

## 2.3.4 Conclusion on the effectiveness of the entire control system for 2015 and ICS priorities for 2016

Concerning the overall state of the internal control system, generally DG EAC complies with the three assessment criteria for effectiveness; i.e.

- a) staff having the required knowledge and skills,
- b) systems and procedures designed and implemented to manage the key risks effectively, and
- c) no instances of ineffective controls that have exposed the DG to its key risks.

DG EAC has focused the control resources on those areas where risks are the highest. The **risk assessment** carried out at the beginning of the year identified some areas of policy, operational and administrative high level risks, none of which were regarded as "critical" by senior management with the main reputational risk being the **stakeholder's perception of information systems' performance** in terms of user friendliness and their impact on the E+ programme.

Identified risks have been monitored through action plans and reduced, where necessary, to remain under control.

DG Education and Culture has decided **to place emphasis in 2016 on ICS 9 and 12 which address the key risks identified for 2016**, taking additional measures to reinforce the assurance provided:

- **Management Supervision (ICS 9)**

Implementation of the supervision strategy will enable a coherent approach to be adopted across all entrusted entities in consistent manner. Work will focus in particular on making best use of the work of Independent Audit Bodies in indirect management and the feasibility of more continuous monitoring of performance of programme implementation and policy results.

- **Information and Communication (ICS 12)**

DG EAC's cross sectoral position in the Commission's policies means it must make maximum use of synergies and links between different parts of the Commission priorities. To build on the recently adopted external communication and dissemination strategy, the DG will investigate measures which increase the DG's operational and political effectiveness and impact. Enhanced external communication, in particular with National Agencies, is necessary in order to improve stakeholder satisfaction and optimal utilisation of IT systems and coordination.

Regarding internal communication, completing the improvements in internal communication launched in the "working better together" initiative, Staff Day, as well as the "Ideas Labs" will enable the DG to fully support the achievement of policy and programme objectives.

**In conclusion, the internal control standards are effectively implemented and functioning.** In addition, DG EAC is taking measures to further improve the effectiveness of its internal control systems in the area of Management Supervision (ICS 9), and Information and Communication (ICS 12). A detailed Internal Control Action plan will monitor 2016 priorities.

## 2.4 Conclusions as regards assurance

*This section reviews the assessment of the elements reported above (in Sections 2.1, 2.2 and 2.3) and draws conclusions supporting the declaration of assurance and whether it should be qualified with reservations.*

The information from the various building blocks which support the assurance as described in part 2 covers the entire budget delegated to the Authorising Officer by Delegation of DG EAC. Despite the start-up issues still being encountered under the indirect management reporting deadline requirements of the Financial Regulation, the underlying inherent risk and the effectiveness of the NA controls have remained stable, as demonstrated by the multiple sources of evidence available at primary, secondary and supervisory level in line with the internal control framework. DG EAC will make no reservation on the management through **National Agencies**.

The reservations of the **Executive Agencies** EACEA and REA respectively on the management of LLP and on FP7 (but not specifically for DG EAC supervised actions in the latter case), insofar as they derive from the challenges of managing contracts based on actual cost, are balanced against the overall positive indicators of the other programmes managed by EACEA on one hand, and the low error rate on audits specifically on the FP7 People programme. This is reinforced by the use of simplified forms of grants in the framework of the 2014-2020 programmes reducing the risk of irregularity. Moreover, the difference in error rates experienced by EACEA compared with the NAs can be explained by the nature of the actions. Therefore while remaining vigilant for any possible deterioration in the key indicators regarding internal control, DG EAC does not find it appropriate to make a reservation in the context of its supervision responsibilities in relation to these agencies. The operational spending through EAs is not part of the declaration of assurance by the Director General of the parent Directorate Generals, only the subsidy for EA's operating budget.

Regarding the **EIF**, no issues have come to light in the early stages of the Financial Instrument, and no significant operational payments to Financial Intermediaries have been made as of 2015.

From all the assurance elements above, DG EAC concludes that the multi-annual residual error rate is well below 2 % in all management modes covered by its Annual Activity Report, with a weighted average error rate of less than 1%, and, considering all other available information, that no reservation shall be made.

### Overall Conclusion

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

### 3. DECLARATION OF ASSURANCE

*I, the undersigned,*

*Director-General of the Directorate General of Education and Culture,*

*In my capacity as authorising officer by delegation*

*Declare that the information contained in this report gives a true and fair view.<sup>259</sup>*

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

*This reasonable assurance is based on my own judgement and on the information at my disposal, such as the results of the self-assessment, ex-post controls, the opinion of the Internal Auditor on the state of control, the observations of the Internal Audit Service, and the lessons learnt from the reports of the Court of Auditors for years prior to the year of this declaration.*

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

*Brussels, 7 April 2016*

*Martine Reicherts*

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<sup>259</sup> True and fair in this context means a reliable, complete and correct view on the state of affairs in the service.

# ANNEXES

## ANNEX 1: Statement of the Resources Director

***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 Commission<sup>260</sup>, I have reported my advice and recommendations to the Director-General on the overall state of internal control in the DG Education and Culture.***

***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 exhaustive.***

Brussels, 7 April 2016

Arturo CABALLERO BASSEDAS

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<sup>260</sup> 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: Human and financial resources

**Table 1: Posts and external personnel financed as of 31 December 2015**

	<b>Establishment Plan posts</b>	<b>External Personnel</b>	<b>Total</b>
Erasmus+ (ABB 15.02)	259	40	<b>299</b>
Horizon 2020 (ABB 15.03)	23	12	<b>35</b>
Creative Europe (ABB 15.04)	41	6	<b>47</b>
Management of the Directorate-General for education and culture (including the activities related to traineeships and to the Central Library)	103	30	<b>133</b>
Policy strategy and coordination for the Directorate-General for education and culture	40	16	<b>56</b>
<b>Total</b>	<b>466<sup>261</sup></b>	<b>104</b>	<b>570</b>

*General remark: the above data rely on the snapshot of Commission personnel actually employed in DG EAC as of 31 December of the reporting year. These data do not necessarily constitute full-time-equivalents throughout the year.*

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<sup>261</sup> The difference between the total number of quotas in Management Plan and AAR (487 vs 466) is due to the following:

- Annual taxation;
- Annual redeployment tax;
- Reimbursements of surcharges received from DG HR for the publication of Head of Unit posts in EACEA;
- Taxation in the framework of the transfer of activities to the Executive Agencies

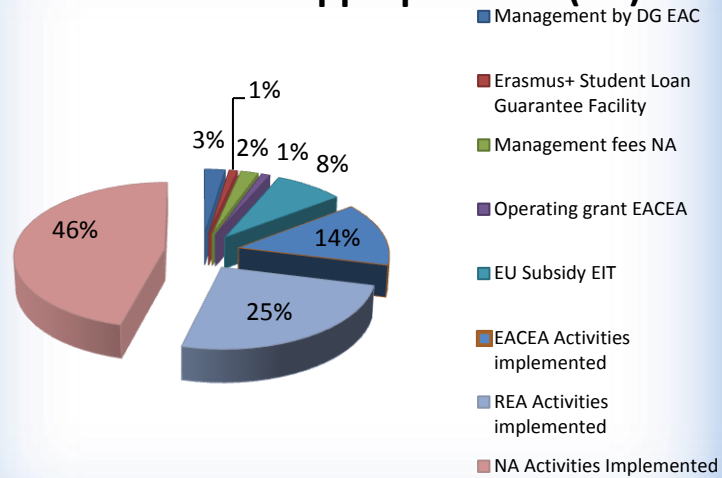
**Table 2: implementation of decentralised administrative authorised operations (payments and revenues) of the Global envelope as of 31 December 2015**

IMPLEMENTATION OF THE GLOBAL ENVELOPE - BUDGET LINES CONCERNED / 15.0102110001 TO 15.0102110006 (based on information received from DG BUDG services)							
(in Euros)		APPROPRIATIONS 2015 (C1)			APPROPRIATIONS CARRIED OVER (C8)		
BUDGET LINE	BUDGET LINE DESCRIPTION	AVAILABLE APPROPRIATIONS 2015	COMMITMENTS 2015	PAYMENTS 2015	AMOUNTS OF APPROPRIATIONS CARRIED OVER FROM 2014	PAYMENTS ON APPROPRIATIONS CARRIED OVER FROM 2014 (*)	% IMPLEMENTATION ON APPROPRIATIONS CARRIED OVER FROM 2014
15.010211.00		2.477.965			98.806,75	0,00	
15.010211.00.01.10	Mission expenses		706.000	641.848	56.566,41	56.566,41	
15.010211.00.01.30	Representation expenses		5.000	3.418	0,00	0,00	
15.010211.00.02.20	Meeting costs		860.000	830.328	2.079,59	2.079,59	
15.010211.00.02.40	Conference costs		233.432	146.880	108.903,25	108.903,25	
15.010211.00.03	Meetings of committees		130.000	70.653	24.156,00	24.156,00	
15.010211.00.04	Studies and consultations		196.433	196.433	247.694,75	247.694,75	
15.010211.00.05	Development of management and information systems		92.446	0	30.058,72	30.058,72	
15.010211.00.06	Further training and management training		254.654	166.187	71.907,38	71.907,38	
	<b>TOTAL</b>		<b>2.477.965</b>	<b>2.055.748</b>	<b>640.172,85</b>	<b>541.366,10</b>	<b>84,57</b>
(*)98.806,75 have been decommitted							

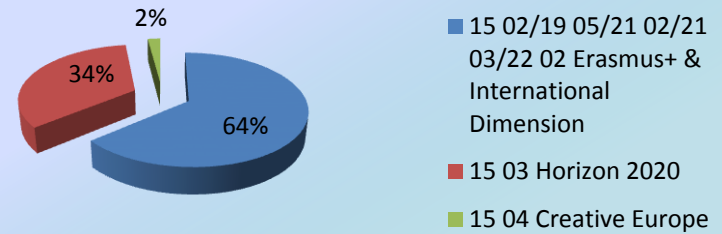
**Table 3: Financial Resources by Programme (Chapter) and Management Mode (EUR)**

EAC and Executive Agencies (EACEA/REA) - implementation of Commitment Appropriations (CA)												
Budget Chapters	Commitments			Management by DG EAC	Management by entrusted entities							
					Erasmus+ Student Loan Guarantee	Management fees NA	Operating grant EACEA	EU Subsidy EIT	EACEA Activities implemented	REA Activities implemented	NA Activities Implemented	
					Executed	Executed	Executed	Executed	Executed	Executed	Executed	
15 01	Administrative expenditure of the 'Education and culture' policy area	64.872.875	60.797.488	93,7 %	31.458.588			29.338.900				
15 02	Erasmus+	1.866.394.250	1.813.506.970	97,2 %	36.607.497	33.000.000	68.548.632			269.621.858		1.405.728.983
15 03	Horizon 2020	1.116.804.408	1.092.760.307	97,8 %	1.146.456				266.909.070		824.704.781	
15 04	Creative Europe	66.575.241	64.042.713	96,2 %	9.080.200					54.962.513		
16 03	House of European History	1.800.000	1.800.000	100,0 %	1.800.000							
19 05	Cooperation with third countries under the Partnership Instrument (PI)	16.742.244	15.405.728	92,0 %	350.000					3.900.000		11.155.728
21 01	Administrative expenditure of the 'Development and cooperation' policy area	3.897.233	3.897.233	100,0 %				3.897.233				
21 02	Development cooperation instrument (DCI)	96.455.556	96.212.671	99,7 %						71.497.265		24.715.406
21 03	European Neighbourhood Instrument (ENI)	97.181.124	93.346.424	96,1 %						48.352.037		44.994.387
22 01	Administrative expenditure of the 'Enlargement policy area	580.565	580.565	100,0 %				580.565				
22 02	Enlargement process and strategy	33.643.251	32.039.116	95,2 %						13.258.605		18.780.511
<b>TOTAL</b>		<b>3.364.946.746</b>	<b>3.274.389.216</b>	<b>97,3 %</b>	<b>80.442.742</b>	<b>33.000.000</b>	<b>68.548.632</b>	<b>33.816.698</b>	<b>266.909.070</b>	<b>461.592.279</b>	<b>824.704.781</b>	<b>1.505.375.015</b>
					<b>2,46%</b>	<b>1,01%</b>	<b>2,09%</b>	<b>1,03%</b>	<b>8,15%</b>	<b>14,10%</b>	<b>25,19%</b>	<b>45,97%</b>

## Management Mode - 2015 Commitment Appropriations (CA)



## EAC and Executive Agencies (EACEA/REA) - Operational Appropriations (CA) by Programme



## ANNEX 3: Annual accounts and financial reports

AAR 2015 Version 1

### Annex 3 Financial Reports - DG EAC - Financial Year 2015

Table 1 : Commitments

Table 2 : Payments

Table 3 : Commitments to be settled

Table 4 : Balance Sheet

Table 5 : Statement of Financial Performance

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**

1) *The current receivables in Table 4 and Tables 7 and 9 present different total amounts due to technical problems with the assignment of profit centers, i.e. 6300 - DG EAC and 8200 - EACEA. The difference refers to old recovery orders and partial cashings linked to files transferred between DG EAC and EACEA. DG BUDG was informed and consulted, and confirmed that the issue will be solved when the recovery orders files will be closed. At Commission level the difference is balanced and has no impact.*

2) *Article 128 FR Transparency*

*The average time to grant according to Article 128 FR is fully respected by DG EAC.*

TABLE 1: OUTTURN ON COMMITMENT APPROPRIATIONS IN 2015 (in Mio €)					
			Commitment appropriations authorised	Commitments made	%
			1	2	3=2/1
<b>Title 15 Education and culture</b>					
15	15 01	Administrative expenditure of the 'Education and culture' policy area	64.87	60.80	93.72 %
	15 02	Erasmus+	1,589.02	1,543.89	97.16 %
	15 03	Horizon 2020	284.86	268.06	94.10 %
	15 04	Creative Europe	9.23	9.08	98.39 %
<b>Total Title 15</b>			<b>1,947.98</b>	<b>1,881.82</b>	<b>96.60%</b>
<b>Title 16 Communication</b>					
16	16 02	Fostering European citizenship	1	1	100.00 %
	16 03	Communication actions	0.8	0.8	100.00 %
<b>Total Title 16</b>			<b>1.8</b>	<b>1.8</b>	<b>100.00%</b>
<b>Title 19 Foreign policy instruments</b>					
19	19 05	Cooperation with third countries under the Partnership Instrument (PI)	11.97	11.51	96.12 %
<b>Total Title 19</b>			<b>11.97</b>	<b>11.51</b>	<b>96.12%</b>
<b>Title 21 Development and cooperation</b>					
21	21 01	Administrative expenditure of the 'Development and cooperation' policy area	3.90	3.90	100.00 %
	21 02	Development Cooperation Instrument (DCI)	24.72	24.72	100.00 %
	21 03	European Neighbourhood Instrument (ENI)	48.83	44.99	92.15 %
<b>Total Title 21</b>			<b>77.44</b>	<b>73.61</b>	<b>95.05%</b>
<b>Title 22 Enlargement</b>					
22	22 01	Administrative expenditure of the 'Enlargement' policy area	0.58	0.58	100.00 %
	22 02	Enlargement process and strategy	20.38	18.78	92.13 %
<b>Total Title 22</b>			<b>20.97</b>	<b>19.36</b>	<b>92.35%</b>
<b>Total DG EAC</b>			<b>2,060.16</b>	<b>1,988.09</b>	<b>96.50 %</b>

\* 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)

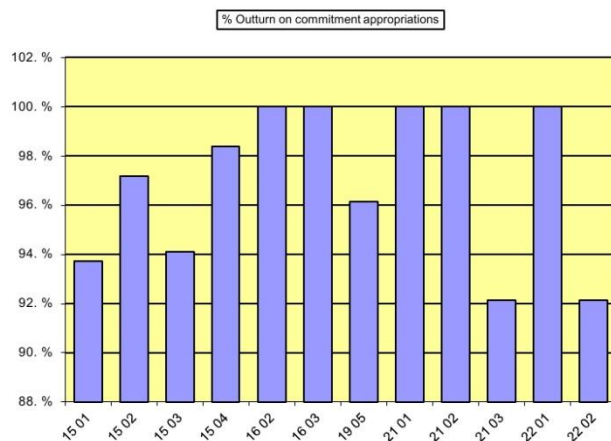


TABLE 2: OUTTURN ON PAYMENT APPROPRIATIONS IN 2015 (in Mio €)					
Chapter			Payment appropriations authorised *	Payments made	%
			1	2	3=2/1
<b>Title 15 Education and culture</b>					
15	15 01	Administrative expenditure of the 'Education and culture' policy area	78.66	60.14	76.45 %
	15 02	Erasmus+	1,653.19	1,550.54	93.79 %
	15 03	Horizon 2020	246.30	229.45	93.16 %
	15 04	Creative Europe	7.32	7.11	97.17 %
<b>Total Title 15</b>			1,985.46	1,847.24	93.04%
<b>Title 16 Communication</b>					
16	16 02	Fostering European citizenship	0.12	0.04	36.72 %
<b>Total Title 16</b>			0.12	0.04	36.72%
<b>Title 19 Foreign policy instruments</b>					
19	19 05	Cooperation with third countries under the Partnership Instrument (PI)	11.89	11.30	95.04 %
<b>Total Title 19</b>			11.89	11.30	95.04%
<b>Title 21 Development and cooperation</b>					
21	21 01	Administrative expenditure of the 'Development and cooperation' policy area	3.90	3.78	96.96 %
	21 02	Development Cooperation Instrument (DCI)	23.34	23.34	100.00 %
	21 03	European Neighbourhood Instrument (ENI)	49.58	44.63	90.02 %
<b>Total Title 21</b>			76.82	71.75	93.40%
<b>Title 22 Enlargement</b>					
22	22 01	Administrative expenditure of the 'Enlargement' policy area	0.58	0.57	97.97 %
	22 02	Enlargement process and strategy	20.70	18.90	91.30 %
<b>Total Title 22</b>			21.28	19.47	91.48%
<b>Total DG EAC</b>			2,095.57	1,949.80	93.04 %

\* 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).

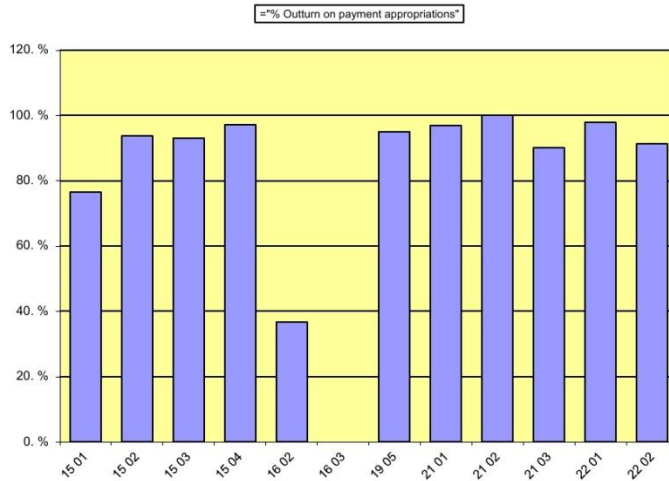
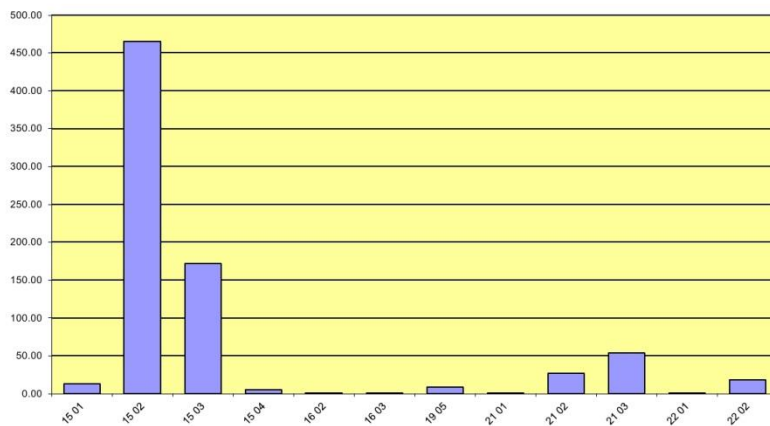


TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2015 (in Mio €)									
Chapter	2015 Commitments to be settled					Commitments to be settled from financial years previous to 2015	Total of commitments to be settled at end of financial year 2015 (incl. corrections)	Total of commitments to be settled at end of financial year 2014 (incl. corrections)	
	Commitments 2015	Payments 2015	RAL 2015	% to be settled					
	1	2	3=1-2	4=1-2/1	5				6=3+5
<b>Title 15 : Education and culture</b>									
15	15 01	Administrative expenditure of the 'Education and culture' policy area	60.76	47.65	13.11	21.58 %	0.28	13.39	13.92
	15 02	Erasmus+	1,543.89	1,178.16	365.73	23.69 %	98.93	464.66	480.29
	15 03	Horizon 2020	268.06	97.24	170.81	63.72 %	1.01	171.83	145.65
	15 04	Creative Europe	9.08	5.09	3.99	43.89 %	1.23	5.21	3.45
<b>Total Title 15</b>			<b>1,881.78</b>	<b>1328.14</b>	<b>553.64</b>	<b>29.42%</b>	<b>101.45</b>	<b>655.10</b>	<b>643.31</b>
<b>Title 16 : Communication</b>									
16	16 02	Fostering European citizenship	1.00	0.04	0.96	95.76 %	-	0.96	0.00
	16 03	Communication actions	0.80	-	0.80	100.00 %	-	0.80	-
<b>Total Title 16</b>			<b>1.80</b>	<b>0.04</b>	<b>1.76</b>	<b>97.64%</b>	<b>-</b>	<b>1.76</b>	<b>0.00</b>
<b>Title 19 : Foreign policy instruments</b>									
19	19 05	Cooperation with third countries under the Partnership Instrument (PI)	11.51	3.76	7.74	67.28 %	1.00	8.74	8.55
<b>Total Title 19</b>			<b>11.51</b>	<b>3.76</b>	<b>7.74</b>	<b>67.28%</b>	<b>1.00</b>	<b>8.74</b>	<b>8.55</b>
<b>Title 21 : Development and cooperation</b>									
21	21 01	Administrative expenditure of the 'Development and cooperation' policy area	3.90	3.78	0.12	3.04 %	-	0.12	-
	21 02	Development Cooperation Instrument (DCI)	24.72	1.51	23.20	93.87 %	3.92	27.12	25.75
	21 03	European Neighbourhood Instrument (ENI)	44.99	0.26	44.74	99.43 %	9.28	54.02	53.65
<b>Total Title 21</b>			<b>73.61</b>	<b>5.55</b>	<b>68.06</b>	<b>92.46%</b>	<b>13.20</b>	<b>81.26</b>	<b>79.40</b>
<b>Title 22 : Enlargement</b>									
22	22 01	Administrative expenditure of the 'Enlargement' policy area	0.58	0.57	0.01	2.03 %	-	0.01	-
	22 02	Enlargement process and strategy	18.78	0.84	17.94	95.51 %	0.51	18.45	18.57
<b>Total Title 22</b>			<b>19.36</b>	<b>1.41</b>	<b>17.95</b>	<b>92.70%</b>	<b>0.51</b>	<b>18.46</b>	<b>18.57</b>
<b>Total DG EAC</b>			<b>1,988.06</b>	<b>1,338.91</b>	<b>649.15</b>	<b>32.65 %</b>	<b>116.16</b>	<b>765.31</b>	<b>749.82</b>

