



2017

Annual Activity Report

**Directorate General
for Education, Youth,
Culture and Sport**



2017 marked a turning point for DG EAC, with Education and Culture being propelled to the top of the political agenda first at the 60th Anniversary of the Treaties of Rome in March and then at the Leaders' Summit in Gothenburg in November and the European Council in December. EU Leaders concluded that Education and Culture are key to building inclusive and cohesive societies and to sustaining our competitiveness and they expressed their willingness to do more in these areas.

DG EAC was quick to respond to these new impulses and started to lay the foundations for a European Education Area to be created by 2025, an area in which learning, studying and doing research would not be hampered by borders, where spending time in another Member State – to study, to learn, or to work – has become the standard. An area where, in addition to one's mother tongue, speaking two other languages has become the norm, and where people have a strong sense of their identity as Europeans, of Europe's cultural heritage and its diversity.

Following the adoption in May of key policy initiatives aimed at helping Member States provide high quality, inclusive and future-oriented education, DG EAC started preparing the ground for a series of policy initiatives aimed at improving key competences and digital skills and promoting common values, which were adopted in January 2018.

In parallel, DG EAC has been preparing the ground for the next generation of programmes, which will support Education, Youth, Sport and Culture policies within the future Multi-Annual Financial Framework as well as contributing to the new generation of Research and Innovation programme.

DG EAC also responded promptly to President Juncker's call to set up a European Solidarity Corps, putting forward a proposal in May to enable young people across the EU to volunteer their help where it is needed most, to respond to crisis situations.

2017 also marked the yearlong Erasmus 30th anniversary celebrations, the 20th anniversary of the Marie Skłodowska-Curie Actions, and the preparation of the 2018 European Year of Cultural Heritage.

These achievements are in large measure thanks to the ideas, enthusiasm and dedication of DG EAC staff.

2018 being my first year at the helm, I am looking forward to steering DG EAC towards delivering on our vision for a European Education Area and for harnessing the potential of Education, Youth, Innovation and Culture to build cohesive societies.

Themis Christophidou

Director General DG EAC

Table of Contents

THE DG IN BRIEF	7
EXECUTIVE SUMMARY	12
A) KEY RESULTS AND PROGRESS TOWARDS THE ACHIEVEMENT OF GENERAL AND SPECIFIC OBJECTIVES OF THE DG (EXECUTIVE SUMMARY OF SECTION 1)	12
B) KEY PERFORMANCE INDICATORS (KPIs).....	18
C) KEY CONCLUSIONS ON FINANCIAL MANAGEMENT AND INTERNAL CONTROL (EXECUTIVE SUMMARY OF SECTION 2.1)	21
D) PROVISION OF INFORMATION TO THE COMMISSIONER(S)	21
1. KEY RESULTS AND PROGRESS TOWARDS THE ACHIEVEMENT OF GENERAL AND SPECIFIC OBJECTIVES OF THE DG	22
POLICY ASPECTS OF THE MAIN OUTPUTS FOR 2017	22
<i>Leader's agenda</i>	22
<i>January 2018 package</i>	23
<i>May 2017 package</i>	25
<i>ET2020</i>	26
<i>Education and Training Monitor</i>	26
<i>Policy Cooperation</i>	27
<i>Culture and Media</i>	29
<i>Horizon 2020</i>	29
A. ERASMUS+, THE UNION PROGRAMME FOR EDUCATION, TRAINING, YOUTH AND SPORT	30
1. <i>Education and Training</i>	36
2. <i>Youth</i>	42
3. <i>Sport</i>	47
B. HORIZON 2020, THE EU FRAMEWORK PROGRAMME FOR RESEARCH AND INNOVATION.....	51
1. <i>Marie Skłodowska-Curie actions, contributing to economic growth through excellence in science</i>	53
2. <i>The European Institute of Innovation and Technology, promoting synergies and complementarities via the knowledge triangle</i>	59
C. CREATIVE EUROPE, THE EU FRAMEWORK PROGRAMME FOR SUPPORT TO THE CULTURE AND AUDIOVISUAL SECTORS.....	62
D. CORPORATE ACTIVITIES (GENERAL OBJECTIVE 11).....	68
2. ORGANISATIONAL MANAGEMENT AND INTERNAL CONTROL	71
2.1 FINANCIAL MANAGEMENT AND INTERNAL CONTROL	71
2.1.1 CONTROL RESULTS	72
SUPERVISION OF ERASMUS+ AND LEGACY PROGRAMMES (LLP AND YIA) HANDLED BY NATIONAL AGENCIES	74
SUPERVISION OF THE EDUCATION AUDIOVISUAL AND CULTURE EXECUTIVE AGENCY (EACEA)	78
SUPERVISION OF THE RESEARCH EXECUTIVE AGENCY (REA)	80
SUPERVISION OF THE EUROPEAN INVESTMENT FUND	81
SUPERVISION OF THE EUROPEAN INSTITUTE FOR INNOVATION AND TECHNOLOGY	82
DIRECT MANAGEMENT	84
AMOUNT AT RISK AT CLOSURE.....	85
2017 COST-EFFECTIVENESS AND EFFICIENCY CALCULATION	87
FRAUD PREVENTION AND DETECTION	90
SAFEGUARDING OF ASSETS	90
2.1.2 AUDIT OBSERVATIONS AND RECOMMENDATIONS.....	91
2.1.3 ASSESSMENT OF THE EFFECTIVENESS OF THE INTERNAL CONTROL SYSTEMS	97
2.1.4 CONCLUSIONS AS REGARDS ASSURANCE.....	100
2.1.5 DECLARATION OF ASSURANCE.....	102