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



**TABLE 4 : BALANCE SHEET**

<b>BALANCE SHEET</b>	<b>2015</b>	<b>2014</b>
<b>A.I. NON CURRENT ASSETS</b>	<b>350,582,346.20</b>	<b>144,822,685.31</b>
A.I.1. Intangible Assets	2,183,371.11	2,466,422.22
A.I.6. Non-Current Pre-Financing	348,398,975.09	142,356,263.09
A.I.7. OLD LT Pre-Financing	-	-
<b>A.II. CURRENT ASSETS</b>	<b>931,020,421.95</b>	<b>922,123,786.01</b>
A.II.2. Current Pre-Financing	908,240,668.33	916,453,523.83
A.II.4. Exchange Receivables	4,308,258.28	2,091,073.07
A.II.5. Non-Exchange Receivables	2,688,128.34	3,579,189.11
A.II.7. Cash and Cash Equivalents	15,783,367.00	-
<b>ASSETS</b>	<b>1,281,602,768.15</b>	<b>1,066,946,471.32</b>
<b>P.II. NON CURRENT LIABILITIES</b>	<b>(2,874.00)</b>	
P.II.2. Long-term provisions	(2,874.00)	
<b>P.III. CURRENT LIABILITIES</b>	<b>(19,406,719.40)</b>	<b>(16,673,851.30)</b>
P.III.4. Accounts Payable	(4,177,606.46)	(2,020,091.79)
P.III.5. Accrued charges and deferred income	(15,229,112.94)	(14,653,759.51)
<b>LIABILITIES</b>	<b>(19,409,593.40)</b>	<b>(16,673,851.30)</b>
<b>NET ASSETS (ASSETS less LIABILITIES)</b>	<b>1,262,193,174.75</b>	<b>1,050,272,620.02</b>
P.I.2. Accumulated Surplus / Deficit	2,802,732,205.25	1,416,070,739.70
Non-allocated central (surplus)/deficit*	(4,064,928,254.00)	(2,466,343,359.72)
<b>TOTAL</b>	<b>0.00</b>	<b>0.00</b>

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

**TABLE 5 : STATEMENT OF FINANCIAL PERFORMANCE**

STATEMENT OF FINANCIAL PERFORMANCE	2015	2014
II.1 REVENUES	(137,767,073.37)	(128,625,064.46)
II.1.1. NON-EXCHANGE REVENUES	(139,797,526.78)	(128,168,279.55)
II.1.1.5. RECOVERY OF EXPENSES	(928,277.54)	(613,279.55)
II.1.1.6. OTHER NON-EXCHANGE REVENUES	(138,869,249.24)	(127,555,000.00)
II.1.2. EXCHANGE REVENUES	2,030,453.41	(456,784.91)
II.1.2.1. FINANCIAL INCOME	2,195,038.68	(2,226,733.78)
II.1.2.2. OTHER EXCHANGE REVENUE	(164,585.27)	1,769,948.87
II.2. EXPENSES	1,675,945,167.03	1,515,286,530.01
II.2. EXPENSES	1,675,945,167.03	1,515,286,530.01
II.2.10. OTHER EXPENSES	61,132,854.31	62,668,734.77
II.2.2. EXP IMPL BY COMMISS&EX.AGENC. (DM)	33,461,870.39	38,533,384.91
II.2.3. EXP IMPL BY OTH EU AGENC&BODIES (IM)	220,602,473.77	199,753,657.21
II.2.4. EXP IMPL BY 3RD CNTR & INT ORG (IM)	319,793.49	1,218,270.78
II.2.5. EXP IMPL BY OTHER ENTITIES (IM)	1,360,425,739.82	1,213,226,811.61
II.2.6. STAFF AND PENSION COSTS		(115,949.00)
II.2.8. FINANCE COSTS	2,435.25	1,619.73
<b>STATEMENT OF FINANCIAL PERFORMANCE</b>	<b>1,538,178,093.66</b>	<b>1,386,661,465.55</b>

*Explanatory Notes (facultative):*

*Please enter the text directly (no copy/paste of formatted text which would then disappear when saving the document in pdf), use `\\\"ctrl+enter\\\"` to go to the next line and `\\\"enter\\\"` to validate your typing.*

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 2015 - DG EAC**

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	9,108	9,033	99 %	8	75	1 %	40
40	1	1	100 %	27			
45	9	6	67 %	15	3	33 %	182
50	89	83	93 %	19	6	7 %	55
60	488	486	100 %	18	2	0 %	70
75	3	3	100 %	30			
90	88	78	89 %	44	10	11 %	99

<b>Total Number of Payments</b>	<b>9,786</b>	<b>9,690</b>	<b>99.02 %</b>		<b>96</b>	<b>0.98 %</b>	
<b>Average Payment Time</b>	<b>9.5</b>			<b>9.1</b>			<b>52</b>

Target Times							
Target Payment Time (Days)	Total Number of Payments	Nbr of Payments within Target Time	Percentage	Average Payment Times (Days)	Nbr of Late Payments	Percentage	Average Payment Times (Days)
20	127	116	91 %	11	11	9 %	31
30	159	133	84 %	14	26	16 %	56
50	48	44	92 %	19	4	8 %	54
60	2	2	100 %	41			
75	1	1	100 %	62			

<b>Total Number of Payments</b>	<b>337</b>	<b>296</b>	<b>87.83 %</b>		<b>41</b>	<b>12.17 %</b>	
<b>Average Payment Time</b>	<b>18.1</b>			<b>13.9</b>			<b>48.9</b>

Suspensions							
Average Report Approval Suspension	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	68	439	4.49 %	9786	36,976,567	1.90 %	1,949,104,436

Late Interest paid in 2015			
DG	GL Account	Description	Amount (Eur)
EAC	65010100	Interest on late payment of charges New FR	2 718.51
			<b>2 718.51</b>

TABLE 7 : SITUATION ON REVENUE AND INCOME IN 2015								
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		
52	REVENUE FROM INVESTMENTS OR LOANS GRANTED, BANK AND OTHER INTEREST	478,463	1,178,072	1,656,535	419,881	1,168,037	1,587,919	68,616
57	OTHER CONTRIBUTIONS AND REFUNDS IN CONNECTION WITH THE ADMINISTRATIVE OPERATION OF THE INSTITUTION	1,557,644	1,095	1,558,740	1,557,644	1,095	1,558,740	-
59	OTHER REVENUE ARISING FROM ADMINISTRATIVE MANAGEMENT	1,136,516	-	1,136,516	1,136,516	-	1,136,516	-
60	CONTRIBUTIONS TO UNION PROGRAMMES	142,693,000	-	142,693,000	142,693,000	-	142,693,000	-
66	OTHER CONTRIBUTIONS AND REFUNDS	45,954,501	2,073,949	48,028,450	40,119,455	1,780,215	41,899,671	6,128,779
70	INTEREST ON LATE PAYMENTS	2,728	5,623	8,350	2,650	5,623	8,273	78
90	MISCELLANEOUS REVENUE	(5,360)	10,244	4,884	(8,329)	8,329	-	4,884
<b>Total DG EAC</b>		<b>191,817,492</b>	<b>3,268,983</b>	<b>195,086,475</b>	<b>185,920,817</b>	<b>2,963,300</b>	<b>188,884,117</b>	<b>6,202,357</b>

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

INCOME BUDGET RECOVERY ORDERS ISSUED IN 2015	Error		Irregularity		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
2005							2	4,377		
2006							2	5,259		
2007							8	27,229		
2008							8	58,181		
2009			1	14,821	1	14,821	23	3,491,067	4.35%	0.42%
2010			5	113,501	5	113,501	38	5,214,288	13.16%	2.18%
2011	1	7,658	5	15,903	6	23,562	127	30,168,156	4.72%	0.08%
2012			1	9,560	1	9,560	27	4,255,484	3.70%	0.22%
2013							61	1,512,385		
2014			2	14,517	2	14,517	60	2,129,655	3.33%	0.68%
2015			1	1,370	1	1,370	22	1,213,753	4.55%	0.11%
No Link							10	615,575		
Sub-Total	1	7,658	15	169,672	16	177,331	388	48,695,410	4.12%	0.36%

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	9	10,776	16	33,333			25	44,109	25	44,109	100.00%	100.00%
CREDIT NOTES	16	33,126	8	358,337			24	391,463	237	908,910	10.13%	43.07%
Sub-Total	25	43,901	24	391,670			49	435,572	262	953,019	18.70%	45.70%

<b>GRAND TOTAL</b>	26	51,560	39	561,342			65	612,902	650	49,648,429	10.00%	0.88%
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**TABLE 9: AGEING BALANCE OF RECOVERY ORDERS AT 31/12/2015 FOR EAC**

	Number at 01/01/2015	Number at 31/12/2015	Evolution	Open Amount (Eur) at 01/01/2015	Open Amount (Eur) at 31/12/2015	Evolution
1999	1	1	0.00 %	8,000	8,000	0.00 %
2002	1	1	0.00 %	66,035	66,035	0.00 %
2003	2	2	0.00 %	38,667	38,667	0.00 %
2005	5	5	0.00 %	93,094	93,094	0.00 %
2007	1		-100.00 %	79,533		-100.00 %
2008	1	1	0.00 %	35,260	35,260	0.00 %
2009	1	1	0.00 %	6,586	6,586	0.00 %
2011	1		-100.00 %	8,329		-100.00 %
2012	1	1	0.00 %	56,126	56,126	0.00 %
2014	23	1	-95.65 %	2,877,353	1,915	-99.93 %
2015		18			5,896,674	
	37	31	-16.22 %	3,268,983	6,202,357	89.73 %

TABLE 10 : RECOVERY ORDER WAIVERS IN 2015 >= EUR 100.000						
	Waiver Central Key	Linked RO Central Key	RO Accepted Amount (Eur)	LE Account Group	Commission Decision	Comments

<b>Total DG</b>	
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<b>Number of RO waivers</b>	
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*Justifications:*  
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**TABLE 11 : CENSUS OF NEGOTIATED PROCEDURES - DG EAC - 2015**

**Procurement > EUR 60,000**

<b>Negotiated Procedure Legal base</b>	<b>Number of Procedures</b>	<b>Amount (€)</b>
Art. 134.1(b)	2	3,199,270.00
Art. 134.1(e)	1	199,700.00
<b>Total</b>	<b>3.</b>	<b>3,398,970.00</b>

**TABLE 12 : SUMMARY OF PROCEDURES OF DG EAC EXCLUDING BUILDING CONTRACTS**

<b>Internal Procedures &gt; € 60,000</b>		
<b>Procedure Type</b>	<b>Count</b>	<b>Amount (€)</b>
Exceptional Negotiated Procedure without publication of a contract notice (Art. 134 RAP)	3	3,398,970
Open Procedure (Art. 122.2 IR)	1	150,000
Open Procedure (Art. 127.2 RAP)	18	100,860,741
<b>TOTAL</b>	<b>22</b>	<b>104,409,711</b>

**Additional comments**

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**TABLE 13 : BUILDING CONTRACTS**

Total number of contracts :	
Total amount :	

Legal base	Contract Number	Contractor Name	Description	Amount (€)

No data to be reported

**TABLE 14 : CONTRACTS DECLARED SECRET**

Total Number of Contracts :	
Total amount :	

Legal base	Contract Number	Contractor Name	Type of contract	Description	Amount (€)

**No data to be reported**

## ANNEX 4: Materiality criteria

In line with Commission guidelines, the deficiencies leading to reservations should fall within the scope of the declaration of assurance. The following types of possible deficiencies can be relevant in DG EAC's context:

- Significant repetitive errors detected during ex post controls or supervision exercises. The frequency and duration of the errors will be the determining factor to judge their significance.
- Significant weakness in one of the control systems identified by auditors, in supervision exercises, or in the assessment of the implementation of the internal control standards. A particularly relevant case for DG EAC would be identified weaknesses in the control chain of National Agencies.
- Situation where a major critical issue that is of relevance to the declaration has been identified by the European Court of Auditors, the Internal Audit Service or the Internal Audit Capability.
- Situation where the DG knows that it does not have sufficient evidence from internal control systems or audit coverage.
- Situation where the DG has evidence that a significant risk remain unmitigated.
- A significant risk for the reputation of the Commission.

When significant weaknesses are identified, a quantification of the amount at risk should be carried out when possible.

As the DG implements its budget through three very different implementation modes (see section 2.1-2.2), which have different risk profiles and which each have their own control and supervision arrangements, it is considered that observed quantified weaknesses should be assessed against the part of the budget spent in each specific implementation mode. As the Directors of the executive agencies are Authorising Officers by Delegation for the parts of the programmes delegated to them, they take responsibility for this spending in their declaration of assurance in the AARs of the executive agencies. Consequently, the operational spending through executive agencies is not part of the declaration of assurance of the Director General of the parent DGs, only the subsidy for the EA's operating budget. The following diagram gives an overview of the discussed basis for assessing materiality for the two other implementation modes.

Overview of basis for assessing materiality

Erasmus+ 15.02	Horizon 2020 15.03	Creative Europe 15.04
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Indirect management through NAs	
Direct management by DG EAC	

In order to better capture the multi-annual nature of programmes and control activities, a multi-annual approach to the calculation of error rates has been introduced as from AAR 2012. The detected error rate calculated in the 2015 AAR is based on audits carried out over the prior 5 years. Cashed recoveries related to the audit findings (no extension of audit findings is possible in the context of DG EAC's beneficiary population) are deducted to arrive at the residual error rate. If the amount at risk surpasses 2% of the budget for a specific implementation mode during the multiannual reporting period, a reservation should be considered.

In order to quantify the weaknesses, a detected and residual error rate is obtained through random ex post audits for each implementation mode.

Where the deficiency consists of an observed serious weakness in the control system, it will not always be possible to quantify the amount at risk based on observed errors. This can be in particular relevant for the indirect management through National Agencies, where, in the framework of the single audit model, the DG's assurance is mainly based on a verification of the functioning of the control system. In such a case, the following steps are taken to calculate the percentage of the budget at risk:

- Analyse the effectiveness of the control system of each NA/NAU combination and conclude, based on all available information (audits, visits, Declarations of Assurance, reporting...), if the system gives acceptable, partial or no assurance.
- Identify the part of the budget that has been executed through systems with acceptable, partial and no assurance.
- Deduct any relevant suspensions of payments and any financial corrections to obtain the maximum open exposure.
- As an approximation for the potential exposure, consider that 20% of the calculated maximum open exposure is at risk for NA/NAUs with no assurance; 5% of the exposure for NA/NAUs with partial assurance; the observed error rate in random testing for NA/NAUs with acceptable assurance.

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

### Procurement management

#### Stage 1: Programming, evaluation and selection of tenders

#### **A - Preparation, adoption and publication of the Annual Work Programme and Calls for tender and other procurement procedures**

**Main control objectives:** Ensuring that the tenders submitted meet the objectives, priorities and needs set by DG EAC; Compliance.

<b>Main risks It may happen (again) that...</b>	<b>Mitigating controls</b>	<b>How to determine coverage, frequency and depth</b>	<b>How to estimate the costs and benefits of controls</b>	<b>Control indicators</b>
<p>Risk that the annual work programme and the subsequent calls for tender or other procurement procedures do not adequately reflect the objectives and priorities or are not consistent with DG EAC legal bases.</p> <p>Risk that the needs are not well defined (operationally and economically) and that the procedure to procure was inappropriate.</p>	<p>Definition of needs and procedures to be launched in the Work program or other planning tools.</p> <p>Tenders discussed during directorial management meetings and sometimes at the level of the Directors Board.</p> <p>Planning of procedures and monitoring at the level of central financial unit, collaboration with Service Support to Directors (SuDs) and Operating Units (OU).</p>	<p><b>Coverage / Frequency:</b> 100% of procurement procedures (nature of checks may differ for specific contracts under non-competitive Framework Contracts)</p> <p><b>Depth:</b> In-depth analysis of procedures maybe differentiated depending on the type of procedure</p>	<p><b>Costs:</b> <i>Cost of staff involved in procurement planning</i></p> <p><b>Benefits:</b> <i>Qualitative benefits: Comprehensive Work Programme and planning give assurance that procedures meet DG EAC objectives, priorities and needs and that the procedures are appropriate to the needs.</i></p>	<p><b>Effectiveness:</b> <i>% of number of calls and other procurement procedures launched / number of calls and other procurement procedures planned in WP or other planning tools</i></p>
<p>Risk of high quality offers not being submitted due to the choice of the procedure and/or the specifications</p>	<p>Regular preparatory meetings between central financial unit and OU before launching the procedures</p>	<p><b>Coverage / Frequency:</b> 100% of procurement procedures (nature of checks may differ for specific contracts under non-competitive</p>		

<b>Main risks It may happen (again) that...</b>	<b>Mitigating controls</b>	<b>How to determine coverage, frequency and depth</b>	<b>How to estimate the costs and benefits of controls</b>	<b>Control indicators</b>
	Financial circuit : Central Financial Unit validation and AOS approval on specifications	Framework Contracts) <b>Depth:</b> In-depth analysis of the procedures maybe differentiated depending on the type of procedure		

***B - Selecting and awarding: Evaluation, ranking and selection of tenders***

**Main control objectives:** Ensuring that the tenders submitted meet the objectives, priorities and needs set by DG EAC; Compliance; Prevention of fraud.

<b>Main risks It may happen (again) that...</b>	<b>Mitigating controls</b>	<b>How to determine coverage, frequency and depth</b>	<b>How to estimate the costs and benefits of controls</b>	<b>Control indicators</b>
Risk of most advantageous offer not being selected, due to a deficiencies in the selection/evaluation process	Documented procedures available for OU together with templates on intranet (Based on Business Process Management analysis)  Appointment of the evaluation committee members who might be assisted for important calls by independent experts  Validation by the AO of the evaluation stage In addition, if applicable: opinion of advisory	<b>Coverage / Frequency:</b> 100% of procurement procedures (nature of checks may differ for specific contracts under non-competitive Framework Contracts)  <b>Depth:</b> In-depth analysis of procedures maybe differentiated depending on the type of procedure	<b>Costs:</b> Cost of staff involved in the selection/evaluation of calls. If applicable, cost of the external experts  <b>Benefits:</b> A robust selection/evaluation process allows the DG to cover its needs in an efficient way and limits the possible litigations High quality services provided	<b>Effectiveness:</b> <i>% of number of evaluated tenders / total number of tenders received</i>

<b>Main risks It may happen (again) that...</b>	<b>Mitigating controls</b>	<b>How to determine coverage, frequency and depth</b>	<b>How to estimate the costs and benefits of controls</b>	<b>Control indicators</b>
	<p>bodies</p> <p>Training sessions on new regulatory provisions for procurement given to staff involved in contracts management.</p> <p>Systematic checks on operational and legal aspects performed before signature of the contract.</p>			

## Stage 2: Contracting and monitoring the execution

**Main control objectives:** Ensuring that the tenders submitted meet the objectives, priorities and needs set by DG EAC. Ensuring that the operational results (deliverables) 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; compliance.

<b>Main risks It may happen (again) that...</b>	<b>Mitigating controls</b>	<b>How to determine coverage, frequency and depth</b>	<b>How to estimate the costs and benefits of controls</b>	<b>Control indicators</b>
<p>Risk of payments which are not in accordance with the applicable contractual and regulatory provisions.</p> <p>Risk of non-implementation of the contract (the tasks foreseen are not, totally or partially carried out in accordance with the technical description and requirements foreseen in the contract)</p> <p>Risk of inadequate quality or not reaching policy objectives</p>	<p>Effective external communication and guidance to the tenderers.</p> <p>Preparatory meetings for sensitive and high risk contracts.</p> <p>Operational and financial checks in accordance with the financial circuits and the provisions of the contractual documents in order to ensure that each stage (including amendment) of the procedure/work programme is correctly and fully implemented.</p> <p>Monitoring measures are put in place also at the moment of interim reports.</p> <p>Supervision and authorisation by the AO during the procedure/work programme implementation</p>	<p><b>Coverage / Frequency:</b> 100% of procurement procedures</p> <p><b>Depth:</b> In case of doubts at the time of payment, more in-depth controls are put in place</p>	<p><b>Costs:</b> Cost of staff involved in this phase</p> <p><b>Benefits:</b> Qualitative and quantitative benefits :</p> <p>Detection of errors before payment, sound financial management and respect of contractual provisions</p> <p>Reduction of the committed amounts for contracts and more efficient use of funds due to risk detection.</p> <p>Reduction of the error rate</p> <p>Operational results are of good value and meet the objectives and conditions</p>	<p><b>Effectiveness:</b> Number of suspended or refused reports/total number of reports</p>

### Stage 3: 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>Risk of not detecting by ex-ante controls errors, non-compliance with specifications or potential frauds</p> <p>The ex-post controls focus on the detection of external errors (e.g. made by beneficiaries and contractors), which is the main driver of the error rate.</p>	<p>At intervals carry out ex-post controls and external audits of a representative sample of operations to measure the level of error in the population after ex-ante controls have been performed</p> <p>Additional sample if necessary to address specific risks</p> <p>At intervals IAC audits carried out on DG EAC procedures</p> <p>Ex-post controls and audit planning and monitoring of the action plan implementation.</p> <p>In case of systemic error being detected, extrapolation to all similar non-audited procedures.</p>	<p>MUS and random Selection</p> <p>Audit programme of approximately 10 MUS and 10 randomly selected items per year on procurement, with a coverage of 3%, and a 100% depth of testing.</p> <p>Period checks of procurement transactions in the context of the regular accounting control process</p>	<p><b>Costs:</b> Cost of staff involved in the coordination and execution of the ex-post controls and audits.</p> <p><b>Benefits:</b> Reduction in the number and budget value of the errors detected by the auditors.</p> <p>Improvement of ex-ante controls or risk approach in ex-ante controls by feeding back findings from audits.</p> <p>Improvement in rules and guidance from feedback from audits.</p>	<p><b>Effectiveness:</b></p> <p>Consistent error rate data for the AAR.</p>

## Grants direct management

### Stage 1: Programming, evaluation and selection of proposals

#### **A - Preparation, adoption and publication of the Annual Work Programme and Calls for proposals and other grants procedures**

**Main control objectives:** Ensuring that the proposals submitted meet the objectives and priorities set by DG EAC; Compliance; Prevention of fraud

<b>Main risks It may happen (again) that...</b>	<b>Mitigating controls</b>	<b>How to determine coverage, frequency and depth</b>	<b>How to estimate the costs and benefits of controls</b>	<b>Control indicators</b>
<p>The annual work programme and the subsequent calls for proposals or other grant procedures do not adequately reflect the objectives and 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 with DG EAC legal bases.</p>	<p>Hierarchical validation within the authorising department</p> <p>Inter-service consultation, including all relevant DGs; adoption by the Commission</p> <p>Explicit allocation of responsibility.</p> <p>Validation of calls or other grant procedures by the central financial unit before launching the procedure</p>	<p><b>Coverage / Frequency:</b> 100%</p> <p><b>Depth:</b> All work programmes and calls or other grant procedures are thoroughly reviewed at all levels, including for operational and legal aspects. In-depth controls are put in place for riskier grant procedures.</p>	<p><b>Costs:</b> estimation of cost of staff involved in the preparation and validation of the annual work programmes and calls or other grant procedures.</p> <p><b>Benefits:</b> Qualitative benefits. A good Work Programme and well prepared calls or other grant procedures give assurance that applications meet DG EAC objectives and priorities. Clear planning/programming ensure simplification of procedures Quantitative benefits: number of applications or number of work program objectives met.</p>	<p><b>Effectiveness:</b> % of number of calls or other grant procedures launched / number of calls or other grant procedures planned in WP</p>

<b>Main risks It may happen (again) that...</b>	<b>Mitigating controls</b>	<b>How to determine coverage, frequency and depth</b>	<b>How to estimate the costs and benefits of controls</b>	<b>Control indicators</b>
<p>In the preparation of simplified form of grants, the categories of eligible costs are not clearly identified in advance</p>	<p>Methodologies on calculating simplified form of grants have been prepared. Commission decisions were taken on their use.</p> <p>The method for determining lump sums, unit costs or flat-rate financing is based on either adequate statistical data, certified historical data or usual accounting practices of the beneficiary.</p> <p>Regular meetings between central financial unit and Operational Unit (OU) were organised to discuss the methodologies and to harmonize the use of this form of grants at the lever of the DG</p> <p>Regular monitoring/follow-up of their implementation in DG EAC.</p>	<p><b>Coverage / Frequency:</b> 100% of procedures concerned by simplified forms of grants</p> <p><b>Depth:</b> in-depth analysis for categories of costs with high degree of complexity and risk</p>	<p><b>Costs:</b> estimation of cost of staff involved in the preparation and implementation of simplified form of grant</p> <p><b>Benefits:</b> Qualitative benefits refer to simplification of grants procedures and consequent ease of application.</p>	<p><b>Effectiveness:</b> % number of grant procedures concerned by simplified forms of grants/total number of grant procedures</p>

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

**Main control objectives:** Ensuring that the proposals submitted meet the objectives and priorities set by DG EAC; 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 evaluation, ranking and selection of proposals is not carried out in accordance with the established procedures, the objectives and priorities and the eligibility, selection and award criteria defined in the annual work programme and subsequent calls for proposals and/or invitations to submit proposals.</p>	<p>Documented procedures available to operational staff with relevant guidance documents such as templates e.g., via the intranet (based on Business Process Management analysis) Appointment of the evaluation committee members who might be assisted for important calls by independent experts</p> <p>Evaluation committee members are selected for their technical expertise and independence (e.g. sworn declaration for conflicts of interests)</p> <p>Validation by the AO of the evaluation stage In addition, if applicable: opinion of advisory bodies; comitology where appropriate</p> <p>Training sessions on new</p>	<p>100% of individual or spontaneous applications are evaluated.</p> <p>More in depth analysis can be carried out depending on the type of grants</p>	<p><b>Costs:</b> estimation of cost of staff involved in the evaluation process. If applicable, cost of the external experts</p> <p><b>Benefits:</b> a robust evaluation process contributes to assurance on the good implementation of the WP</p>	<p><b>Effectiveness:</b> <i>% of number of evaluated applications / total number of applications received</i></p>

<b>Main risks It may happen (again) that...</b>	<b>Mitigating controls</b>	<b>How to determine coverage, frequency and depth</b>	<b>How to estimate the costs and benefits of controls</b>	<b>Control indicators</b>
	<p>regulatory provisions for grants given to staff involved in grant management to improve performance</p> <p>Systematic checks on operational and legal aspects performed before signature of the grant agreement or decision.</p>			

## Stage 2: Contracting

**Main control objectives:** Ensuring that the proposals accepted meet the objectives and priorities set by DG EAC; Compliance

<b>Main risks It may happen (again) that...</b>	<b>Mitigating controls</b>	<b>How to determine coverage, frequency and depth</b>	<b>How to estimate the costs and benefits of controls</b>	<b>Control indicators</b>
<p>Procedures do not comply with the regulatory framework.</p>	<p>Documented procedures available to operational staff with relevant guidance documents such as templates e.g., via the intranet (based on Business Process Management process analysis)</p> <p>Project Officers implement evaluators' recommendations in contracting with applicants</p>	<p>100 % of proposals are checked by financial initiators and verifiers before commitment</p> <p>Depth may be differentiated depending on the nature of the grant or beneficiary</p>	<p><b>Costs:</b> estimation of cost of staff involved in the contracting process.</p> <p><b>Benefits:</b> Qualitative benefits: The mitigating controls put in place to ensure the respect of rules and procedures contribute to avoiding possible errors at the stage of contracting.</p>	<p><b>Effectiveness:</b> % of errors or challenges to contractual procedures</p>

<b>Main risks It may happen (again) that...</b>	<b>Mitigating controls</b>	<b>How to determine coverage, frequency and depth</b>	<b>How to estimate the costs and benefits of controls</b>	<b>Control indicators</b>
	<p>Hierarchical validation of proposed adjustments.</p> <p>Ex-ante verification of the proposed budget</p> <p>Signature of the grant agreement or decision by the AO.</p>			

### Stage 3: Monitoring the execution

**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
<p>The actions foreseen are not, totally or partially carried out in accordance with the technical description and requirements foreseen in the grant agreements or decisions and/or the amounts paid exceed what is due in accordance with the applicable contractual and regulatory provisions.</p>	<p>Kick-off meetings (if applicable) and "launch events" involving the beneficiaries in order to avoid beneficiary reporting errors.</p> <p>Effective external communication about guidance to the beneficiaries.</p> <p>Operational and financial checks in accordance with the financial circuits and the provisions of the contractual documents in order to ensure that each stage (including amendment) of the action/work programme is correctly and fully implemented.</p> <p>Supervision and authorisation by the AO during the action/work programme implementation.</p>	<p>100% of the projects are controlled each time a payment is made or an amendment is issued.</p> <p>In case of doubts at the moment of the payment, more in-depth controls are put in place.</p>	<p><b>Costs:</b> estimation of cost of staff involved in this phase.</p> <p><b>Benefits:</b> any reduction of the committed amounts for grants due to risk materialization. (data not available so far)</p> <p>Reduction of the error rate.</p> <p>Operational results from the projects are of good value and meet the objectives and conditions</p>	<p><b>Effectiveness:</b> % of errors detected at an operational or financial level</p>

<b>Main risks It may happen (again) that...</b>	<b>Mitigating controls</b>	<b>How to determine coverage, frequency and depth</b>	<b>How to estimate the costs and benefits of controls</b>	<b>Control indicators</b>
	Audit certificates for final payments required in compliance with FR.			
Non-detection of grants with high risk of non-implementation when no bank guarantee is requested.	<p>Methodology on evaluation of pre-financing risks and guidelines on pre-financing payments are in place in conformity with FR</p> <p>Training sessions on new regulatory provisions for grants given to staff involved in grants management</p> <p>Workshops on risk assessment for staff concerned</p> <p>Verification at the stage of payments</p>	<p>100% of grants for which a pre-financing is foreseen are subject to a risk analysis</p> <p>An in-depth evaluation of risks is carried out for each grant concerned by a pre-financing, based on a set of criteria (value, duration, type of grant, subject, financial capacity, type of payments).</p>	<p><b>Cost:</b> estimation of cost of staff involved in risk analysis</p> <p><b>Benefits:</b> assurance that riskier actions are identified and mitigating measures (e.g. guarantees) are taken in order to preserve EU financial interests.</p>	<p><b>Effectiveness:</b> % number risk analysis/number of grants concerned by pre-financing payment</p>

## 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>Risk of not detecting by ex-ante controls errors or non-compliance with specifications or frauds</p> <p>The ex-post controls focus on the detection of external errors (e.g. made by beneficiaries, which is the main driver of the error rate.</p>	<p>At intervals carry out ex-post controls and external audits of a representative sample of operations to measure the level of error in the population after ex-ante controls have been performed.</p> <p>Additional sample to address specific risks, where appropriate.</p> <p>At intervals IAC audits carried out on DG EAC procedures</p> <p>Ex-post controls and audit planning and monitoring of the action plan implementation.</p> <p>In case of systemic error detected extrapolation to all the non-audited similar procedures.</p>	<p>MUS Selection</p> <p>Audit programme of approximately 10 externally contracted audits per year on projects, with a coverage of 10%, and a 100% depth of testing.</p> <p>Period checks of grant transactions in the context of the AAR and the regular accounting control process</p>	<p><b>Costs:</b> Cost of staff involved in the coordination and execution of the ex-post controls and audits.</p> <p><b>Benefits:</b> Reduction in the number and budget value of the errors detected by the auditors.</p> <p>Improvement of ex-ante controls or risk approach in ex-ante controls by feeding back findings from audits.</p> <p>Improvement in rules and guidance from feedback from audits.</p>	<p><b>Effectiveness:</b></p> <p>Consistent error rate data for the AAR.</p>

**B - Implementing results from ex-post audits/controls**

**Main control objectives:** Ensuring that the (audit) results from the ex-post controls are implemented.

<b>Main risks It may happen (again) that...</b>	<b>Mitigating controls</b>	<b>How to determine coverage, frequency and depth</b>	<b>How to estimate the costs and benefits of controls</b>	<b>Control indicators</b>
Risk of non-implementing of action plans for correcting errors, irregularities and cases of fraud detected	Ex-post supervision strategy, performed by external auditors, AOSD decision based on the recommendation of the auditors and proper follow up of recoveries.	100% of results are implemented	<p><b>Costs:</b> Cost of staff involved in the implementation of the audit results.</p> <p><b>Benefits:</b> Budget value of the errors, detected by ex-post controls/audits, which have actually been corrected</p>	<p><b>Effectiveness:</b></p> <p>Recovery of ineligible amounts</p>

## Indirect management – National Agencies

### Stage 1 – Establishment (or prolongation) of the mandate to the entrusted entity.

**Main control objectives:** Ensuring that the legal framework for the management of the relevant funds is fully compliant and regular (legality & regularity), delegated to an appropriate entity (best value for public money, economy, efficiency), without any conflicts of interests (anti-fraud strategy).

<b>Main risks It may happen (again) that...</b>	<b>Mitigating controls</b>	<b>How to determine coverage frequency and depth</b>	<b>How to estimate the costs and benefits of controls</b>	<b>Possible control indicators</b>
<p>The establishment (or prolongation) of the mandate of the National Agency is affected by legal issues, which would undermine the legal basis for the management of the related decentralised EU funds (via that particular National Agency).</p>	<p>For the period 2007-2013, the Member States/participating countries provide the Commission with the preliminary assurances (ex-ante declaration of assurance) that the minimum conditions established by the legal bases are fulfilled by the National Agencies</p> <p>Before the Commission signs a contract with the National Agency, DG EAC a) reviews the ex-ante declaration/ex-ante compliance assessment b) approves the work programme of the National Agency.</p> <p>After each year of programme implementation, the National Authorities provide an ex-post declaration of assurance on the proper</p>	<p><b>Coverage/Frequency:</b> 100%</p> <p><b>Depth:</b> Checklist includes a list of the requirements of the regulatory provisions to be complied with.</p> <p>If risk materialises, funds delegated during the year(s) to the entrusted entity may be subject to error and irregularity</p>	<p><b>Costs:</b> estimation of cost of staff involved in the preparation, adoption and selection work.</p> <p><b>Benefits:</b> The potential error which could affect the budget amount entrusted to the National Agency, if significant (legal) errors would otherwise be detected.</p>	<p><b>Effectiveness:</b> Smooth transition to next programme;</p> <p><b>Efficiency:</b> Timely conclusion of process.</p>

<b>Main risks</b> <i>It may happen (again) that...</i>	<b>Mitigating controls</b>	<b>How to determine coverage frequency and depth</b>	<b>How to estimate the costs and benefits of controls</b>	<b>Possible control indicators</b>
	<p>management of the funds by the NAs, on the functioning of their control system and on the probity of the accounts presented in the NAs yearly reports.</p> <p>DG EAC has set minimum standards of control and procedures for the NAs (Guide for National Agencies, updated annually) and issued Guidelines for National Authorities.</p> <p>For the period 2014-2020 the same preliminary assurance is provided through the handover and ex-ante Compliance Process.</p> <p>Negotiation of legal base with the Legislative Authority, following which the designation of the National Authority, National Agency and Independent Audit Body.</p>			

**Stage 2 – Ex-ante (re)assessment of the entrusted entity’s financial and control framework (towards “budget autonomy”; “financial rules”).**

**Main control objectives:** Ensuring that the entrusted entity is fully prepared to start/continue implementing the delegated funds autonomously while respecting all 5 ICOs.

<b>Main risks It may happen (again) that...</b>	<b>Mitigating controls</b>	<b>How to determine coverage, frequency and depth</b>	<b>How to estimate the costs and benefits of controls</b>	<b>Possible control indicators</b>
<p>The financial and control framework deployed by the National Agency is not fully mature to guarantee achieving all 5 ICOs (<i>legality and regularity, sound financial management, true and fair view reporting, safeguarding assets and information, anti-fraud strategy</i>).</p> <p>For the Erasmus+ programme (2014-2020):</p> <ul style="list-style-type: none"> <li>- Ex-ante Compliance Assessments for the new National Agencies are of poor quality</li> </ul>	<p><u>LLP/YiA (programmes 2007-2013):</u></p> <ul style="list-style-type: none"> <li>- DG EAC has set minimum standards of control and procedures for the NAs (Guide for National Agencies, updated annually) and issued Guidelines for National Authorities.</li> </ul> <p><u>Erasmus+ Programme (2014-2020):</u></p> <p>Guidance documents on the designation of National Agencies under Erasmus+, on the ex-ante Compliance Assessments and on the transition/handover between National Agencies</p> <p>Ex-ante assessment, conditional to sign a Delegation Agreement with the new National Agency</p> <p>Guidance to Independent Audit Bodies</p> <p>Hierarchical validation by the AOSD of Directorate B</p>	<p><b>Coverage/frequency:</b> 100% of National Agencies</p> <p><b>Depth :</b> all ex-ante assessment are analysed with the same depth, independently of the level of decentralised funds that will be entrusted to the National Agency</p>	<p><b>Costs:</b> estimation of cost of staff involved in the ex-ante assessment process (which includes missions).</p> <p><b>Benefits:</b> The potential error in the (average annual) total budget avoided.</p>	<p><b>Effectiveness:</b> Positive performance of stakeholders achieved</p> <p><b>Efficiency Indicators:</b> Timeliness of process (guidance is clear and properly applied by stakeholders)</p>

**Stage 3 – Operations: monitoring, supervision, reporting (“representation” / “control around the entity”).**

**Main control objectives:** Ensuring that the Commission is fully and timely informed of any relevant management issues encountered by the entrusted entity, in order to possibly mitigate any potential financial and/or reputational impacts (legality & regularity, sound financial management, true and fair view reporting, anti-fraud strategy).

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Possible control indicators
<p>Due to weak "modalities of cooperation, supervision &amp; reporting", the Commission is not (promptly) informed of relevant management issues encountered by the National Agency, and/or does not (promptly) react upon notified issues by mitigating them or by making a critical observation and recommendation for them – which may reflect negatively on the Commission’s governance reputation and quality of accountability reporting.</p>	<p>The Commission – National Agency Agreement (for LLP/YiA) or Delegation Agreement (Erasmus+) specifying the control, accounting, audit, publication, etc. related requirements – <i>incl. the modalities on reporting back relevant and reliable control results</i></p> <p>Analysis and assessment of yearly Management Declarations, including yearly NA reports, of National Agencies.</p> <p>Analysis and assessment of yearly audit opinions of Independent Audit Bodies on the yearly NA Management Declarations.</p> <p>Analysis and assessment of the yearly reports of National Authorities on their monitoring and supervision activities (October reports).</p> <p>Risk-based supervisory</p>	<p><b>Coverage:</b> 100% of the National Agencies and Authorities are monitored/supervised. 100% of the Independent Audit Bodies are supervised. <b>Frequency:</b> annually</p> <p><u>In case of</u> operational and/or financial issues, measures are being reinforced.</p> <p>The <b>depth</b> is the same for all National Agencies.</p>	<p><b>Costs:</b></p> <ul style="list-style-type: none"> <li>- estimation of cost of staff involved in the actual (regular or reinforced) monitoring and supervising the National Agencies (which includes missions)</li> <li>- cost of externalised financial audits of COM-NA Agreements of National Agencies</li> </ul> <p><b>Benefits:</b> Assurance on the budget amount entrusted to the National Agency.</p>	<p><b>Effectiveness:</b> Conclusions reached on the basis of annual reports and Management Declarations are confirmed by monitoring visits, audits and other supervisory activities.</p> <p><b>Efficiency Indicators:</b> Timeliness of delivery of Management Declarations, annual NA reports, annual audit opinions and annual reports of National Authorities</p> <p><b>Cost effectiveness :</b> Long term resource monitoring</p>

<b>Main risks</b> <i>It may happen (again) that...</i>	<b>Mitigating controls</b>	<b>How to determine coverage, frequency and depth</b>	<b>How to estimate the costs and benefits of controls</b>	<b>Possible control indicators</b>
	visits to National Agencies and National Authorities Financial audits on yearly sampled National Agencies Regular reporting to Senior Management and in AAR of the supervision results. Regular NA meetings, training of NA staff Information seminars for National Authorities and regular updates and improvements of guidelines for them <u>If appropriate/needed:</u> - monitoring visits to National Agencies to support and provide advice - individual targeted follow-up of critical recommendations - precautionary measures - intervention, e.g. via own audits on-the-spot, - referral to OLAF			

**Stage 4 – Commission contribution: payment or suspension/interruption.**

**Main control objectives:** Ensuring that the Commission fully assesses the management situation at the entrusted entity, before either paying out the (next) contribution for the operational and/or operating budget of the entity, or deciding to suspend/interrupt the (next) contribution (legality & regularity, sound financial management, anti-fraud strategy).

<b>Main risks It may happen (again) that...</b>	<b>Mitigating controls</b>	<b>How to determine coverage, frequency and depth</b>	<b>How to estimate the costs and benefits of controls</b>	<b>Possible control indicators</b>
<p>The Commission pays out the (next) contribution to the National Agency, while not being aware of the management issues that may lead to financial and/or reputational damage.</p>	<p>The Commission – National Agency Agreement (for LLP/YiA) or Delegation Agreement (Erasmus+) specifying the control, accounting, audit, publication, etc. related requirements</p> <p>Management review of the supervision results.</p> <p>Ex-ante Operational Verification and Financial Verification, 'in-depth' as required</p> <p>Hierarchical validation of contribution payment of operating grant and funds for decentralised actions and recovery of non-used funds for decentralised actions</p> <p><u>If appropriate/needed:</u> suspension or interruption of payments</p>	<p><b>Coverage:</b> 100% of the contribution payments.</p> <p><b>Frequency:</b> usually annually</p> <p>The <b>depth</b> is the same for all National Agencies.</p>	<p><b>Costs:</b> estimation of cost of staff involved in the (in-depth) OV and FV of the contribution payments/recoveries to/from the National Agencies.</p> <p><b>Benefits:</b> The potential error in the (average annual) total budget avoided.</p> <p><b>Benefits</b> in case of recovery or suspension/interruption: the amount and % value of budget recovered or not paid out</p>	<p><b>Effectiveness:</b> Appropriate information available to support payment or suspension decision.</p> <p><b>Efficiency Indicators:</b> Timeliness of information and action when issues are noted</p>

## Stage 5 – Audit and evaluation, Discharge for decentralised agencies

**Main control objectives:** Ensuring that assurance building information on the entrusted entity’s activities is being provided through independent sources as well, which may confirm or contradict the management reporting received from the entrusted entity itself (on the 5 ICOs).