2.2 OTHER ORGANISATIONAL MANAGEMENT DIMENSIONS	103
2.2.1 HUMAN RESOURCE MANAGEMENT	103
2.2.2 BETTER REGULATION (ONLY FOR DGs MANAGING REGULATORY ACQUIS)	103
2.2.3 INFORMATION MANAGEMENT ASPECTS	103
2.2.4 EXTERNAL COMMUNICATION ACTIVITIES	105
ANNEXES	107
ANNEX 1: STATEMENT OF THE RESOURCES DIRECTOR	107
ANNEX 2: REPORTING – HUMAN RESOURCES, BETTER REGULATION, INFORMATION MANAGEMENT AND EXTERNAL COMMUNICATION	108
ANNEX 3: DRAFT ANNUAL ACCOUNTS AND FINANCIAL REPORTS	118
ANNEX 4: MATERIALITY CRITERIA	133
ANNEX 5: INTERNAL CONTROL TEMPLATE(S) FOR BUDGET IMPLEMENTATION (ICTs).....	135
ANNEX 6: IMPLEMENTATION THROUGH NATIONAL OR INTERNATIONAL PUBLIC-SECTOR BODIES AND BODIES GOVERNED BY PRIVATE LAW WITH A PUBLIC SECTOR MISSION (IF APPLICABLE).....	164
ANNEX 7: EAMR OF THE UNION DELEGATIONS (NOT APPLICABLE)	170
ANNEX 8: DECENTRALISED AGENCIES	171
ANNEX 9: EVALUATIONS AND OTHER STUDIES FINALISED OR CANCELLED DURING THE YEAR.....	172
ANNEX 10: SPECIFIC ANNEXES RELATED TO "FINANCIAL MANAGEMENT"	184
ANNEX 11: SPECIFIC ANNEXES RELATED TO "ASSESSMENT OF THE EFFECTIVENESS OF THE INTERNAL CONTROL SYSTEMS"	185
ANNEX 12: PERFORMANCE TABLES	186

THE DG IN BRIEF

Mission Statement

DG Education, Youth, Culture and Sport 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 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 under H2020 (the Marie Skłodowska-Curie actions, and the European Institute of Innovation and Technology), 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, mutual learning, cross border cooperation, involvement of stakeholders, and policy reform in Member States and Partner Countries around the world.

Under the leadership of the Commissioner responsible for Education, Culture, Youth and Sport, DG EAC contributes to the Commission's priorities¹ for growth, jobs and investment.

Guided by the Treaty on the European Union², DG EAC's mission and political priorities are further defined on the basis of **President Juncker's political guidelines**³ set for the Commission 2014-2019 and its translation in Commissioner Navracsics' mission letter.

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, in particular via the open method coordination.

¹ https://ec.europa.eu/priorities/sites/beta-political/files/juncker-political-guidelines_en.pdf

² C 326/13

³ A New Start for Europe: My Agenda for Jobs, Growth, Fairness and Democratic Change Political, http://ec.europa.eu/priorities/publications/president-junckers-political-guidelines_en

Following the Commission Communication on "**Strengthening European Identity through Education and Culture**"⁴, the ambition is to work towards a shared European agenda in education and training and to create by 2025 a **European Education Area** in which learning, studying and doing research would not be hampered by borders and where spending time in another Member State – to study, to learn, or to work – has become the standard.