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Possible control indicators
<p>The Commission has not sufficient information from independent sources on the National Agencies' management achievements, which prevents conclusions being correctly drawn on the assurance for the budget entrusted to the entity – which may reflect negatively on the Commission’s governance reputation and quality of accountability reporting.</p>	<p>The Commission – National Agency Agreement (for LLP/YiA) or Delegation Agreement (Erasmus+) specifying the control, accounting, audit, publication, etc. related requirements – incl. independent audit function and cooperation with IAS and ECA</p> <p>Assessment of ex-post yearly audit opinions provided by Independent Audit Bodies on NA Management Declarations (including yearly reports).</p> <p>Assessment of ex-post yearly reports provided by National Authorities on monitoring and supervision activities.</p> <p>NAs include in their yearly reports the results of primary controls (controls carried out by or under the responsibility of the National Agency on the</p>	<p><b>Coverage:</b> sample as needed (random for financial audits, value-targeted, risk-based for supervisory visits).</p> <p><b>Frequency:</b> multiannual planning for financial audits; no pre-determined frequency for supervisory visits</p> <p>The <b>depth</b> for financial audits is the same for all National Agencies. For supervisory visits, the depth is adapted to identify risks.</p>	<p><b>Costs:</b> estimation of cost of staff involved in the coordination and execution of supervisory visits. Cost of the appointment of audit firms for the outsourced financial audits.</p> <p><b>Benefits:</b> The potential error in the (average annual) total budget avoided</p> <p><b>Benefits:</b> budget value of the errors with the beneficiaries detected and subsequently corrected.</p>	<p><b>Effectiveness:</b> Assurance being provided via NA Management Declarations, audit opinions of Independent Audit Bodies and reports of National Authorities and corroborated by other supervision data.</p> <p><b>Efficiency:</b> Timeliness and administrative cost of process.</p>

<b>Main risks</b> <i>It may happen (again) that...</i>	<b>Mitigating controls</b>	<b>How to determine coverage, frequency and depth</b>	<b>How to estimate the costs and benefits of controls</b>	<b>Possible control indicators</b>
	actions that it manages). Types and minimum requirements for controls are set out by DG EAC and are legally binding for the National Agencies. Own supervisory visits <u>of National Agencies and/or National Authorities</u> Yearly sample of selected National Agencies for financial audit - referral to OLAF			

## Entrusted management – EACEA, REA, EIT, and EIF

### Stage 1 – Establishment (or prolongation) of the mandate to the entrusted entity (“establishment act” and “delegation act”).

**Main control objectives:** Ensuring that the legal framework for the management of the relevant funds is fully compliant and regular (legality & regularity), delegated to an appropriate entity (best value for public money, economy, efficiency), without any conflicts of interests (anti-fraud strategy).

Main risks	Mitigating controls	How to determine coverage frequency and depth	How to estimate the costs and benefits of controls	Possible control indicators
<p>The establishment (or prolongation) of the mandate of the entrusted entity is affected by legal issues, which would undermine the legal basis for the management of the related EU funds (via that particular entity).</p> <p>The mandate is not finalised in time to allow programme implementation to proceed by the Agency/entity.</p>	<p>Existing and long established general legal bases (since 2003 for EAs), multiple mandate extensions in the past</p> <p>Cost-benefit analysis carried out by external consultant and adjustments thereafter ensure value for money</p> <p>Standard template provided by central services and standard wording</p> <p>Hierarchical validation within the authorising department</p> <p>Inter-service consultation, including all relevant DGs</p> <p>Opinion of Council (Committee on Executive Agencies) and Parliament</p> <p>Adoption by the</p>	<p><b>Coverage/Frequency:</b> 100%/once</p> <p><b>Depth:</b> Standard templates include all requirements of the regulatory provisions to be complied with.</p> <p>If extreme challenge to the legality of the establishment and delegation materialises, regularity of funds delegated during the year(s) to the entrusted entity could be questioned.</p> <p>Impact of late adoption would affect effectiveness and efficiency.</p>	<p><b>Costs:</b> cost of staff involved in the preparation, adoption and selection work: this is a largely unavoidable cost and arises infrequently.</p> <p><b>Benefits:</b> Reputational risk of parent DGs intact. Avoidance of possible additional costs which might result from delays.</p>	<p><b>Effectiveness:</b> Quality of the legal work (basic act, LFS and delegation act, etc): number of control failures; number of initially negative CIS opinions and timeliness.</p> <p>No litigation cases. No OLAF inquiries. No ECA criticism.</p> <p><b>Efficiency:</b> Ease of application – timeliness.</p>

<b>Main risks</b>	<b>Mitigating controls</b>	<b>How to determine coverage frequency and depth</b>	<b>How to estimate the costs and benefits of controls</b>	<b>Possible control indicators</b>
	<p>Commission Possibility to make necessary clarifications to the text in the context of revision of the Delegation Act</p> <p>Specific Financial Regulation For EIT, establishment and governance process established by regulation 294/2008.</p> <p>For EIF, FAFA and Template Delegation Agreement coordinated by central services and used with only minor derogations.</p>			

**Stage 2 – Ex-ante (re)assessment of the entrusted entity’s financial and control framework (towards “budget autonomy”; “financial rules”).**

**Main control objectives:** Ensuring that the entrusted entity is fully prepared to start/continue implementing the delegated funds autonomously with respect of all 5 ICOs.

Main risks	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Possible control indicators
<p>The financial and control framework deployed by the entrusted entity is not fully mature to guarantee achieving all 5 ICOs (<i>legality and regularity, sound financial management, true and fair view reporting, safeguarding assets and information, anti-fraud strategy</i>).</p>	<p>Verification of the equivalence and guaranty of the system of internal control</p> <p>As EACEA and REA are well established, the mitigating controls regarding a serious breakdown in the control framework can be regarded as at “cruising speed”.</p> <p>The supervision arrangements constitute the principle control mechanism to ensure the high quality of EACEA’s and REA’s control structures are maintained.</p> <p>For EIT, full financial autonomy will be granted only after a positive ex-ante assessment of the management</p>	<p><b>Coverage/frequency:</b> DG EAC does not carry out direct controls on the underlying transactions (except for EIT’s reinforced supervision by DG EAC), but uses the supervision mechanisms in place to ensure ICOs are being achieved.</p> <p><b>Depth:</b> if there was a (hypothetical) particularly serious issue, the parent DGs of the Agency can perform in-depth checks under Article 22 of the Delegation Act of EAs.</p> <p>Monitoring visits on operational matters on-the-spot also contribute to assessment of the effectiveness of the framework.</p>	<p><b>Costs:</b> not applicable, no ex-ante assessment process required.</p> <p><b>Benefits:</b> Reputational risk of parent DGs intact.</p>	<p><b>Effectiveness:</b> Potential requirement for parent DGs to increase supervision due to deterioration in “Stage 3” indicators</p> <p><b>Efficiency Indicators:</b> Deterioration in “Stage 3” indicators of time-to-pay, etc.</p>

<b>Main risks</b>	<b>Mitigating controls</b>	<b>How to determine coverage, frequency and depth</b>	<b>How to estimate the costs and benefits of controls</b>	<b>Possible control indicators</b>
	<p>environment Prior approval by Commission for the riskier transactions (contracts above EUR 60 000 and grants).</p> <p>For EIF, the financial and control framework is specified in detail by the Delegation Agreement and closely monitored by the Commission as well as using the assurance provided by the Independent Audit Body.</p>			

**Stage 3 – Operations: monitoring, supervision, reporting (“representation” / “control with the entity”).**

**Main control objectives:** Ensuring that the Commission is fully and timely informed of any relevant management issues encountered by the entrusted entity, in order to possibly mitigate any potential financial and/or reputational impacts (legality & regularity, sound financial management, true and fair view reporting, anti-fraud strategy).

Main risks	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Possible control indicators
<p>Due to weak "modalities of cooperation, supervision &amp; reporting", the Commission is not aware of relevant management issues encountered by the entrusted entity, and/or does not react on a timely basis to issues notified by mitigating them or by making a reservation for them – which may reflect negatively on the Commission’s governance effectiveness and quality of accountability reporting.</p>	<p>For EAs, Delegation Act specifying the control, accounting, audit, publication, etc. related requirements including reporting of error rates and the reservations in the context of the Annual Activity Report.</p> <p>For the EIF, monitoring via regular reporting and the Steering Committee for the instruments.</p> <p>For the EIT, oversight by Governing Board as well as representation on <i>ad hoc</i> working groups, in addition to the current second level <i>ex ante</i> check on financial transactions.</p> <p>Monitoring or supervision of the entrusted entity (e.g. ‘regular’ monitoring meetings at operational level; <u>review of reported control results and any underlying mngt/audit reports</u>; representation</p>	<p><b>Coverage:</b> 100% of the entities are monitored/supervised.</p> <p><b>Frequency:</b> regular budget and asset management reports, quarterly coordination and Steering Committee meetings, etc.</p> <p><u>For EAs, in case of operational and/or financial issues,</u> measures can be reinforced under Article 22 of the Delegation Act to any depth that is deemed appropriate.</p>	<p><b>Costs:</b> estimation of cost of staff involved in the actual (regular or reinforced) monitoring of the entrusted entities.</p> <p><b>Benefits:</b> The potential error in the (average annual) total budget avoided.</p>	<p><b>Effectiveness:</b> Relevance and reliability of the overall performance of the supervision arrangements, and their coherence with the conclusions provided by external sources (evaluations, IAS, ECA, OLAF, complaints, etc.)</p> <p><b>Efficiency Indicators:</b> Timeliness of provision of information resource monitoring of administrative cost.</p>

Main risks	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Possible control indicators
	<p>and intervention in the Steering Committee, scrutiny of the Annual Activity Report, etc).</p> <p>Management review of the supervision results.</p> <p><u>If appropriate/needed:</u></p> <ul style="list-style-type: none"> <li>- reinforced monitoring of operational and/or financial aspects of the entity</li> <li>- intervention, e.g. via own audits on-the-spot,</li> <li>- potential escalation of any major governance-related issues with entrusted entities</li> <li>- referral to OLAF</li> </ul>			

**Stage 4 – Commission contribution: payment or suspension/interruption.**

**Main control objectives:** Ensuring that the Commission fully assesses the management situation at the entrusted entity, before either paying out the (next) contribution for the operational and/or operating budget of the entity, or deciding to suspend/interrupt the (next) contribution (legality & regularity, sound financial management, anti-fraud strategy).

Main risks	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Possible control indicators
<p>The Commission pays out the (next) contribution to the entrusted entity, while not being aware of the management issues that may lead to financial and/or reputational damage.</p>	<p>Reliance on “Stage 3” controls above, plus compliance with budget adopted by the Steering Committee/ governing board. <u>If appropriate/needed:</u> suspension or interruption of payments</p>	<p><b>Coverage:</b> 100% of the contribution payments. <b>Frequency:</b> twice yearly as specified in the Memorandum of Understanding Depth covers the compliance and verification stages of the financial circuit.</p>	<p><b>Costs:</b> estimation of cost of staff involved in the financial circuit of the contribution payments/recoveries to/from the entrusted entities. <b>Benefits:</b> The potential error in the (average annual) total budget avoided. <b>Benefits</b> in case of recovery or suspension/interruption: the amount and % value of budget recovered or not paid out due to identified irregularities.</p>	<p><b>Effectiveness:</b> Number of queries regarding budgets or payments. <b>Efficiency Indicators:</b> Time-to-pay/recover.</p>

## Stage 5 – Audit and evaluation, Discharge for decentralised agencies

**Main control objectives:** Ensuring that assurance building information on the entrusted entity’s activities is being provided through independent sources as well, which may confirm or contradict the management reporting received from the entrusted entity itself (on the 5 ICOs).

<b>Main risks <i>It may happen (again) that...</i></b>	<b>Mitigating controls</b>	<b>How to determine coverage, frequency and depth</b>	<b>How to estimate the costs and benefits of controls</b>	<b>Possible control indicators</b>
<p>The Commission does not have sufficient information from independent sources on the entrusted entity’s management performance, which prevents conclusions being drawn on the assurance for the budget entrusted to the entity – which may reflect negatively on the Commission’s governance effectiveness and quality of accountability reporting.</p>	<p>Close review within the discharge and internal audit process of IAC, IAS and ECA findings and the entity’s response.</p> <p><u>If appropriate/needed:</u></p> <ul style="list-style-type: none"> <li>- own ex-post audit(s) on-the-spot, by the Parent DG, <u>of the entity and/or its beneficiaries, normally only in the context of a serious breakdown in the control framework.</u></li> <li>- potential escalation of any major governance-related issues with entrusted entities</li> <li>- referral to OLAF</li> </ul>	<p><b>Coverage:</b> Entity’s yearly audit sample of beneficiaries and multi-annual strategy. Sample as per the audit strategies of the IAC, IAS and ECA</p> <p><b>Frequency:</b> EIT’s IAC will perform multiple audits per year, ECA once a year, IAS relatively frequently.</p> <p>Normally, the sample will be statistically representative to enable drawing valid management conclusions about the entire population during the programme’s lifecycle.</p> <p>For EAs, the <b>depth</b> can be reinforced under Article 22 of the Delegation Act to any depth that is deemed appropriate.</p>	<p><b>Costs:</b> estimation of cost of staff involved in the coordination and execution of the own audits and outsourced audits (if any).</p> <p><b>Benefits:</b> The potential error in the (average annual) total budget avoided.</p> <p><b>Benefits:</b> budget value of the errors with the entity’s beneficiaries detected by the own auditors, and subsequently corrected. Reputational benefits of clean audit opinion.</p>	<p><b>Effectiveness:</b> Assurance being provided); consistent and credible error rate, residual error rate below tolerable threshold.</p> <p>ECA opinion on the account and legality and regularity of the underlying transactions</p> <p>Discharge granted</p> <p><b>Efficiency:</b> Resource monitoring, estimation of benefits.</p>

## ANNEX 6: Implementation through national bodies

1. **Programmes concerned:** Erasmus+ (2014-2020) and Lifelong Learning and Youth in action (2007-2013)
2. **Annual budgetary amount** entrusted to these bodies in 2015: **€ 1,592.7 million** (see table for breakdown by national agency)
3. **Duration of the delegation** : 2014-2020
4. **Justification of recourse to indirect centralised management and justification of the selection of the bodies:** the recourse to national agencies and their appointment by the Member States/participant countries are set in the legal bases of the Erasmus+ programme at Articles 26, 27 and 28 of the Regulation (EU) No 1288/2013 of the European Parliament and of the Council of 11 December 2013 establishing 'Erasmus+'.

### 5. Synthetic description of the implementing tasks entrusted to these bodies

- i. Management of the project life cycle of the decentralised actions of the Programme: Information and publicity at national level on the Programme and, where applicable, the calls for proposals; Information and counselling of potential applicants; Receipt and evaluation of grant applications; Establishment and supervision of evaluation committees; Decision on the award of grants; Publication of information on supported projects; Commitment of funds for projects and signing of contracts with project beneficiaries; Pre-financing payments to beneficiaries; Monitoring projects, including visits to projects and thematic monitoring meetings; Analysis and control of final activity and final financial reports; Balance payments and recovery of funds; On-the-spot checks on projects; Reporting to the Commission and to the National authority.
- ii. Monitoring and evaluating the decentralised actions of the Programme: Organisation of national thematic monitoring meetings between projects and of national participation in European thematic monitoring meetings; Organisation of national valorisation meetings bringing together project coordinators and potential users and of national participation in European valorisation events; Reporting on the impact of the Programme actions at national level; Studies, analyses and surveys on the Programme actions at national level; Contribution to national reports on implementation of the Programme and to evaluation of the Programme; Contribution to achieving synergies at national level with other Community programmes.
- iii. Continuation and winding up of the actions from the Lifelong Learning (2007-2013) and Youth in Action (2007-2013) programmes.

**LIST OF ERASMUS+ NATIONAL AGENCIES<sup>262</sup> AND 2015 BUDGET BREAKDOWN**

<b>COUNTRIES</b>			<b>National Agency Erasmus+</b>	<b>2015 Annual budgetary amount<sup>263</sup> (€)</b>
<b>Belgium/DE</b>	<b>BE03</b>	01_BE_DE_ALL	Jugendbüro der Deutschsprachigen Gemeinschaft VoG	994.872,27
<b>Belgium/FR</b>	<b>BE01</b>	01_BE_FR_EDU	Agence francophone pour l'éducation et la formation tout au long de la vie - AEF-Europe	12.886.528,41
<b>Belgium/FR</b>	<b>BE04</b>	01_BE_FR_YOU	BIJ -Bureau International Jeunesse (BIJ)	2.191.310,57
<b>Belgium/NL</b>	<b>BE02</b>	01_BE_NL_EDU	EPOS vzw	19.228.208,05
<b>Belgium/NL</b>	<b>BE05</b>	01_BE_NL_YOU	JINT	3.083.296,12
<b>Bulgaria</b>	<b>BG01</b>	02_BG_ALL	Human Resource Development Centre - HRDC	28.090.398,50
<b>Czech Republic</b>	<b>CZ01</b>	03_CZ_ALL	Dům zahraniční spolupráce (DZS) Centre for International Cooperation in Education	36.470.162,05
<b>Denmark</b>	<b>DK01</b>	04_DK_ALL	Danish Agency for Higher Education	22.268.443,00
<b>Germany</b>	<b>DE01</b>	05_DE_HE	Nationale Agentur für EU-Hochschulzusammenarbeit im Deutschen Akademischen Austauschdienst (NA-DAAD)	91.800.858,17
	<b>DE03</b>	05_DE_SE	Pädagogischer Austauschdienst der Kultusministerkonferenz, Nationale Agentur für EU-Programme im Schulbereich	16.535.329,69
	<b>DE02</b>	05_DE_VET_AE	Nationale Agentur Bildung für Europa beim Bundesinstitut für Berufsbildung	52.094.449,37
	<b>DE04</b>	05_DE_YOU	JUGEND für Europa	18.935.162,79
<b>Estonia</b>	<b>EE01</b>	06_EE_ALL	Centre for Educational Programmes, Archimedes Foundation	13.527.053,15

<sup>262</sup> The Swiss LLP/YiA NA is not included as Switzerland does not participate in Erasmus+.

<sup>263</sup> Funds for grant support (decentralised funds), contribution to networks and management costs

<b>Ireland</b>	<b>IE01</b>	07_IE_SE_VET_AE_YOU	Léargas the Exchange Bureau	11.839.746,21
	<b>IE02</b>	07_IE_HE	The Higher Education Authority	9.341.689,79
<b>Greece</b>	<b>EL01</b>	08_EL_EDU	IKY - State Scholarships' Foundation	35.360.322,43
	<b>EL02</b>	08_EL_YOU	INEDIVIM Youth and Lifelong Learning Foundation	-
<b>Spain</b>	<b>ES01</b>	09_ES_EDU	Servicio Español para la Intercionalización de la Educación (SEPIE)	126.958.504,12
	<b>ES02</b>	09_ES_YOU	AGENCIA NACIONAL ESPAÑOLA DE LA JUVENTUD (INJUVE) (Spanish National Agency for Youth)	12.370.605,00
<b>France</b>	<b>FR01</b>	10_FR_EDU	Agence Erasmus+ France / Education Formation	134.627.326,89
	<b>FR02</b>	10_FR_YOU	Institut National de la Jeunesse et de l'Education Populaire (INJEP)	14.355.949,66
<b>Croatia</b>	<b>HR01</b>	11_HR_ALL	Agencija za mobilnost i programme Euopske unije (AMPEU) Agency for Mobility and EU Programmes	16.106.410,00
<b>Italy</b>	<b>IT02</b>	12_IT_SE_HE_AE	Agenzia Nazionale Erasmus+ - INDIRE	95.760.195,25
	<b>IT01</b>	12_IT_VET	Agenzia Nazionale Erasmus + - ISFOL	35.079.826,33
	<b>IT03</b>	12_IT_YOU	Agenzia nazionale per i giovani	13.266.652,42
<b>Cyprus</b>	<b>CY01</b>	13_CY_EDU	Foundation for the Management of European Lifelong Learning Programmes	7.517.267,00
	<b>CY02</b>	13_CY_YOU	Youth Board of Cyprus	2.384.694,00
<b>Latvia</b>	<b>LV01</b>	14_LV_EDU	VIAA - State Education Development Agency	14.546.940,70
	<b>LV02</b>	14_LV_YOU	Agency for International Programmes for Youth	2.965.467,40
<b>Lithuania</b>	<b>LT01</b>	15_LT_EDU	Education Exchanges Support Foundation	20.770.849,00
	<b>LT02</b>	15_LT_YOU	Agency of International Youth Co-operation	3.333.071,60

<b>Luxembourg</b>	<b>LU01</b>	16_LU_EDU	Anefore asbl	4.713.656,51
	<b>LU02</b>	16_LU_YOU	Service National de la Jeunesse	1.885.374,49
<b>Hungary</b>	<b>HU01</b>	17_HU_EDU	Tempus Public Foundation	30.717.733,60
	<b>HU02</b>	17_HU_YOU	National Institution for Family and Social Policy (NIFSP) Erasmus+ Youth National Agency	4.661.980,40
<b>Malta</b>	<b>MT01</b>	18_MT_ALL	European Union Programmes Agency	6.616.721,00
<b>Netherlands</b>	<b>NL01</b>	19_NL_EDU	Nationaal Agentschap Erasmus+ Onderwijs & Training	47.282.401,12
	<b>NL02</b>	19_NL_YOU	Nederlands Jeugdinstituut	5.996.386,88
<b>Austria</b>		20_AT_EDU	OeAD (Österreichische Austauschdienst)-Gesellschaft mit beschränkter Haftung	26.166.626,98
		20_AT_YOU	Interkulturelles Zentrum	3.987.016,02
<b>Poland</b>	<b>PL01</b>	21_PL_ALL	Foundation for the Development of the Education System	114.847.677,97
<b>Portugal</b>	<b>PT01</b>	22_PT_EDU	Agência Nacional Erasmus+ Educação e Formação	37.454.130,40
	<b>PT02</b>	22_PT_YOU	Erasmus+ Juventude em Ação	4.931.088,00
<b>Romania</b>	<b>RO01</b>	23_RO_ALL	Agentia Nationala pentru Programe Comunitare in Domeniul Educatiei si Formarii Profesionale	58.075.486,00
<b>Slovenia</b>	<b>SI01</b>	24_SI_EDU	CMEPIUS "Centre Republike Slovenije za mobilnost in evropske programe izobraževanja in usposabljanja"	13.231.780,00
	<b>SI02</b>	24_SI_YOU	Zavod MOVIT NA MLADINA	3.016.095,00
<b>Slovakia</b>	<b>SK01</b>	25_SK_EDU	Slovak Academic Association for International Cooperation	20.377.745,47
	<b>SK02</b>	25_SK_YOU	IUVENTA – Slovak Youth Institute	3.666.366,00

<b>Finland</b>	<b>FI01</b>	26_FI_ALL	Centre for International Mobility CIMO (Kansainvälisen liikkuvuuden ja yhteistyön keskus )	28.764.622,80
<b>Sweden</b>	<b>SE01</b>	27_SE_EDU	Swedish Council for Higher Education	28.515.442,23
	<b>SE02</b>	27_SE_YOU	Swedish Agency for Youth and Civil Society	4.650.878,77
<b>United Kingdom</b>	<b>UK01</b>	28_UK_ALL	British Council	128.614.305,74
<b>Iceland</b>	<b>IS01</b>	29_IS_EDU	Landskrifstofa Menntaáætlunar ESB National Agency for the Erasmus+ programme	5.804.245,00
	<b>IS02</b>	29_IS_YOU	Evrópa unga fólksins (National Agency for the Erasmus+ programme - Youth)	1.836.910,00
<b>Liechtenstein</b>	<b>LI01</b>	30_LI_EDU	Agentur für Internationale Bildungsangelegenheiten (AIBA)	2.815.087,11
	<b>LI02</b>	30_LI_YOU	aha - Tipps & Infos für junge Leute	469.106,89
<b>Norway</b>	<b>NO01</b>	31_NO_EDU	Norwegian Centre for International Cooperation in Education	17.859.938,34
	<b>NO02</b>	31_NO_YOU	Bufdir - Barne-, ungdoms- og familiedirektoratet Bufdir – Directorate for Children, Youth and Family Affairs	3.204.847,66
<b>Turkey</b>	<b>TR01</b>	32_TR_ALL	The Centre for European Union Education and Youth Programmes	103.196.272,22
<b>FYROM</b>	<b>MK01</b>	33_MK_ALL	National Agency for European Educational Programmes and Mobility	4.657.371,00
<b>TOTAL ERASMUS+</b>				<b>1.592.708.883,54 €</b>

## ANNEX 8: Decentralised agency: European Institute of Innovation and Technology

Decentralised Agencies		Policy area	Annual budgetary amount entrusted in 2015 by DG EAC
			Total (€)
EIT	European Institute for Innovation and Technology	Innovation	Total: <b>€ 227.017.581,00</b>  of which: a) administrative expenditure: € 4.335.000,00  b) Operational expenditure: € 222.682.581,00

## ANNEX 9: Evaluations and other studies finalised or cancelled in 2015

This Annex records which ongoing and planned evaluations (part I) /other studies (part II) foreseen in Annex 4 of DG EAC's Management Plan 2015 have been completed or cancelled in 2015.



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**Definitions:** A **study** is defined as 'a document resulting from intellectual services necessary to support the institution's own policies or activities. A study is financed through the EU budget. It may be produced inside the institution or commissioned from external experts, generally through procurement procedures'.

An **evaluation** is defined as 'an evidence-based judgement of the extent to which an intervention has been effective and efficient, relevant given the needs and its objectives, coherent both internally and with other EU policy interventions and achieved EU added-value<sup>264</sup>'.

### Legend for certain columns:

**No.** Number allocated in Annex 4 of the Management Plan 2015.

**Reason** The individual symbols used have the following meaning:

L-	Evaluation article in legal base,
LMFF -	Multi-annual Financial Framework legal base
FR -	Financial regulation
REFIT -	REFIT evaluation or fitness check
CWP-	Commission Work Programme
O -	Other

### Type of evaluation or study

In terms of focus:

P	-	prospective
R	-	retrospective
P/R	-	prospective and retrospective

In terms of who carried it out ('author'):

I	-	internal
E	-	external
M-		mixed, e.g. final reports written internally with or based on external support

In terms of 'type' of measure/initiative evaluated:

FC	-	fitness check
E	-	expenditure programme/measure
R	-	regulatory measure (not recognised as a FC)
C	-	communication activity
I	-	internal Commission activity
O	-	other

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<sup>264</sup> Better Regulation Guidelines, SWD(2015) 111 final.

## ANNEX 12: Performance Tables (impact and result indicators)

Notwithstanding the fact that the direct influence of the DG's actions on some of the **impact indicators** listed below is often limited, they illustrate that the DG is engaged in all its different policy domains.

**Result indicators** (i.e. for direct beneficiaries of EU action) presented below under each relevant section have been entirely reviewed according to the performance framework set under 2014-2020 programmes. However at the end of the second implementation year of 2014-2020 programmes information on first results is not always available for all indicators.

Certain indicators have been laid out –where specified below– either in this legal basis (indicators with an asterisk), or **in agreement with Member States** in other fora (e.g. Europe 2020, ET 2020<sup>265</sup>, Open Method of Coordination). All other targets were set by DG EAC senior management.

<b>General objective 1</b>			
<p><b>To contribute to the objectives of the Europe 2020 strategy through the <u>Education and Training</u> strategic framework 2020 (ET2020), including the corresponding benchmarks established in those instruments to the modernisation of schools, to the sustainable development of partner countries in the field of higher education, to foster training and career of <u>researchers</u> and the innovation capacity in Europe, with a view to promoting European values and a knowledge-based, innovative, sustainable and inclusive Europe.</b></p>			
<p>Through this general objective, DG Education and Culture contributes to all following General Objectives of DG Research and Innovation:</p> <ul style="list-style-type: none"> <li>To improve the framework conditions for research and innovation</li> <li>To increase investment in research and innovation</li> </ul>			
<p>The definition of indicators highlighted with an asterisk (*) is the one included in the programme legal basis. Where additional specifications were added, these are in italic.</p> <p>Legend: in comparison with milestone (or baseline where no milestone is set for the relevant year)</p> <p>↑ : <b>improvement</b></p> <p>↓ : <b>deterioration</b></p> <p>↔ : <b>according to milestone (or baseline)</b></p>			
<p><b>* Impact indicator 1: Early School Leaving</b> (Europe 2020 headline target)</p> <p><b>Definition:</b> Proportion of 18-24 year olds (1) who have only lower-secondary education and (2) are not enrolled in education or training. <i>More specifically (1) who have only at most lower secondary (International Standard Classification of Education (ISCED) level 0, 1, 2 or 3c short); and (2) who declared not having received any education or training in the four weeks preceding the survey.</i></p> <p><b>Source:</b> Eurostat; The Labour Force Survey (annual average based on quarterly data)</p>			
Baseline (2013)	Latest known situation	Milestone	Target 2020 (Europe 2020)
	2015	2016	
↑ 12.0%	↑ 10.9% (p) (milestone 2015: 11.4%)	11.1%	Less than 10%
<p><b>* Impact indicator 2: Tertiary education attainment</b> (Europe 2020 headline target)</p> <p><b>Definition:</b> Percentage of 30 – 34 year olds with completed tertiary or equivalent education (<i>education that equals International Standard Classification of Education (ISCED) level 5 or 6</i>).</p> <p><b>Source:</b> The Labour Force Survey (annual average based on quarterly data)</p>			
Baseline (2013)	Latest known situation	Milestone	Target 2020 (Europe 2020)
	2015	2016	
↑ 36.9%	↑ 38.5% (p)	38%	At least 40%

<sup>265</sup> JO C 119 of 28.5.2009, p. 7

### Impact indicator 3: Employability of young people

**Definition:** The share of employed people aged 20-34 having successfully completed upper secondary or tertiary education 1-3 years before the reference year of the survey and who are no longer in education or training.

**Source:** The Labour Force Survey (annual average based on quarterly data)

Baseline (2013)	Latest known situation		Milestone	Target 2020
	2014		2016	
↓ 75.5%	↑ 76.0%		78.2% (revised)	82%

### Impact indicator 4: Early childhood education and care

**Definition:** The share of the population aged 4 to the age when the compulsory primary education starts which are participating in early childhood education and care (ECEC)

**Source:** Eurostat, UOE

Baseline (2012)	Latest known situation		Milestone	Target 2020 (ET 2020)
	2013		2017	
↑ 93.9%	↔ 93.9%		94%	95%

### Impact indicator 5: Low achievement in basic skills at school

**Definition:** The share of 15-year old Europeans failing to reach level 2 in reading, mathematics and science as measured by the OECD's PISA

**Source:** OECD's Programme for International Student Assessment (PISA). Results reported every 3 years.

Baseline (2009)	Latest known situation		Milestones	Target 2020 (ET 2020)
	2012		2018	
Reading: ↑ 19.7% Maths: ↑ 22.3% Science: ↑ 17.8%	↑ 17.8% ↑ 22.1% ↑ 16.6%	16% (revised) 17% 15% (revised)	Less than 15% for all indicators	

### \* Impact indicator 6: Learning mobility in higher education

**Definition:** The share of higher education graduates (*ISCED 1997 level 5+6*) who have had a higher education-related study or training period (including work placements) abroad, (*representing a minimum of 15 ECTS credits or lasting a minimum three months*)

**Source:** JRC-CRELL estimation; Eurostat, UOE data collection; [partial estimate; not to be compared with previous data]

Baseline (2005) <sup>266</sup>	Latest known situation <sup>267</sup>		Milestone	Target 2020 (ET 2020)
	2013		2017	
6.4%	[2.9%] <sup>268</sup> Next full data: Nov. 2017		17%	20%

<sup>266</sup> The data collection needed for the indicator is under development through the European Statistical System. This work is coordinated by Eurostat. The data collection is based on Commission Regulation 912/2013. The first full data transmission on learning mobility of tertiary graduates is scheduled under this Regulation for November 2017, referring to the academic year 2015/16.

<sup>267</sup> There are several issues making the data for mobility benchmarks difficult to provide. Mobile students are not foreign students. Nevertheless the best quality data available relate to enrolments and inward mobility while the EU benchmark is defined on graduates and outward mobility (i.e. graduates which graduate/have studied outside their EU country of origin). Moreover many countries outside the EU does not report on graduate mobility by country of origin while the Commission has agreed with OECD and UNESCO on such a reporting. There are no data available to be compared with the EU benchmark.

<sup>268</sup> Estimated percentage of EU graduates qualified in a country other than the country in which they achieved their upper secondary diploma (degree mobility only). The data collection is based on Commission Regulation 912/2013. The first full data transmission on learning mobility of tertiary graduates (degree and credit mobility) is scheduled under this Regulation for November 2017 (to be published Spring 2018), referring to the academic year 2015/16.

**\* Impact indicator 7: Learning mobility in vocational education and training**

**Definition:** The share of 18-34 year olds with an initial vocational education and training (VET) qualification (ISCED level 3) having had an initial VET-related study or training period (including work placements) abroad *lasting a minimum of two weeks*.

**Source:** Eurostat pilot collection; weighted average for 16 Member States (BE, BG, EE, ES, IT, LV, LT, HU, NL, AT, PL, PT, RO)

Baseline (2011)	Latest known situation		Milestone	Target 2020 (ET 2020)
	2015		2017	
2-3% <sup>269</sup>	[3.1%]		4%	6%

**Impact indicator 8: Share of non-EU students in the EU**

**Definition:** % of students from non-EU Member States enrolled/studying in EU Member States

**Source:** OECD, Eurostat

Baseline (2010)	Latest known situation		Milestone	Target 2020
	2012		2016	
4.6%	↑ 6%		7%	10%

**\* Impact indicator 9: Share of researchers in the EU**

**Definition:** The share of researchers in the EU active population. *(Total R&D personnel and researchers by sectors of performance, as % of total labour force and total employment, and by sex) Researchers are professionals engaged in the conception or creation of new knowledge, products, processes, methods and systems, and in the management of the projects concerned.*

**Source:** Eurostat

Baseline (2011)	Latest known situation		Milestone	Target 2020
	2013		2016	
1.06%	↑ 1.12%		1.21%	1.33% (

**Specific Objective 1.1:** To improve the level of key competences and skills, in particular through increased opportunities for **learning mobility** and strengthened cooperation with the world of work in education and training with particular regard to the relevance of these key competences and skills for the labour market and their contribution to a cohesive society;<sup>270</sup>

*Indicators highlighted with an asterisk (\*) below are mandatory (from the programme legal basis). Their definition is included in the legal basis, however where additional specifications were added these are in italic.*

**Preliminary comment:** Breakdown for target groups emerge for the 1<sup>st</sup> time in Erasmus+, therefore there is no baseline and the individual milestones and the final target 2020 are under construction. They will be determined for the first time when all 2014 contract processes are finalised for all actions. Reliable validated data are expected for 2017. As from 2016, reporting on the performance of the programme in a specific year (n) - including detailed reports (breakdown) foreseen by the basic act - will be produced and published on the [Erasmus+ website](#).

- Programme-based (Erasmus+)
- Non programme-based

**Management mode:**  Direct DG  Indirect Executive Agencies  Indirect (through National Agencies)

<sup>269</sup> Estimate on available data for annual participation in VET mobility under the Leonardo Da Vinci programme and from certain countries (SWD SEC (2011) 670 on the development of benchmarks on education and training for employability and on learning mobility).

<sup>270</sup> Including Erasmus+' specific objective " (a) to improve the level of key competences and skills, with particular regard to their relevance for the labour market and their contribution to a cohesive society, in particular through increased opportunities for learning mobility and through strengthened cooperation between the world of education and training and the world of work;"

**\* Output indicator 14: Learning mobility opportunities through Erasmus+**

**Definition:** Number of students and trainees participating in the Programme, by country, sector, action and gender. <sup>271</sup>

**Source:** EU reporting through Erasmus+ IT tool

Baseline (2013)	Latest known situation 2015	Milestones					Target 2020
		2015	2016	2017	2018	2019	
HE <sup>272</sup> : 260 (in 1000)	↑ 278 <sup>273</sup>	239	248	270	319	356	412
VET: 41 (in 1000)	↑ 111	78	80	87	99	121	131

**\* Result indicator 15: Better skills for participants (Erasmus +, education and training)**

**Definition:** % of Erasmus + participants declaring that they have improved their key competences *and/or their skills relevant for employability*

**Source:** Individual participant report to be submitted under Erasmus+

Baseline (pre-2014)	Latest known situation	Milestones					Target 2020
		2015	2016	2017	2018	2019	
81% <sup>274</sup>	Not available before 2017 (see preliminary comment)	83%		85%			88%

**Result Indicator 16: Employability of participants (Erasmus +)**

**Definition:** % of Erasmus + participants indicating that participation in the programme contributed to finding a job

**Source:** Second individual participant report to be submitted under Erasmus+

Baseline (pre-2014)	Latest known situation	Milestones					Target 2020
		2015	2016	2017	2018	2019	
42% <sup>275</sup>	Not available before 2017 (see preliminary comment)	44%		46%			50%

<sup>271</sup> See preliminary comment as regards breakdown.

<sup>272</sup> HE: higher education (including Joint Master degree and Student loan guarantee), VET: vocational education and training

<sup>273</sup> Including 2000 Joint Master Degrees and Erasmus Mundus Joint Doctorates/Master Degrees and 4000 Master Student Loans

<sup>274</sup> According to the Erasmus impact study published in September 2014, "81% of Erasmus students perceive an improvement in their transversal skills when they come back".

<sup>275</sup> The 2014 Erasmus impact study established a link between the participation in mobility programmes and subsequent employability. "Based on their personality traits (participants) have a better predisposition for employability even before going abroad. By the time they return they have increased their advantage by 42% on average".

**\* Output indicator 17: Staff supported by the programme (Erasmus +, education and training)**

**Definition:** Number of staff supported by the Programme, by country<sup>276</sup> and in the sector of education and training

**Source:** EU reporting through Erasmus+ IT tool

Baseline (2013)	Latest known situation 2015	Milestones					Target 2020
		2015	2016	2017	2018	2019	
HE: 46 (in 1000)	↑ 53		50				70
VET: 9 (in 1000)	↑ 19		11				15
Schools: 13 (in 1000)	↑ 21		15				20
Adult: 2 (in 1000)	↑ 5		3				5

**\* Output indicator 18: Participants with special needs, fewer opportunities or disadvantaged background (Erasmus +, education and training)**

**Definition:** Number of participants with special needs, fewer opportunities or disadvantaged background supported by the programme

**Source:** EU reporting through Erasmus+ IT tool

Baseline (2013)	Latest known situation <sup>277</sup> 2015	Milestones					Target 2020
		2015	2016	2017	2018	2019	
Special needs (LLP): 8 (in 1000)	↑ 12 <sup>278</sup> (15 in 2014)			15			40

Main outputs	
Target	Current situation (2015)
<b>a) Main Commission policy outputs to be delivered in 2015</b>	
See under specific objective 1.3	
<b>b) Final outputs (by which delivery other actors are involved) or other relevant activities to be implemented in 2015</b>	
See under specific objective 1.3	

<sup>276</sup> See preliminary comment as regards breakdown. Preliminary results. Final figures will be known in 2017, at the end of the projects.

<sup>277</sup> Planned number of participants - Provisional data at awarded level. Definitive data will be provided based on all National Agency Yearly reports in the second quarter of the year of writing.

<sup>278</sup> Figures for Higher Education are known later in comparison to other education sectors. 2014 figures already cover all sectors, whereas 2015 data only include final figures for school, VET and adult education sectors.

<p><b>Specific Objective 1.2:</b> To foster quality improvements, innovation excellence and internationalisation, in particular through enhanced transnational cooperation <b>at the level of institutions/organisations</b> between education and training providers and other stakeholders<sup>279</sup></p>	<input checked="" type="checkbox"/> Programme-based (Erasmus+) <input checked="" type="checkbox"/> Non programme-based
<p><i>Indicators highlighted with an asterisk (*) below are mandatory (from the programme legal basis). Their definition is included in the legal basis, however where additional specifications were added these are in italic.</i></p>	
<p><b>Preliminary comment:</b> Breakdown for target groups emerge for the 1<sup>st</sup> time in Erasmus+, therefore there is no baseline and the individual milestones and the final target 2020 are under construction. They will be determined for the first time, when all 2014 contract processes are finalised for all actions. Reliable data are expected for 2017. As from 2016, reporting on the performance of the programme in a specific year (n) - including detailed reports (breakdown) foreseen by the basic act - will be produced and published on the <a href="#">Erasmus+ website</a>.</p>	

**Management mode:**  Direct DG  Indirect Executive Agencies  Indirect (through National Agencies)

**Result indicator 19: Innovation from participating organisations (Erasmus +)**

**Definition:** % of organisations that have developed/adopted innovative methods and/or materials, improved capacity; outreach methodologies, etc.

**Source:** Final report to be submitted by the beneficiary organisations under Erasmus+

Baseline (2012)	Latest known situation	Milestones					Target 2020
		2015	2016	2017	2018	2019	
50%	Not available before 2017 (see preliminary comment)	55%		65%			70%

**\* Output indicator 20: Users of Euroguidance**

**Definition:** The number of users of Euroguidance

**Source:** EACEA

Baseline (2013) <sup>280</sup>	Latest known situation 2014	Milestones					Target 2020
		2015	2016	2017	2018	2019	
2 921 925 hits on Euroguidance websites 11 411 participants in Euroguidance seminars/workshops	↑ 3.561.668 visitors ↓ 7.643 participants in events	5 million					Not yet available (ongoing work by EACEA)
		10.000					

<sup>279</sup> Including Erasmus+' specific objective "(b) to foster quality improvements, innovation excellence and internationalisation at the level of education and training institutions, in particular through enhanced transnational cooperation between education and training providers and other stakeholders;"

<sup>280</sup> Based on 2013 final reports.

**\* Output indicator 21: Organisations and projects (Erasmus+, all areas)** <sup>281</sup>

**Definition:** Number and type of organisations and projects supported by the programme, by country and by action <sup>282</sup>

**Source:** EU reporting through Erasmus+ IT tool

Baseline (see 2014)	Latest known situation (2014) <sup>283</sup>	Milestones					Target 2020 <sup>284</sup>
		2015	2016	2017	2018	2019	
<i>Decentralised Actions managed by EAC</i>	18,000 projects involving 69,000 organisations						
Actions managed by EACEA	8,000 projects involving 4,000 organisations						

Main outputs	
Target	Current situation (2015)
<b>a) Main Commission policy outputs to be delivered in 2015</b>	
See under specific objective 1.3	
<b>b) Final outputs (by which delivery other actors are involved) or other relevant activities to be implemented in 2015</b>	
See under specific objective 1.3	
<u>U-Multirank</u> : The collection of data for the 2nd publication of results in March 2015 started in June 2014 and a third round will be launched in 2015, with three new disciplines added on Computer studies/IT, Psychology and Medicine. The U-Multirank consortium will need to recruit a minimum of approximately 110 new institutions to reach the minimum target of 625 participating institutions in 2015.	Delivered
<u>HEInnovate</u> : A study on the entrepreneurial potential of higher education will be available in the first half of 2015 and used to further develop Commission policies, including HEInnovate. Certified facilitators workshop, as an official accreditation to deliver HEInnovate training, will serve the purpose to assure similar quality is delivered in different training settings. National policy reviews on the entrepreneurial and innovative HEI undertaken by the OECD at the initiative of DG EAC.	Delivered

<sup>281</sup> This indicator including its target is still under discussion with the user group. Baseline and milestones will be defined in view of the next AAR.

<sup>282</sup> See preliminary comment as regards breakdown.

<sup>283</sup> Planned number of participants - Provisional data at awarded level. Definitive data will be provided based on all National Agency Yearly reports in the second quarter of the year of writing.

<sup>284</sup> Given the conceptual differences between the past and the present programmes a direct comparison of numbers achieved in the past and numbers to be achieved in the future is not possible. Milestone(s) and target for this indicator will therefore be established across the present programme as early as possible in 2017 on the basis of all data within applications received since 2014.