DG EAC manages the implementation of the **Strategic Framework for European cooperation in education and training** (ET 2020), involving i.a. the High-Level Group on education and training; six Working Groups; the European Education Summit; the Education, Training and Youth Forum; and the Education and Training Monitor. The DG is also responsible for preparing the future Commission proposal for the new cooperation framework after 2020.

Alongside ET 2020, the vehicle for promoting education at EU-level is the **Europe 2020 Strategy** with its annual policy coordination of the European Semester. DG EAC contributes to all its deliverables, including the Annual Growth Survey, Joint Employment Report, Country Reports and country-specific recommendations. As from the 2018 European Semester, principles and rights of the European Pillar of Social Rights, proclaimed at the Gothenburg social summit on 17 November, are also being monitored in the European Semester, with education, training and lifelong learning being principle 1.

DG EAC coordinates the contribution of education, culture and sport to the preparation of the post-2020 **Structural and Investment Funds**. DG EAC is actively involved in fostering the role of inclusive education and common values in preventing radicalisation in the framework of the Security Union Task Force.

DG EAC is promoting the implementation of the education dimension of the Action Plan on the integration of Third country nationals and of the Roma integration Strategies and contributing its goals with actions in the field of youth, culture and sport.

The **DG spending programmes** implement actions mainly by means of grants funded under Title 15⁵ of the budget complemented with funding from Heading 4⁶ as regards external actions:

- The programme **Erasmus+** (€ 14.7 billion from heading 1 –"Smart and Inclusive Growth" + 1.68 billion from heading 4 "Global Europe" + € 85 million for EDF over 2014-2020), 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** (€ 1.46 billion), covering the culture and the audio-visual 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** (€ 6.2 billion) and the **European Institute of Innovation and Technology** – EIT(€ 2.4 billion).

In 2017, the total available budget in commitment appropriations for the projects and actions in the Education and Culture domain amounted to about **€ 4.153 billion (+17% as compared to 2016)**, including administrative budget and the contribution of the European Free Trade Association (EFTA/EEA), the financial participation of third countries

⁴ COM(2017)673

⁵ "Education and Culture"

⁶ "Global Europe"

as well as internal revenues.

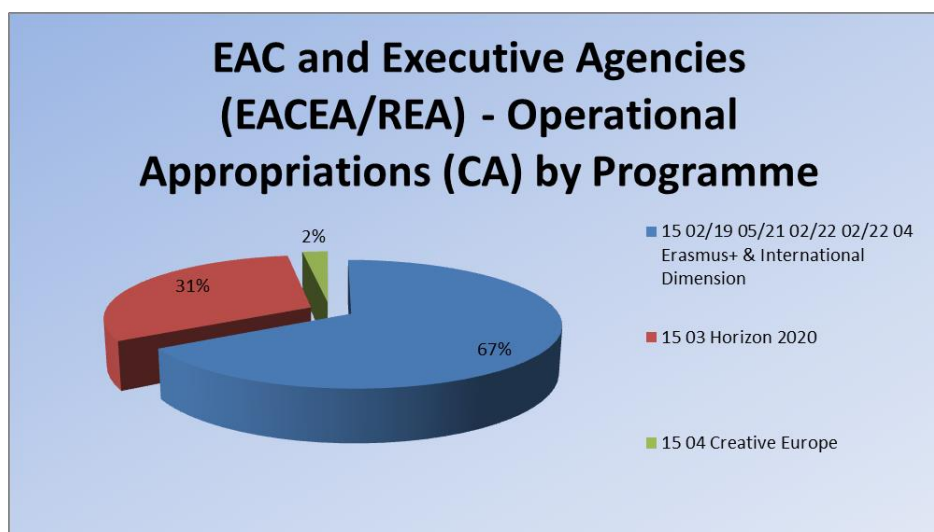


Figure 1: % expenditure by programme

Figure 1 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 € 2.407 billion (in commitment appropriations) or € 2.346 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, research, 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.