The Report on Implementation of the Bologna Process, based on data and information collected and analysed by the Commission (Eurostat, Eurydice and Eurostudent (project co-funded by the Commission)), will be presented at the <u>Bologna Ministerial Conference</u> in Yerevan, as will the recommendations of the Pathfinder Group on Automatic Recognition and the revised ECTS Guide, products of two Bologna working groups chaired by the Commission.	Delivered
The next <u>European University-Business Forum</u> will take place in Brussels in Spring 2015. In addition, national events, which allow linking EU policy priorities on education and innovation to national higher education reform agendas will be organised. They also allow reaching out to representatives from Higher Education Institutions and Business that cannot be reached via the Brussels events.	Delivered

<p><b>Specific Objective 1.3:</b> To promote at <b>policy level</b>, in particular through enhanced policy cooperation, the dissemination of good practices and better use of Union transparency and recognition tools in education and training: the emergence of a European area of skills and qualifications, policy reforms at national level for the modernisation of education and training systems in a lifelong perspective, and digital learning;<sup>285</sup></p> <p><i>Indicators highlighted with an asterisk (*) below are mandatory (from the programme legal basis). Their definition is included in the legal basis, however where additional specifications were added these are in italic.</i></p>	<input checked="" type="checkbox"/> Programme-based (Erasmus+) <input checked="" type="checkbox"/> Non programme-based						
<b>Management mode:</b> <input checked="" type="checkbox"/> Direct DG <input checked="" type="checkbox"/> Indirect Executive Agencies <input checked="" type="checkbox"/> Indirect (through National Agencies)							
<p><b>* Result indicator 22: Formal recognition of participation</b> (Erasmus +; education and training)</p> <p><b>Definition:</b> % of Erasmus + participants who have received a certificate, diploma or other kind of formal recognition of their participation in the Programme</p> <p><b>Source:</b> EU reporting through Erasmus+ IT tool</p>							
Baseline (2013)	Latest known situation	Milestones					Target 2020
		2015	2016	2017	2018	2019	
HE 100%	Not available before 2017 (see preliminary comment)	100%		100%			100%
VET 65%	Not available before 2017 (see preliminary comment)	68%		70%			75%

<sup>285</sup>

Including Erasmus+' specific objective "(c) to promote the emergence and raise awareness of a European lifelong learning area designed to complement policy reforms at national level and to support the modernisation of education and training systems, in particular through enhanced policy cooperation, better use of Union transparency and recognition tools and the dissemination of good practices"

<b>Main outputs</b>	
<b>Target</b>	<b>Current situation (2015)</b>
<b>a) Main Commission policy outputs to be delivered in 2015</b>	
Commission Communication <u>Draft 2015 Joint Report in Education and Training (ET 2020)</u> (2 <sup>nd</sup> Quarter)	Adopted on 26 August 2015 by the Commission (on 24 November by the Council)
Staff Working Document on <u>Education and Training Monitor 2015</u> (4 <sup>th</sup> Quarter)	Adopted (November 2015)
b) Final outputs (by which delivery other actors are involved) or other relevant activities to be implemented in 2015	
<p>European Semester outputs including Country Specific Recommendations and Council conclusions</p> <p>Including Council conclusions on reducing early school leaving</p> <p>OMC: ET 2020 working group deliverables peer reviews on national policy developments and ET 2020 stocktaking</p> <p>European network of National literacy organisations to start delivering</p> <p>Erasmus+ Programme Committee and renewed mandates for the Executive Agency EACEA</p> <p>Contributing to the planning of European Structural Investment Funds 2014-20 (Partnership Agreements, Operational Programmes) to ensure that the funding follows the policy priorities defined under Europe 2020, ET2020 and the Youth Strategy</p>	<p>Adopted on 24 November 2015</p> <p>All Delivered as planned</p>

<p><b>Specific Objective 1.4:</b> To support the Union's external action, including its development objectives, through targeted capacity-building in partner countries, cooperation between Union and partner-country institutions or other stakeholders and the promotion of mobility, and to enhance the <b>international dimension</b> of activities in education and training by increasing the attractiveness of European higher education institutions;<sup>286</sup></p> <p><i>Indicators highlighted with an asterisk (*) below are mandatory (from the programme legal basis). Their definition is included in the legal basis, however where additional specifications were added these are in italic.</i></p>	<input checked="" type="checkbox"/> Programme-based (Erasmus+) <input checked="" type="checkbox"/> Non programme-based
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**Management mode:**  Direct DG     Indirect Executive Agencies     Indirect (through National Agencies as from 2015)

**\* Result indicator 23: Involvement of non-EU higher education institutions from partner countries<sup>287</sup> (Erasmus+)**

**Definition:** The number of partner country higher education institutions (HEIs) involved in *credit and degree* mobility and cooperation actions, *i.e. capacity building projects under the Erasmus+ programme and having signed an institutional agreement with an EU HEI*

**Source:** The mobility tool used by NAs for decentralised actions and the EACEA Pegasus database

Baseline (2013)	Latest known situation 2015	Milestones <sup>288</sup>					Target 2020
		2015	2016	2017	2018	2019	
1 000	↓ 834		1 100		1 200		1 300

**\* Output Indicator 24: EU students and staff going to partner countries and vice versa (Erasmus+)**

**Definition:** Number of higher education students *and staff<sup>289</sup>* receiving support (*a scholarship*) to study in a partner country, as well as the number of students *and staff* coming from a partner country to study in a Programme country

**Source:** The mobility tool used by NAs for decentralised actions and the EACEA Pegasus database

Baseline (2013) <sup>290</sup>	Latest known situation 2015	Milestones					Target 2020
		2014 as 2015	2016	2017	2018	2019	
HE students <i>and staff</i> going to a partner country (in 1 000) ( <i>revised</i> )	↑ 9	3,8	4	4,3	3,6	3	3,9
HE students <i>and staff</i> coming from a partner country (in 1 000) ( <i>revised</i> )	↑ 21	15	16	17	14	15	15

<sup>286</sup> Including Erasmus+' specific objective "(d) to enhance the international dimension of education and training, in particular through cooperation between Union and partner-country institutions in the field of VET and in higher education, by increasing the attractiveness of European higher education institutions and supporting the Union's external action, including its development objectives, through the promotion of mobility and cooperation between the Union and partner-country higher education institutions and targeted capacity-building in partner countries;"

<sup>287</sup> Erasmus+ is divided between Programme countries that contribute financially to the Programme and have a National Agency, and Partner countries (those countries outside the Programme countries, that participate without financial contribution).

<sup>288</sup> These figures come from the numbers of non EU HEIs having participated in EM and Tempus from 2009 to 2013.

<sup>289</sup> Under Heading 4, students as well as staff are supported.

<sup>290</sup> The features of Erasmus+ being different from the 2007-2013 programmes, there is no possible baseline. The latest known result is higher than planned. However given that the international dimension of Erasmus+ is very new, it cannot be regarded as stable yet. This is why the decision to review the milestones and target is not suitable before the next AAR.

<b>Main outputs</b>	
<b>Target</b>	<b>Current situation (2015)</b>
<b>a) Main Commission policy outputs to be delivered in 2015</b>	
See under specific objective 1.3	
<b>b) Final outputs (by which delivery other actors are involved) or other relevant activities to be implemented in 2015</b>	
See under specific objective 1.3	
Regional and bilateral policy dialogue with key <u>partner countries</u> : In 2015 these key partners will include, but not be limited to countries covered by the Neighbourhood Policy, Southern Mediterranean, Eastern Partnership, Western Balkans, Africa and the BRICs.	Policy dialogues: delivered with Eastern Partnership countries, South Mediterranean countries, Africa, China, Mexico
Study exploring a Pan-African Quality Assurance and Accreditation Framework (February 2015), contribution to ABB activity 21.02)	
Joint public presentation of the outcomes of cooperation with key <u>partner organisations</u> (e.g. OECD)	Delivered
The DG will also contribute to actions developed by DGs dealing with External Relations (FPI, DEVCO, ELARG) as follows:	
a) Special window in the field of youth to promote capacity building with the aim to strengthen youth cooperation between Erasmus+ Programme countries and the Western Balkans, as well as within the Western Balkan region (ABB activity 22.02).	a) implemented
b) Special window for Jordan in the capacity building for Higher Education component of Erasmus+” (ABB activity 21.03)	b) implemented

**Specific Objective 1.5:** To improve the teaching and learning of **languages** and promote the Union's broad linguistic diversity and intercultural awareness<sup>291</sup>

- Programme-based (Erasmus+)
- Non programme-based

*Indicators highlighted with an asterisk (\*) below are mandatory (from the programme legal basis). Their definition is included in the legal basis, however where additional specifications were added these are in italic.*

**Management mode:**  Direct DG  Indirect Executive Agencies  Indirect (through other)

**\* Result indicator 25: Language skills of participants** (Erasmus+, Education and Training)

**Definition:** % of Erasmus+ participants in long-term mobility declaring that they have increased their language skills

**Source:** Individual participant report to be submitted under Erasmus+

Baseline (2010) <sup>292</sup>	Latest known situation	Milestones					Target 2020
		2015	2016	2017	2018	2019	
HE: 94%	Not available before 2017 (see preliminary comment)	95%		96%			98%
VET: 81%	Not available before 2017 (see preliminary comment)			87%			90%

Main outputs	
Target	Current situation (2015)
<b>a) Main Commission policy outputs to be delivered in 2015</b>	
See under specific objective 1.3	
<b>b) Final outputs (by which delivery other actors are involved) or other relevant activities to be implemented in 2015</b>	
<u>A study to collect more information on the impact of language competences on employability.</u> <u>Cooperation with the Council of Europe, in particular on teaching practices in multilingual classrooms, assessment methods and Computer Assisted Language Learning (CALL);</u>	Delivered

<sup>291</sup> Including Erasmus+' specific objective (e).

<sup>292</sup> In order to compare data, "long-term" mobility is considered here as from 2 months and over across all sectors.

<p><b>Specific Objective 1.6:</b> To promote excellence in teaching and research activities in European integration through <b>Jean Monnet</b> activities worldwide<sup>293</sup></p> <p><i>Indicators highlighted with an asterisk (*) below are mandatory (from the programme legal basis). Their definition is included in the legal basis, however where additional specifications were added these are in italic.</i></p>	<input checked="" type="checkbox"/> Programme-based (Erasmus+) <input checked="" type="checkbox"/> Non programme-based
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**Management mode:**  Direct DG  Indirect Executive Agencies  Indirect (through other)

**\* Output indicator 26: Students trained through Jean Monnet activities (Erasmus+)**

**Definition:** Number of Students receiving training through Jean Monnet activities  
**Source:** Online Reporting Tool for the Jean Monnet Programme (which in the future should be connected to Pegasus to allow the creation of statistics), including the PI window. Data from EACEA

Baseline (2007)	Latest known situation 2014	Milestones					Target 2020
		2015	2016	2017	2018	2019	
120 000	↑ 275 000	330.000	260 000	285 000	310 000	335 000	360 000

**Result Indicator 27: Worldwide scope of Jean Monnet activities (Erasmus+)**

**Definition:** Number of countries where Jean Monnet activities have been performed successfully, increasing knowledge in partner countries  
**Source:** Online Reporting Tool for the Jean Monnet to be connected to Pegasus ; EACEA

Baseline (2013)	Latest known situation 2014	Milestones					Target 2020
		2015	2016	2017	2018	2019	
78 countries	↔ 78	80	81	82	83	84	85

Main outputs	
Target	Current situation (2015)
<b>a) Main Commission policy outputs to be delivered in 2015</b>	
<b>b) Final outputs (by which delivery other actors are involved) or other relevant activities to be implemented in 2015</b>	
See under specific objective 1.3 Jean Monnet window within the framework of Erasmus+ (contribution to ABB activity 19.05)	Delivered

<sup>293</sup> Including Erasmus+' specific objective (f)

**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

*Indicators highlighted with an asterisk (\*) below are mandatory (from the programme legal basis). Their definition is included in the legal basis, however where additional specifications were added these are in italic.*

- Programme-based (Horizon 2020)  
 Non programme-based

**Management mode:**  Direct DG  Indirect Executive Agencies  Indirect (through other)

**\* Output indicator 28: Cross-sector and cross-country circulation of researchers (MSCA)**

**Definition:** Number of Researchers, including PhD candidates, funded through the Marie Skłodowska-Curie actions (MSCA)  
**Source:** CORDA, reports/estimations from Research Executive Agency

Baseline (2007-2013)	Latest known situation 2015	Milestones <sup>294</sup>					Target 2014-2020
		2015	2016	2017	2018	2019	
50 000 researchers (~ 10 000 PhD candidates)	Provisional: ↓ 15 400 researchers (↑~7 050 PhD candidates)	16 500 (~6 000 PhD candidates)	25 000 (~10 000 PhD candidates)	34 000 (~ 13 000 PhD candidates)	43 500 (~17 400 PhD candidates)	53 500 (~21 400 PhD candidates)	65 000 researchers (~ 25 000 PhD candidates)

**Result Indicator 29: Employability of MSCA researchers**

**Definition:** Number of MCA/MSCA fellows in employment positions two years after the end of their fellowship (only for individual actions)<sup>295</sup>  
**Source:** MCA/MSCA follow-up questionnaires, which are submitted to the REA by former fellows after their fellowship.

Baseline (2013) <sup>296</sup>	Latest known situation 2014	Milestones					Target 2020
		2015	2016	2017	2018	2019	
95,4% <sup>297</sup>	↑ 95,8%			95%			95%

**Result Indicator 30: Participation of women in MSCA**

**Definition:** % of women participating in the MSCA actions.  
**Source:** CORDA

Baseline (2013)	Latest known situation 2015	Milestones					Target 2020
		2015	2016	2017	2018	2019	
36,7% <sup>298</sup>	Provisional: ↑ 44,6% <sup>299</sup>			38%			40%

<sup>294</sup> Cumulative figures based on EU28 budget; the milestones have been adapted according to the EU28 budget.

<sup>295</sup> As the first data for the MSCA will only be available in 2019, it is proposed to cumulate MCA/MSCA data.

<sup>296</sup> The baseline still concerns the Marie Curie actions under the 7<sup>th</sup> Framework Programme, where all data are not yet available. Data for MSCA under Horizon 2020 will only be available in 2019. Due to the limited number of follow-up questionnaires received so far, this indicator may fluctuate considerably over time.

<sup>297</sup> October 2013, on the basis of the available follow-up questionnaires. The number of follow-up questionnaires being still significantly low, this percentage might be overestimated at this stage.

<sup>298</sup> The baseline still refers to the MCA under the 7<sup>th</sup> Framework Programme (FP7), where not all data is available yet. It is to be noted that actions involving fellows from third countries show a lower percentage of women participation than actions only involving fellows from the EU.

<sup>299</sup> Figure based on the outcomes of the IF 2015 call evaluation, i.e. covering only researchers who applied for an individual fellowship. For all other (host-driven) calls, the final results will be available later.

### Result Indicator 31: Excellence of MSCA researchers

**Definition:** Number of peer-reviewed publications resulting from MCA/MSCA funded projects

**Source:** Project reporting; Continuous open data acquisition<sup>300</sup>

Baseline (2012)	Latest known situation 2014	Milestones					Target 2020
		2015	2016	2017	2018	2019	
5 500	↑ 7 000			10 000			15 000

### Result Indicator 32: Involvement of private and other sector in MSCA

**Definition:** % of non-academic sector institutions and SMEs as host organisations in actions supported by MSCA

**Source:** CORDA, reports/estimations from Research Executive Agency

Baseline <sup>301</sup> (2013)	Latest known situation 2015	Milestones					Target 2020
		2015	2016	2017	2018	2019	
24,3% (of which 73,8% SMEs)	Provisional: ↑ 27,1% (of which ↓ 60,5% SMEs) <sup>302</sup>		27%				30%

Main outputs	
Target	Current situation (2015)
<b>a) Main Commission policy outputs to be delivered in 2015</b>	
N/A	
<b>b) Final outputs (by which delivery other actors are involved) or other relevant activities to be implemented in 2015</b>	
Renewed mandate for the Executive Agency REA	Adopted.
Launch of a study on European Industrial Doctorates	Launched.

<sup>300</sup> Last data available was for 2012.

<sup>301</sup> The baseline of this indicator refers to the indicator *% of private enterprises as host organisations in actions supported by MCA* under the 7<sup>th</sup> Framework Programme (FP7). However, from 2014 onwards, the definition of the non-academic sector and SMEs under H2020 is taken into account. This might result in a slight increase of the percentage compared to the FP7 indicator because the definition of non-academic sector includes additional institutions which are not private enterprises.

<sup>302</sup> Figures based on preliminary outcomes of ITN, IF and RISE calls 2015.

**Specific Objective 1.8:** The **European Institute of Innovation and Technology** – to integrate the knowledge triangle of research, innovation and higher education and thus to reinforce the Union's innovation capacity and address societal challenges  
*Indicators highlighted with an asterisk (\*) below are mandatory (from the programme legal basis). Their definition is included in the legal basis, however where additional specifications were added these are in italic.*

- Programme-based (Horizon 2020)  
 Non programme-based

**Management mode:**  Direct DG  Indirect Executive Agencies  Indirect (through KICS (EIT))

**\* Result indicator 33: Involvement of organisations in Knowledge and Innovation Communities (KICs)**

**Definition:** Number of organisations from universities, business and research integrated in KICs

**Source:** EIT Annual Activity Report

Baseline (period 2010-2012 with 3 KICs)	Latest known situation 2015	Milestones					Target 2020 <sup>303</sup>
		2015	2016	2017	2018	2019	
200	↑ 800	450 (revised)	500 (new)	600 (revised)			540 (revised)

**Result Indicator 34: Innovative deliverables inside KICs**

**Definition:** Number of innovations, start-ups and spin-offs resulting from collaboration inside the knowledge triangle: Number of start-ups and spin-offs created by KICS students/researchers/professors; Number of innovations in existing businesses developed by KIC students/researchers/professors

**Source:** EIT Annual Activity Report

Baseline (period 2010-2012)	Latest known situation 2015 <sup>304</sup>	Milestones					Target 2020 <sup>305</sup>
		2015	2016	2017	2018	2019	
33 start-ups and spin-offs	↑ 308	280 (revised)	400 (revised)	500 (revised)			600 start-ups and spin-offs
210 innovations <sup>306</sup>	↑ 2454	800 (new)	1,500	2,200			6 000 innovations

<sup>303</sup> The reference for this target is the year when the last actions financed under Horizon 2020 will be finished, i.e. several years after the formal end of the programme in 2020. A revision of target and milestones will be considered at the next opportunity so as to reflect progress achieved.

<sup>304</sup> This result is likely to be innate to the speed of the process which is expected to accelerate. The 2015 value resulted from three Knowledge and Innovation Communities (around €235 million). The increase in the number of fully operational KICs from 3 to 5 in 2016, as well as the planned increase in the EIT budget, is likely to result in higher value. Nevertheless (see following footnotes) the indicator should be changed in the future (AAR 2017).

<sup>305</sup> The reference for this target is the year when the last actions financed under Horizon 2020 will be finished, i.e. several years after the formal end of the programme in 2020.

<sup>306</sup> The EIT plans to reform its Key Performance Indicators in 2016; the milestone values will be revised in the following years to take into account changes in the calculation of innovations. Currently the innovations indicator includes: the number of business ideas incubated, the number of knowledge adoptions and transfers, and the number of new or improved products/services/processes launched. The figures are cumulative.

### Result Indicator 35: Leverage effect of the EIT on other financial sources

**Definition:** % of KICs own contribution to their total budget in relation to EIT funding

**Source:** EIT Annual Activity Report

Baseline (2013)	Latest known situation 2015	Milestones					Target 2020 <sup>307</sup>
		2015	2016	2017	2018	2019	
739 million Euro (revised) (86% of total budget)	↔ 850 million Euro <sup>308</sup> (1.087 million euros in 2014) ↔ (75%)	850 million Euro (restored) (75%)	915	(withdrawn)			7 008 million Euro from non- EIT financial sources mobilised, corresponding to 75% funding of the total KICs budget (revised)

Main outputs	
Target	Current situation (2015)
<b>a) Main Commission policy outputs to be delivered in 2015</b>	
N/A	
<b>b) Final outputs (by which delivery other actors are involved) or other relevant activities to be implemented in 2015</b>	
Two new KICS in the field of 'Raw materials' and 'healthy living and active ageing' Setting up of a simplification agenda including benchmarks Further development of the Stakeholder Forum Outreach and dissemination activities: The Regional Innovation Scheme (RIS) foreseen in the EIT Regulation will be implemented by the KICs for the first time in 2015 to reach out to potential excellent innovation players across the EU.	All Delivered

<sup>307</sup> Art. 14.6 of the EIT Founding regulation reads "The EIT contribution shall not, on average, exceed 25 % of a KIC's overall funding." As a consequence of this requirement the EIT and the KICs aim to reach the indicated amount as leverage and this is innate to the process. As every year the amount granted to the KICs by the EIT increases, the leverage increases accordingly.

<sup>308</sup> In comparison to the original figures, the amount of the leverage effect has been adapted to take into account the impact of the contribution of the EIT to the EFSI. This reduced the estimated leverage effect for the target period by slightly more than 1 billion so the target figures needed to be adjusted as well.

## General objective 2:

Programme-based (Erasmus +, ABB ACTIVITY 15.02)  
 Non-programme based

To contribute to the objectives of the Europe 2020 strategy through the overall objectives of the renewed framework for European Cooperation in the Youth field (2010-2018) in disseminating innovative best practices, with a view to promoting European values and a knowledge-based, innovative, sustainable and inclusive Europe.

*Indicators highlighted with an asterisk (\*) below are mandatory (from the programme legal basis). Their definition is included in the legal basis, however where additional specifications were added these are in italic.*

### Impact indicator 10: Youth out-of-school participation

**Definition:** Percentage of young people declaring that they have participated in any out-of-school organisation (youth organisation, NGO, sport club...) during the last year.

**Source:** Eurobarometer, every two years

Baseline (2013)	Latest known situation		Milestone 2017	Target 2020
	2014			
56%	↓ 49%		58%	60%

**Specific Objective 2.1:** To improve the level of key competences and skills, in particular through increased opportunities for **learning mobility** and strengthened cooperation with the world of work in **the field of youth** including for young people with fewer opportunities, those active in youth work or youth organisations and youth leaders with particular regard to participation in democratic life in Europe and the labour market, active citizenship, intercultural dialogue, social inclusion and solidarity.<sup>309</sup>

Programme-based (Erasmus +)  
 Non programme-based

*Indicators highlighted with an asterisk (\*) below are mandatory (from the programme legal basis). Their definition is included in the legal basis, however where additional specifications were added these are in italic.*

**Preliminary comment:** Breakdown for target groups emerge for the 1<sup>st</sup> time in Erasmus+, therefore there is no baseline and the individual milestones and the final target 2020 are under construction. They will be determined for the first time when all contract making processes are finalised for all actions. Reliable data are expected for 2017. As from 2016, reporting on the performance of the programme in a specific year (n) - including detailed reports (breakdown) foreseen by the basic act - will be produced and published on the [Erasmus+ website](http://ec.europa.eu/programmes/erasmus-plus/index_en.htm).<sup>310</sup>

**Management mode:**  Direct DG  Indirect Executive Agencies  Indirect (through other)

<sup>309</sup> Including Erasmus+' specific objective "(a) to improve the level of key competences and skills of young people, including those with fewer opportunities, as well as to promote participation in democratic life in Europe and the labour market, active citizenship, intercultural dialogue, social inclusion and solidarity, in particular through increased learning mobility opportunities for young people, those active in youth work or youth organisations and youth leaders, and through strengthened links between the youth field and the labour market;"

<sup>310</sup> [http://ec.europa.eu/programmes/erasmus-plus/index\\_en.htm](http://ec.europa.eu/programmes/erasmus-plus/index_en.htm)

**\* Output indicator 36: Learning mobility opportunities through Erasmus+ (Youth)**

**Definition:** Number of young people engaged in mobility actions supported by the Programme, by country, sector, action and gender.<sup>311</sup>

**Source:** EU reporting through Erasmus+ IT tool ; *Values and targets adapted from EU28 to EU33.*

Baseline (2012)	Latest known situation <sup>312</sup> 2015	Milestones					Target 2020
		2015	2016	2017	2018	2019	
Youth: 75 (in 1000)	↑ 113	87	84	91	107	123	140

**\* Result indicator 37: Better skills for participants (Erasmus +, youth)**

**Definition:** % of Erasmus + participants declaring that they have improved their key competences *and/or their skills relevant for employability*

**Source:** Individual participant report to be submitted under Erasmus+

Baseline (2012)	Latest known situation	Milestones					Target 2020
		2015	2016	2017	2018	2019	
youth: 75%	Not available before 2017 (see preliminary comment)		77%				80%

**Result Indicator 38: Social and political participation of young people (Erasmus +)**

**Definition:** % of Erasmus + young participants declaring being better prepared to participate in social and political life

**Source:** Individual participant report to be submitted under Erasmus+

Baseline (2011)	Latest known situation	Milestones					Target 2020
		2015	2016	2017	2018	2019	
78%	Not available before 2017 (see preliminary comment)	80%		80%			80%

**\* Result indicator 39: Language skills of participants (Erasmus+, youth)**

**Definition:** % of *Erasmus+* participants in voluntary actions declaring that they have increased their language skills

**Source:** Individual participant report to be submitted under Erasmus+

Baseline (2010) <sup>313</sup>	Latest known situation	Milestones					Target 2020
		2015	2016	2017	2018	2019	
87%	Not available before 2017 (see preliminary comment)	90%		92%			95%

<sup>311</sup> See preliminary comment as regards breakdown..

<sup>312</sup> Planned number of participants - Provisional data at awarded level. Definitive data will be provided based on all National Agency Yearly reports in the second quarter of the year of writing.

<sup>313</sup> In order to compare data, "long-term" mobility is considered here as from 2 months and over across all sectors.

**\* Output indicator 40: Staff supported by the programme (Erasmus+, youth)**

**Definition:** Number of staff supported by the Programme, by country and for the sector youth<sup>314</sup>  
**Source:** EU reporting through Erasmus+ IT tool ; Values and targets adapted from EU28 to EU33.

Baseline (2013)	Latest known situation 2015 <sup>315</sup>	Milestones					Target 2020 <sup>316</sup>
		2015	2016	2017	2018	2019	
33 (in 1000 revised <sup>317</sup> )	↑ 38	21	26	27	28	29	29

**\* Output indicator 41: Participants with special needs or fewer opportunities (Erasmus+, youth) <sup>318</sup>**

**Definition:** Number of participants with special needs or fewer opportunities supported by the programme  
**Source:** EU reporting through Erasmus+ IT tool

Baseline (2013)	Latest known situation 2015	Milestones					Target 2020
		2015	2016	2017	2018	2019	
Fewer opportunities: 34 (in 1000)	↑ 55			25.5			42

Main outputs	
Target	Current situation (2015)
<b>a) Main Commission policy outputs to be delivered in 2015</b> See also under specific objective 2.3	
<b>b) Final outputs (by which delivery other actors are involved) or other relevant activities to be implemented in 2015</b> See under specific objective 2.3	
Fourth cycle of Structured Dialogue with young people	Delivered Expert group report on the contribution of youth work to address the challenges young people are facing, in particular the transition from education to employment
Seventh edition of European Youth Week	Delivered in May
Youth wiki tool to be managed by EACEA	<b>Ongoing - to be finalised in October 2017</b> - First restricted call in summer 2015; - First meeting of National Structures Network in December 2015 - 27 countries have started their work on the first two chapters (general overview of national youth policies and voluntary activities)

<sup>314</sup> See preliminary comment as regards breakdown.

<sup>315</sup> Planned number of participants – Provisional data at awarded level. Definitive data will be provided on all National Agency yearly reports in the second quarter of the year of writing.

<sup>316</sup> Target and milestones will be revised at the next opportunity to cover the 33 programme countries.

<sup>317</sup> Decision was made for the AAR 2015 to align the methodology for the youth sector (previously reporting only on EU28 budget) on that used for the education and training sector (reporting on 33 programme countries). Baseline has therefore been revised up in Management Plan 2015 for output indicator 40.

<sup>318</sup> Same comments as for the previous output indicator

## ABB ACTIVITY 15.02 Relevant general objective 2

To contribute to the objectives of the Europe 2020 strategy through the overall objectives of the renewed framework for European Cooperation in the **Youth** field (2010-2018) in disseminating innovative best practices, with a view to promoting European values and a knowledge-based, innovative, sustainable and inclusive Europe.

**Specific Objective 2.2:** To foster quality improvements, innovation excellence and internationalisation, in particular through enhanced transnational cooperation **at the level of institutions/organisations**<sup>319</sup> between organisations in the youth field and other stakeholders.<sup>320</sup>

Programme-based (Erasmus +)  
 Non programme-based

*Indicators highlighted with an asterisk (\*) below are mandatory (from the programme legal basis). Their definition is included in the legal basis, however where additional specifications were added these are in italic.*

**Management mode:**  Direct DG  Indirect Executive Agencies  Indirect (through other)

### \* Output indicator 42: Users of Eurodesk<sup>321</sup>

**Definition:** The number of users of Eurodesk

**Source:** Eurodesk Brussels Link

Baseline (2013)	Latest known situation 2014	Milestones					Target 2020
		2015	2016	2017	2018	2019	
140 000 information enquiries answered through the Eurodesk network	↔ 140 000 (on target)	140 000	140 000	140 000	140 000	140 000	140 000

Main outputs	
Target	Current situation (2015)
<b>a) Main Commission policy outputs to be delivered in 2015</b> See under specific objective 2.3	
<b>b) Final outputs (by which delivery other actors are involved) or other relevant activities to be implemented in 2015</b> See under specific objective 2.3	
<i>Items not planned in the Management Plan 2015</i>	
Expert Group report on quality of youth work	Delivered

<sup>319</sup> As regards breakdown by type of organisations/country/sector, the public source of the reporting on indicators stipulated in the legal basis is to be defined.

<sup>320</sup> Including Erasmus+' specific objective "(b) to foster quality improvements in youth work, in particular through enhanced cooperation between organisations in the youth field and/or other stakeholders;"

<sup>321</sup> Eurodesk has introduced a new method of gathering the feedback from its network of over 1,000 multipliers across Europe, which should give more accurate results than what was achievable before. Target and milestones might be reviewed accordingly in the future.

## ABB ACTIVITY 15.02 Relevant general objective 2

To contribute to the objectives of the Europe 2020 strategy through the overall objectives of the renewed framework for European Cooperation in the **Youth** field (2010-2018) in disseminating innovative best practices, with a view to promoting European values and a knowledge-based, innovative, sustainable and inclusive Europe.

**Specific Objective 2.3:** To promote at **policy** level, in particular through enhanced policy cooperation, the dissemination of good practices and better use of Union transparency and recognition tools in the field of youth: evidence-based youth policy, as well as the recognition of non-formal and informal learning, with a view to complementing policy reforms at local, regional and national level<sup>322</sup>

- Programme-based (Erasmus +)  
 Non programme-based

*Indicators highlighted with an asterisk (\*) below are mandatory (from the programme legal basis). Their definition is included in the legal basis, however where additional specifications were added these are in italic.*

**Management mode:**  Direct DG  Indirect Executive Agencies  Indirect (through other)

### \* Result indicator 43: Formal recognition of participation (Erasmus +, youth)

**Definition:** % of Erasmus + participants who have received a certificate (for example a Youthpass), diploma or other kind of formal recognition of their participation in the Programme

**Source:** EU reporting through Erasmus+ IT tool

Baseline	Latest known situation 2014	Milestones					Target 2020
		2015	2016	2017	2018	2019	
Youth (2010): 26%	Not available at application stage. Data will be available in 2017 <sup>323</sup> .	35%		45%			65%

### Main outputs

Target	Current situation (2015)
<b>a) Main Commission policy outputs to be delivered in 2015</b>	
Commission Communication <u>Draft 2015 Joint Report on the EU Youth Strategy</u> (3 <sup>rd</sup> Quarter)	Adopted on 15 September 2015 by the Commission (on 23 November by the Council)
Commission staff working document on <u>the implementation of the EU Youth Strategy</u> (3 <sup>rd</sup> Quarter)	
Commission staff working document on <u>the situation of young people in Europe</u> (3 <sup>rd</sup> Quarter)	
<b>b) Final outputs (by which delivery other actors are involved) or other relevant activities to be implemented in 2015</b>	
<i>Items not planned in the Management Plan 2015</i>	
Resolution of the Council on a European Union Work Plan for Youth for 2016-2018	Both adopted on 23 November 2015
Council Resolution on encouraging political participation of young people in democratic life in Europe	
Council conclusions on reinforcing youth work to ensure cohesive societies	Both adopted in May 2015
Council conclusions on enhancing cross-sectorial policy cooperation to effectively address socio-economic challenges facing young people	

<sup>322</sup> Including Erasmus+' specific objective "(c) to complement policy reforms at local, regional and national level and to support the development of knowledge and evidence-based youth policy as well as the recognition of non-formal and informal learning, in particular through enhanced policy cooperation, better use of Union transparency and recognition tools and the dissemination of good practices"

<sup>323</sup> Provisional result: 43%. 2014 mobility projects could start till 31/5/2015 with a duration of 24 months maximum. At the moment 43% of the participants in projects awarded in 2014 have received a certificate after the end of the mobility.

## ABB ACTIVITY 15.02 Relevant general objective 2

To contribute to the objectives of the Europe 2020 strategy through the overall objectives of the renewed framework for European Cooperation in the **Youth** field (2010-2018) in disseminating innovative best practices, with a view to promoting European values and a knowledge-based, innovative, sustainable and inclusive Europe.

**Specific Objective 2.4:** To support the Union's external action, including its development objectives, through targeted capacity-building in partner countries, cooperation between Union and partner-country institutions or other stakeholders and the promotion of mobility, and to enhance the **international dimension** of activities in the field of youth in particular as regards the role of youth workers and support structures for young people.<sup>324</sup>

Programme-based (Erasmus +)  
 Non programme-based

*Indicators highlighted with an asterisk (\*) below are mandatory (from the programme legal basis). Their definition is included in the legal basis, however where additional specifications were added these are in italic.*

**Management mode:**  Direct DG  Indirect Executive Agencies  Indirect (through other)

### \* Result indicator 44: Involvement of EU and non-EU youth organisations (Erasmus+)

**Definition:** Number of youth organisations from both Programme countries and partner countries involved in international mobility and cooperation actions under the Erasmus+ programme

**Source:** The mobility tool used by NAs for decentralised actions and the EACEA Pegasus database, EU 28

Baseline (2011)	Latest known situation 2014	Milestones					Target 2020
		2015	2016	2017	2018	2019	
5 300	↑ 6 900 (target: 5 500)		5 600		5 800		6 000

#### Main outputs

Target	Current situation (2015)
<b>a) Main Commission policy outputs to be delivered in 2015</b>	
See also under specific objective 2.3	
<b>b) Final outputs (by which delivery other actors are involved) or other relevant activities to be implemented in 2015</b>	
See under specific objective 2.3 Youth Window within the framework of Erasmus+ for Western Balkans 2nd "Eastern Partnership Youth Forum" (February 2015).	Beyond barriers – EU-Council of Europe seminar on social inclusion of vulnerable youth in the western Balkans and Turkey  In 2015, 46 projects have been awarded under the Capacity Building in the field of youth – Western Balkans Youth Window. Delivered
<i>Items not planned in the Management Plan 2015</i>	
Third Policy and Expert Seminar on youth cooperation between the EU and China	Organised

<sup>324</sup> Including Erasmus+' specific objective "(d) to enhance the international dimension of youth activities and the role of youth workers and organisations as support structures for young people in complementarity with the Union's external action, in particular through the promotion of mobility and cooperation between the Union and partner-country stakeholders and international organisations and through targeted capacity-building in partner countries."

### General objective 3:

Programme-based  
(Erasmus +, ABB ACTIVITY 15.02)  
 Non-programme based

**To develop the European dimension in Sport in line with the Union work plan for sport in disseminating best practices, with a view to promoting European values and a knowledge-based, innovative, sustainable and inclusive Europe.**

*Indicators highlighted with an asterisk (\*) below are mandatory (from the programme legal basis). Their definition is included in the legal basis, however where additional specifications were added these are in italic.*

#### **Impact indicator 11 : Reduction of the share of EU population who does not practice any sport / physical activity**

**Definition:** Percentage of people in the EU aged over 15 and who never exercise or play sport

**Source:** Eurobarometer (2009; 2014)

Baseline (2009)	Latest known situation	Milestone	Target 2020
	2014	2017	
39%	↓ 42%	38%	36%

**Specific Objective 3.1:** To tackle cross-border **threats to integrity of sport** such as doping, match-fixing, violence as well as all kind of intolerance and discrimination

*Indicators highlighted with an asterisk (\*) below are mandatory (from the programme legal basis). Their definition is included in the legal basis, however where additional specifications were added these are in italic.*

Programme-based (Erasmus+)  
 Non programme-based

**Management mode:**  Direct DG  Indirect Executive Agencies  Indirect (through other)

#### **\* Result indicator 45: Results used to fight against threats to sport<sup>325</sup>**

**Definition:** Increase in the number of participants (expressed as Erasmus+ sport organisations) that use the results of cross-border projects to combat threats to sport

**Source:** Final reports to be submitted by the beneficiary organisations under preparatory actions and then Erasmus+ sport

Baseline (year) (Preparatory Actions 2009-2013)	Latest known situation 2014	Milestones (% of participants)					Target 2020
		2015	2016	2017	2018	2019	
36.6% (new)	[+6.6%] <sup>326</sup>			50%			75%

<sup>325</sup> The indicator aims at measuring the improvement that the Erasmus+ programme brings in reaching relevant organisations, compared to the Preparatory Actions in the field of Sport (2009-2013). The baseline is therefore computed from the Preparatory Actions. The thematic areas in the Preparatory Actions were different each year, but correspond for the whole period 2009-2013 to the specific objectives 1.7 to 1.9, which are the Erasmus+ objectives. It is then proposed to look at the whole period 2009-2013 for the baseline, i.e. 5 years and average the total number of organisations benefiting from funding to have a comparable annual figure.

<sup>326</sup> This result measures an increase and cannot be compared for that reason to baseline, milestone and target set as a share of total in the Management Plan 2015.

Main outputs	
Target	Current situation (2015)
<b>a) Main Commission policy outputs to be delivered in 2015</b>	
Proposal for a Council Decision authorising the Commission to sign the Convention of the Council of Europe against match-fixing ( <i>1<sup>st</sup> Quarter 2015</i> )	Adopted - COM(2015) 84 of 2.3.2015
Recommendation (led by DG MARKT) on best practices in the prevention and combating of betting-related match-fixing	Postponed until 2016 (to take into account a pilot project launched by DG Migration and Home Affairs in 2015)
<b>b) Final outputs (by which delivery other actors are involved) or other relevant activities to be implemented in 2015</b>	
1 <sup>st</sup> European Week of Sport ( <i>September 2015</i> )	Organised as of 7.9.2015

<b>Specific Objective 3.2:</b> To support <b>good governance in sport</b> and dual careers of athlete <i>Indicators highlighted with an asterisk (*) below are mandatory (from the programme legal basis). Their definition is included in the legal basis, however where additional specifications were added these are in italic.</i>		<input checked="" type="checkbox"/> Programme-based (Erasmus+) <input checked="" type="checkbox"/> Non programme-based											
<b>Management mode:</b> <input checked="" type="checkbox"/> Direct DG <input checked="" type="checkbox"/> Indirect Executive Agencies <input type="checkbox"/> Indirect (through other)													
<b>* Result indicator 46: Results used to improve good governance in sport and dual careers</b> <sup>327</sup>													
<b>Definition:</b> Increase in the number of participants (expressed as Erasmus+ sport organisations) who have used the results of cross-border projects to improve good governance and dual careers <b>Source:</b> Final reports to be submitted by the beneficiary organisations under preparatory actions and then Erasmus+ sport													
Baseline (Preparatory Actions 2009-2013)	Latest known situation 2014	Milestones (% of participants)	Target 2020										
37.6% (new)	[+9%] <sup>328</sup>	<table border="1"> <thead> <tr> <th>2015</th> <th>2016</th> <th>2017</th> <th>2018</th> <th>2019</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td>50%</td> <td></td> <td></td> </tr> </tbody> </table>	2015	2016	2017	2018	2019			50%			75%
2015	2016	2017	2018	2019									
		50%											

Main outputs	
Target	Current situation (2015)
<b>a) Main Commission policy outputs to be delivered in 2015</b>	
<b>b) Final outputs (by which delivery other actors are involved) or other relevant activities to be implemented in 2015</b>	
See under specific objective 3.1 Study aiming at having a better overview of sport qualifications in Europe.	Replaced by a study on the minimum quality requirements for dual career services (Final report published in January 2016).

<sup>327</sup> See previous footnote.

<sup>328</sup> This result measures an increase and cannot be compared for that reason to baseline, milestone and target set as a share of total in the Management Plan 2015.

<p><b>Specific Objective 3.3:</b> To promote voluntary activities in sport, together with social inclusion, equal opportunities and <b>health-enhancing physical activity</b> through increased <b>participation in, and equal access to sport</b></p> <p><i>Indicators highlighted with an asterisk (*) below are mandatory (from the programme legal basis). Their definition is included in the legal basis, however where additional specifications were added these are in italic.</i></p>							<input checked="" type="checkbox"/> Programme-based (Erasmus+) <input checked="" type="checkbox"/> Non programme-based
<p><b>Management mode:</b> <input checked="" type="checkbox"/> Direct DG <input checked="" type="checkbox"/> Indirect Executive Agencies <input type="checkbox"/> Indirect (through other)</p>							
<p><b>* Result indicator 47: Results used to enhance social inclusion, equal opportunities and sport participation rates</b><sup>329</sup></p> <p><b>Definition:</b> Increase in the number of participants (expressed as Erasmus+ sport organisations) who have used the results of cross-border projects to enhance social inclusion, equal opportunities and participation rates</p> <p><b>Source:</b> Final reports to be submitted by the beneficiary organisations under preparatory actions and then Erasmus+ sport</p>							
Baseline (year) (Preparatory Actions 2009-2013)	Latest known situation	Milestones(% of participants)					Target 2020
	2014	2015	2016	2017	2018	2019	
80% (new)	[+201%] <sup>330</sup>	110% <sup>331</sup>		50%			75%
<p><b>* Result indicator 48: Size of membership of sport organisations</b></p> <p><b>Definition:</b> Size of membership of sport organisations (% of small grassroot less than 1000 members) applying for, and taking part in, the Programme, by country<sup>332</sup></p> <p><b>Source:</b> Applications submitted under the Erasmus+ Sport call for proposals</p>							
Baseline (year)	Latest known situation	Milestones					Target 2020
	2015	2015	2016	2017	2018	2019	
Not available (new EU action)	8.4%			30%			50%

Main outputs	
Target	Current situation (2015)
<b>a) Main Commission policy outputs to be delivered in 2015</b>	
<b>b) Final outputs (by which delivery other actors are involved) or other relevant activities to be implemented in 2015</b>	
See under specific objective 3.1	
<i>Items not planned in the Management Plan 2015</i>	
Conclusions on the promotion of motor skills, physical and sport activities for children	Adopted on 24 November 2015

<sup>329</sup> See previous two footnotes.

<sup>330</sup> This result measures an increase and cannot be compared for that reason to baseline, milestone and target set as a share of total in the Management Plan 2015.

<sup>331</sup> Both years (2014 and 2015) compared to the baseline.

<sup>332</sup> Reporting on the performance of the programme in a specific year (n) including detailed reports (breakdown) on the indicators annexed to the basic act will be produced by Q2 of the following year (n+1) and published on the Erasmus+ website.

## General objective 4

Programme-based (Creative Europe- ABB 15.04)  
 Non programme-based

**To foster the safeguarding, development and promotion of European cultural and linguistic diversity and cultural heritage, to strengthen the competitiveness of the cultural and creative sectors, except the audiovisual sector, and to facilitate people to people cultural contacts worldwide with a view to promoting a creative, innovative, sustainable and inclusive Europe**

*Indicators highlighted with an asterisk (\*) below are mandatory (from Creative Europe legal basis)*

*Legend: in comparison with milestone (or baseline where no milestone is set for the relevant year)*

↑ : improvement

↓ : deterioration

↔ : according to milestone (or baseline)

*All targets have been laid out in the legal basis of the Creative Europe 2014-2020 programme*

### \* Impact indicator 12: Access of EU citizens to European cultural works

**Definition:** The number of people accessing European cultural and creative works, including, where possible, works from countries other than their own.

**Source:** Special Eurobarometer 399 on Cultural access and participation (2013)<sup>333</sup>; mid-term evaluation, 2013.

Baseline (2013)	Latest known situation	Milestones	Target 2020
	2015	2018	
Europeans declaring that they benefited from the following items from another European country: 160 million read a book (31%); 140 million watched or listened to a cultural programme on TV/radio (27%); 98 million visited a historical monument or site (19%); 67 million were to a musical performance (13%); 52 million attended a performance, festival, etc (10%); 31 million saw a ballet, dance performance, or opera (6%); 21 million went to a theatre performance (4%).	available as of 2018	To be assessed during mid-term evaluation on data until 2017	Increase of 2% in comparison to 2013 results

### \* Impact indicator 13: Contribution of cultural and creative sectors to the EU economy

**Definition:** The cultural and creative sectors' share in the total European workforce and European GDP (including the audiovisual sector)

**Source:** EU competitiveness report (2010)<sup>334</sup>; TERA consultants (2014 - a)<sup>335</sup>; Ernst and Young France (2014 - b)<sup>336</sup>

Baseline (2010)	Latest known situation	Milestone	Target 2020
	2014	2018	
Between 3% and 3.8% of the total European workforce	↔ 3.3% of EU's active population (source a) ↔ 3.8% of EU workforce (source b)	To safeguard 2010 figures	4% of the total European workforce
Between 3.3% and 4.5% of total European GDP	↔ 4.2% of EU GDP (source a) ↔ 4,4 % of EU GDP (source b)		4,8% of total European GDP

<sup>333</sup> The population used for extrapolating the number of people covers the EU28 as well as CH, NO, and IS i.e. 516.8 million people.

<sup>334</sup> See Communication on promoting cultural and creative sectors for growth and jobs in the EU – COM(2012)537

<sup>335</sup> <http://www.teraconsultants.fr/en/issues/The-Economic-Contribution-of-the-Creative-Industries-to-EU-in-GDP-and-Employment>

<sup>336</sup> <http://www.creativeurope.eu/en/wp-content/uploads/2014/11/study-full-en.pdf>

**Specific Objective 4.1:** To support the capacity of the European cultural and creative sectors to operate transnationally and internationally<sup>337</sup>

- Programme-based (Creative Europe)  
 Non programme-based

*Indicators highlighted with an asterisk (\*) below are mandatory (from the programme legal basis). Their definition is included in the legal basis, however where additional specifications were added these are in italic.*

**Management mode:**  Direct DG  Indirect Executive Agencies  Indirect (through other)

**\* Result indicator 49: Internationalisation of EU-supported cultural operators** (Creative Europe)

**Definition:** The scale of international activities of cultural and creative organisations and the number of transnational partnership projects created *and funded by the Creative Europe programme with the participation of operators from more than 3 countries*

**Source:** Projects final reports.

Baseline (2012)	Latest known situation	Milestones					Target 2020
		2015	2016	2017	2018	2019	
7 000 transnational partnerships	Available as of 2017-18			7 600			8 000 transnational partnerships

**\* Result Indicator 50: Professionals with better skills and employability** (Creative Europe)

**Definition:** Number of learning experiences and activities (*expressed as number of professionals*) with learning experience (artists, cultural and creative operators) supported by the Creative Europe programme which have improved the competences and increased the employability of cultural and creative players

**Source:** Projects final reports

Baseline (2012)	Latest known situation	Milestones					Target 2020
		2015	2016	2017	2018	2019	
140 000 professionals with learning experience	Available as of 2017-18			190 000			240 000 professionals with learning experiences

Main outputs	
Target	Current situation (2015)
<b>a) Main Commission policy outputs to be delivered in 2015</b>	
See under specific objective 4.3	
<b>b) Final outputs (by which delivery other actors are involved) or other relevant activities to be implemented in 2015</b>	
See under specific objective 4.3	Delivered

<sup>337</sup> Including Creative Europe's specific objective " (a) to support the capacity of the European cultural and creative sectors to operate transnationally and internationally;"

**Specific Objective 4.2:** To promote the transnational **circulation** of cultural and creative works and operators and reach new audiences in Europe and beyond, with a particular focus on children, young people, people with disabilities and under-represented groups<sup>338</sup>

*Indicators highlighted with an asterisk (\*) below are mandatory (from the programme legal basis). Their definition is included in the legal basis, however where additional specifications were added these are in italic.*

**Management mode:**  Direct DG  Indirect Executive Agencies  Indirect (through other)

- Spending (Creative Europe)  
 Non-spending

**\* Result Indicator 51: Audience of the Creative Europe programme** (Culture sub-programme)

**Definition:** Number of people directly and indirectly reached through projects supported by the Programme  
**Source:** Future projects final reports and mid-term programme evaluation

Baseline	Latest known situation	Milestones					Target 2020
		2015	2016	2017	2018	2019	
No baseline, first known results (2017) available in 2018 for the first time	Not available at application stage, but at the end of each project ; a critical mass will be gathered in 2017-18				To be assessed during mid-term evaluation on data until 2017		Increase of 5% in comparison to 2017 results <sup>339</sup>

**\* Result Indicator 52: Projects addressed to children, young people and under-represented groups, and people reached** (Culture sub-programme)

**Definition:** Number of projects addressed to children, young people and under-represented groups and the estimated number of people reached.  
**Source:** Future projects final reports and mid-term programme evaluation

Baseline	Latest known situation	Milestones					Target 2020
		2015	2016	2017	2018	2019	
No baseline, first known results (2017) available in 2018 for the first time	Available as of 2017-18				To be assessed during mid-term evaluation on data until 2017		Increase of 7% in comparison to 2017 results

<sup>338</sup> Including Creative Europe's specific objective " (b) to promote the transnational circulation of cultural and creative works and transnational mobility of cultural and creative players, in particular artists, as well as to reach new and enlarged audiences and improve access to cultural and creative works in the Union and beyond, with a particular focus on children, young people, people with disabilities and under-represented groups;"

<sup>339</sup> Revised based on 2015 Programme Statement

Main outputs	
Target	Current situation (2015)
<b>a) Main Commission policy outputs to be delivered in 2015</b>	
See under specific objective 4.3	Delivered
<b>b) Final outputs (by which delivery other actors are involved) or other relevant activities to be implemented in 2015</b>	
See under specific objective 4.3	Delivered

<p><b>Specific Objective 4.3:</b> To support transnational <b>policy</b> cooperation in order to foster policy development, innovation, creativity, audience building and new business models<sup>340</sup>  <i>Indicators highlighted with an asterisk (*) below are mandatory (from the programme legal basis). Their definition is included in the legal basis, however where additional specifications were added these are in italic.</i></p>								<input checked="" type="checkbox"/> Programme-based (Creative Europe) <input checked="" type="checkbox"/> Non programme-based
<p><b>Management mode:</b> <input checked="" type="checkbox"/> Direct DG <input checked="" type="checkbox"/> Indirect Executive Agencies <input type="checkbox"/> Indirect (through other)</p>								
<p><b>* Result indicator 53: Influence of EU cultural cooperation on national policy making</b></p>								
<p><b>Definition:</b> Number of Member States making use of the results of the Open Method of Coordination in their national policy development  <b>Source:</b> Voluntary reports by EU MS</p>								
Baseline (2013)	Latest known situation 2014	Milestones					Target 2020	
		2015	2016	2017	2018	2019		
10 Member States	↑12	13	14	15	16	17	20	
<p><b>* Output indicator 54: New initiatives and policy outcomes</b></p>								
<p><b>Definition:</b> The number of new initiatives and policy outcomes, where initiatives or policy outcomes are defined as the number of deliverables funded under the cross-sectorial strand of the programme.  <b>Source:</b> Agenda Planning</p>								
Baseline (2012)	Latest known situation 2015	Milestones					Target 2020	
		2015	2016	2017	2018	2019		
N/A <sup>341</sup>	2		10 <sup>342</sup>				20	

Main outputs	
Target	Current situation (2015)
<b>* a) Main Commission policy outputs to be delivered in 2015:</b>	

<sup>340</sup> Including Creative Europe's specific objective " (d) to foster policy development, innovation, creativity, audience development and new business and management models through support for transnational policy cooperation".

<sup>341</sup> As this strand did not exist before, there can be no baseline applicable.

<sup>342</sup> The milestone is an estimate of the results of the first call.

<b>b) Final outputs (by which delivery other actors are involved) or other relevant activities to be implemented in 2015</b>	
<u>European Semester outputs</u>	Delivered
<u>Open Method of Coordination (OMC) working groups</u> : two groups launched under the 2011-2014 Work Plan for Culture will continue in 2015: a) on cultural awareness and expression, and b) on access to finance for cultural and creative industries. Both groups will produce good practice manuals for policy makers at the end of 2015	Delivered as planned.
New Work Plan for Culture 2015-2018: launch of <u>2 new OMC groups</u> on the following topics: a) promoting access to culture via digital means and b) participative governance of cultural heritage (no output foreseen in 2015)	Launched in early 2015..
<u>Pilot project</u> on crowd-funding for culture)	Launched (implementation in 2016 and 2017)
<u>Pilot project</u> to create an international professional network of young creative entrepreneurs to exchange best practice and encourage cooperation projects between EU and third countries)	Launched (implementation in 2016 and 2017)
New <u>peer learning project</u> between cities and regions of Europe (to be launched)	Launched (on going implementation ).
<u>Inter-service Group</u> on Cultural and Creative Sectors with a focus on the follow up to the 2012 Communication on the promotion of cultural and creative sectors for growth and jobs in the EU	No meeting held in 2015
<u>2015 European Capital of Culture</u> (Mons, Plzeň) – to be completed	Completed
<u>2016 European Capitals of Culture</u> (Donostia-San Sebastián, Wrocław) - to be prepared	Prepared
<u>2015 European Heritage Label</u> to be granted to cultural sites	Granted
<u>2015 EU Prizes</u> (European Border Breakers Award in Groningen, EU Cultural Heritage prize, Contemporary Architecture prize in Barcelona, Literature prize)	Granted
<u>Coordinated assessment on media literacy</u> at school with a number of interested countries	Handed over to DG for Communication Networks, Content and Technology
Renewed mandates for the <u>Executive Agency EACEA</u>	Adopted on 12 February 2015
Regional and bilateral policy dialogue with key <u>partner countries</u>	Delivered
Third meeting of the Cultural Cooperation Committee with <u>South Korea</u> (second semester 2015)	Postponed to February 2016 due to the security situation prevailing in Bxl in November.
<i>Items not planned in the Management Plan 2015</i>	
Conclusions on culture in the EU's external relations with a focus on culture in development cooperation	Adopted on 24 November 2015
Conclusions amending the Work Plan for Culture (2015-2018) as regards the priority on intercultural dialogue	Adopted on 24 November 2015

Spending  
 Non-spending

**Specific Objective 4.4:** To strengthen the **financial capacity** of small and medium-sized enterprises and organisations in the cultural and creative sectors in a sustainable and balanced way across countries and sectors<sup>343</sup>

*Indicators highlighted with an asterisk (\*) below are mandatory (from the programme legal basis). Their definition is included in the legal basis, however where additional specifications were added these are in italic.*

**Preliminary comment:** the Guarantee facility of Creative Europe will be launched in 2016; first results will be available as of March 2017.

**Management mode:**  Direct DG  Indirect Executive Agencies  Indirect (through EIB)

**\* Result indicator 55: Guaranteed loan supply**

**Definition:** The volume of loans guaranteed to SMEs in cultural and creative sectors in the framework of the Guarantee facility, categorised by national origin, size and micro, small and medium-sized organisations

**Source:** annual report from the European Investment Fund

Baseline (2012)	Latest known situation	Milestones					Target 2020
	n/a	2015	2016	2017	2018 (revised)	2019	
20 million EUR guaranteed loans <sup>344</sup>	available as of 2017 (see preliminary comment)				180 million EUR		0,5 billion EUR

**\* Result indicator 56: Granted loan supply**

**Definition:** Total volume of loans granted to SMEs in cultural and creative sectors in the framework of the Guarantee facility by participating financial intermediaries, categorised by national origin

**Source:** annual report from the European Investment Fund

Baseline (2012)	Latest known situation	Milestones					Target 2020
	n/a	2015	2016	2017	2018	2019	
20 million EUR granted loans <sup>345</sup>	available as of 2017 (see preliminary comment)2017			Higher than the milestone set for the indicator 46			+5% compared to the target set for the indicator 46

<sup>343</sup> Including Creative Europe's specific objective " (c) to strengthen the financial capacity of SMEs and micro, small and medium-sized organisations in the cultural and creative sectors in a sustainable way, while endeavouring to ensure a balanced geographical coverage and sector representation". This part of the cross sectoral strand of Creative Europe will be managed jointly with DG CNECT.

<sup>344</sup> Breakdowns by national origin, size and sectors of SMEs or organisations and by participating financial intermediaries categorised by national origin are provided in the annual report from the European Investment Fund.

<sup>345</sup> Breakdowns by national origin are provided in the annual report from the European Investment Fund

**\* Result indicator 57: Average default rate of loans**

**Definition:** The average default rate of loans granted to SMEs in cultural and creative sectors in the framework of the Guarantee facility

**Source:** annual report from the European Investment Fund

Baseline (2011) <sup>346</sup>	Latest known situation	Milestones					Target 2020 <sup>347</sup>
	n/a	2015	2016	2017	2018	2019	
10% (estimated)	available as of 2017 (see preliminary comment)				9%		8%

**\* Result indicator 58: Leverage effect of guaranteed loans**

**Definition:** The leverage effect of guaranteed loans in relation to the indicative leverage effect (1:5,7) achieved by SMEs in cultural and creative sectors in the framework of the Guarantee facility

**Source:** annual report from the European Investment Fund

Baseline (2011) <sup>348</sup>	Latest known situation	Milestones					Target 2020
	n/a	2015	2016	2017	2018	2019	
1 : 5,7 (estimated)	available as of 2017 (see preliminary comment)			1:5,7			1:6

**\* Result Indicator 59: Diversity of guaranteed loan supply**

**Definition:** The number and geographical spread of participating financial intermediaries such as banks and other financial institutions providing access to finance for the cultural and creative sectors through the Guarantee facility

**Source:** annual report from the European Investment Fund

Baseline (2012)	Latest known situation	Milestones					Target 2020
	n/a	2015	2016	2017	2018	2019	
2 financial institutions from 2 Member States	available as of 2017 (see preliminary comment)			7 financial institutions from 5 different Member States			10 financial institutions from 10 different Member States

<sup>346</sup> There is no EU wide financial instrument for the sector. A 10% baseline is estimated according to the ex-ante impact assessment of the Creative Europe programme.

<sup>347</sup> The target is lower than the baseline as result of the final legal basis. The expectation is that the defaulted loans decrease with the implementation of the guarantee fund.

<sup>348</sup> There is no EU wide financial instrument for the sector. An estimated ratio of 1:5,7 according to the ex-ante impact assessment for the Creative Europe programme.

**\* Result Indicator 60: Diversity of guaranteed loan beneficiaries**

**Definition:** Number, national origin and sub-sectors of final beneficiaries benefiting from the Guarantee facility, categorised by national origin, size and sectors

**Source:** annual report from the European Investment Fund

Baseline (2012)	Latest known situation	Milestones					Target 2020 (revised)
	n/a	2015	2016	2017	2018	2019	
100 beneficiaries from audio-visual sector from 8 Member States <sup>349</sup>	available as of 2017 (see preliminary comment)			3 000 beneficiaries from 5 sub-sectors, from 10 Member States			7 000 beneficiaries from 5 sub-sectors, from 15 Member States

Main outputs	
Target	Current situation (2015)
<b>a) Main Commission policy outputs to be delivered in 2015</b>	
N/A	
<b>b) Final outputs (by which delivery other actors are involved) or other relevant activities to be implemented in 2015</b>	
The Delegation Agreement between the European Commission and the European Investment Fund is expected to be signed in Q2 2015. Selection of the provider of the Capacity Building Scheme for financial intermediaries participating in the Cultural and Creative Sectors Guarantee Facility	Due to the negotiations of other financial instruments stemming from the Investment packaged, the negotiation of the CCS Guarantee Fund has been delayed. The signature of the Delegation Agreement is foreseen in March 2016.

<sup>349</sup> Breakdowns by national origin, size and sectors of SMEs or organisations are provided in annual reports from the European Investment Fund.

LIBRARY AND E-RESOURCES CENTER OF THE COMMISSION:			
<b>Specific Objective: To develop and deliver high quality and innovative information services to support Commission staff in evidence-based policy development and decision making process</b>			
<i>Output / Result Indicators</i>	<i>Source and baseline (2014)</i>	<i>Current situation 2015</i>	<i>Targets</i>
<p>61. <b>Acquisition</b> of new relevant material relating to European integration</p> <p>Number of new acquisitions by category of information resources</p>	<ul style="list-style-type: none"> <li>• <b>Books</b> (in titles): 5,000 of which 40% electronic</li> <li>• <b>Periodicals</b> (in titles): 5,400 of which around 90% electronic</li> <li>• <b>Newspapers and magazines</b> (in titles): 220 of which around 20% electronic</li> </ul> <p>Source: the Library statistics tools for all figures</p>	<ul style="list-style-type: none"> <li>• ↑ <b>Books</b>: 7,322 acquisitions, of which 54% electronic<sup>350</sup></li> <li>• ↑ <b>Periodicals</b> (in titles): 5 780 of which around 93% electronic</li> <li>• ↔ <b>Newspapers and magazines</b> (in titles): 178 of which around 37% electronic</li> </ul>	<p>The Library aims at shifting from paper to electronic versions of information resources.</p>
<p>62. Offer services in accordance with the changing nature of information resources</p> <p>Numbers for <b>use of library services</b></p>	<ul style="list-style-type: none"> <li>• Use of the Library's online <b>catalogue</b>: 2,500 accesses per day (2013).</li> <li>• Number of <b>downloads</b> from the library's electronic collection: 130,000 per year (2013)</li> <li>• Activity of <b>Reference service</b> and libraries' users support service: 7,000 requests per year</li> </ul> <p>Source: the Library statistics tools for all figures</p>	<ul style="list-style-type: none"> <li>• ↑ Use of the Library's online <b>catalogue</b>: 6,560 accesses per day (2015).</li> <li>• ↑ Number of <b>downloads</b> from the library's electronic collection: 200,000 per year (2015)</li> <li>• ↑ Activity of <b>Reference service</b> and libraries' users support service: 9,000 requests per year</li> </ul>	<p>Effectively help users in dealing with information objects in a dramatically changing information environment.</p>
<p>63. Regular <b>consultation of users</b></p> <p>% of "satisfied" or "very satisfied" users</p>	<ul style="list-style-type: none"> <li>• 97% (2013)</li> </ul> <p>Source: Permanent users' survey available both online and in the reading rooms to rate each service offered</p>	<ul style="list-style-type: none"> <li>• ↔ 97%</li> </ul> <p>(statistics consolidated from 15/03/2011 to 31/12/2015 in order to have a representative sample)</p>	<p>Satisfaction of most users.</p>

<sup>350</sup> 3398 paper books were included in the collections, 64 new e-books purchased. A total of 860 new e-books and <sup>over</sup> 3000 new working papers were made available through subscription.

Target	Current situation (2015)
<b>Commission Policy outputs to be delivered in 2015</b>	
<b>Other main activities to be implemented in 2015</b>	
Continue to actively pursue centralisation of library services in the Commission, including centralised management of databases as well as preservation and availability of the collections concerned and ensure continuity of service for the users of the closing libraries	Delivered
Launch an open call for tender with a view to move to a new generation cloud-based Library management system to be operational in 2017	Postponed to 2016 due to the complexity inherent to the "cloud-based" nature of the future system. Cooperation with other DGs on this issue is on-going.
Increase synergies with other initiatives such as the Open Data Portal and EUROPEANA, as well as with the Joint Research Center (JRC)	Delivered

TRAINEESHIPS OFFICE			
<b>Specific Objective: To provide university graduates with working experience within the European Public Administration and to prepare them for possible future cooperation with the European institutions, inside or outside the EU, through the traineeship programme.</b>			
<i>Result Indicators</i>	<i>Source and baseline (2014)</i>	<i>Current situation (2015)</i>	<i>Targets</i>
<p><b>64. Improved cost/effectiveness of the programme</b></p> <p>Time needed per evaluator to assess each application</p> <ul style="list-style-type: none"> <li>pre-selection eligibility and</li> <li>selection phases</li> </ul>	<p>Source: online system</p> <ul style="list-style-type: none"> <li>Pre-selection: From 30' to 10' (from the October 13 session and onwards)</li> <li>Eligibility: min 30'</li> </ul>	<p>↔ on target</p> <p>↔ on target</p>	<ul style="list-style-type: none"> <li>Pre-selection: 10' max. within the online system (applicable as of the March 2014 session)</li> <li>Eligibility: 15'-20' max. The modernisation and rationalisation of the Unit's working methods is successfully accomplished in a full paperless online system</li> </ul>
<p><b>65. Satisfaction of users</b></p> <p>% of satisfied <u>Trainees</u></p> <ul style="list-style-type: none"> <li>with their advisors</li> <li>with the Traineeships office service</li> </ul> <p>% of satisfied <u>Advisors</u></p> <ul style="list-style-type: none"> <li>about the usefulness of the Programme for the trainees and for the Institution</li> </ul>	<p>Source: Permanent users' survey consultative representative panel of users</p> <ul style="list-style-type: none"> <li>86%</li> <li>90%</li> <li>92%</li> </ul>	<p>For the session of March 2015</p> <ul style="list-style-type: none"> <li>↑ 89%</li> <li>↓ 73%</li> <li>↑ 98%</li> </ul>	<p>Satisfaction of most users</p>

<b>Target</b>	<b>Current situation (2015)</b>
<b><i>Policy outputs to be delivered in 2015</i></b>	
<b>Target</b>	<b>Current situation (2015)</b>
<b><i>Other relevant activities to be implemented in 2015</i></b>	
Functioning in full paperless system from the pre-selection phase for trainees to the Virtual Blue Book	Delivered
Update of all Internet sites and social media dealing with the Traineeship programme, as well as updating information for evaluators, coordinators and advisers	Delivered
Finalisation of the Inter-Institutional Call for Tenders (2015-2019) to ensure corporate coverage for the Inter-Institutional health insurance of in-service trainees (in the Commission, European Parliament, the Council, the Committee of the Regions, the European Economic and Social Committee, the Ombudsman and the Court of Justice)	Delivered (contract signed on 16/02/2015 and implemented from 2015 March session)
Update of the Rules applicable to the Traineeship programme	Postponed (revision of the legal base for the Programme still pending - External evaluation action plan approved early 2016).
Modernisation of the Travel costs reimbursements applying the Erasmus+ system based on unit costs (from March 2015 session)	Implemented (from March 2015 session onwards)