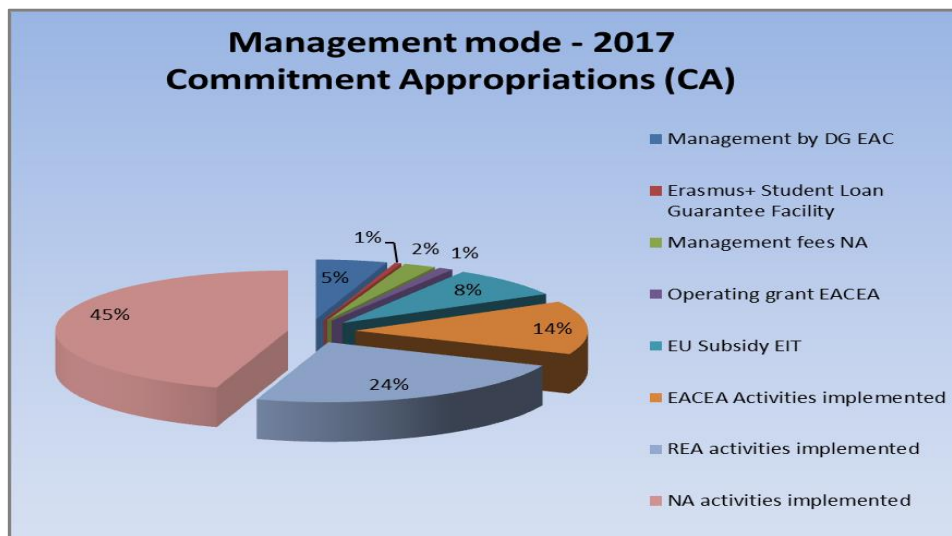


Figure 2: % expenditure by management mode and implementing body

In order to implement such numerous and varied activities, in the 2014-2020 generation of programmes, the European Commission uses **4 different implementation modes** for the education and culture domains, including 3 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 38% of EAC's 2017 budget (14% by EACEA, 24% by REA). Their solid performance and efficiency indicators have resulted in incremental mandate extensions⁷. 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 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 Delegation⁸, is fully in charge and accountable for the operational budget, and he has the responsibility to provide assurance on the operational expenditure in his Annual Activity Report⁹. Thus, DG EAC has principally a supervision responsibility over the Executive Agencies.

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 45% of the 2017 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.

⁷ EACEA and REA are subject to regular cost-benefit analysis of the externalisation through Agencies which demonstrate the cost-effectiveness of this management mode.

⁸ Art. 66(9) of the Financial Regulation (2012) applicable to the general budget of the European Union

⁹ 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 the AAR.

Indirect management through other bodies: The EIT and the European Investment Fund (EIF) for the Erasmus+ Student Loan Guarantee Facility represent together 9% of the 2017 budget. They are both characterised by a focused number of actions with a long time scope (the new Framework Partnership Agreements signed in 2016 between the EIT and the KICs (Knowledge and Innovation Communities) foreseen a period of 7 years starting from 1st January 2016).

The remaining actions are implemented by **DG EAC under direct management**. This represents 5% of the budget. These actions consist mainly of administrative expenditure (Library and e-Resources Centre of the Commission, the Commission Blue Book traineeships programme, studies, external communication and dissemination of Programmes, IT systems, etc.), policy coordination and support actions, politically sensitive and new actions, pilot projects and preparatory actions.

Lastly, as from 1 January 2017, DG EAC adopted a **new organisation chart** to address and correct imbalances in workload between Directorates and Units, achieve efficiency gains and improve ways of working together. These objectives were achieved notably by:

- assigning responsibility for policy strategy (Europe 2020, ET 2020 and Council presidencies) and the Erasmus+ programme to Directorates A and B respectively;
- moving the Marie Skłodowska-Curie Actions and the coordination of the European Institute of Innovation and Technology (EIT) to Directorate C, thereby enabling more senior management attention to be given to the H2020 related activities;
- concentrating all IT, financial and budgetary coordinating functions in Directorate R, with each of the units with main responsibility in these areas.

Following her retirement on 31 January 2018, Martine Reicherts, Director General for DG EAC since September 2015, handed-over to her successor, Jens Nymand Christensen, acting Director General, all the necessary information to prepare the AAR and sign the declaration of insurance for 2017. In turn, this information has been officially handed over to Themis Christophidou, the new Director General of DG EAC as of 1 March 2018, who is the AOD responsible on the date of submission of this report.

EXECUTIVE SUMMARY

a) Key results and progress towards the achievement of general and specific objectives of the DG (executive summary of section 1)

As stressed by President Juncker in his State of the Union Address (SOTEU) 2017, the overall economic context is improving significantly in the past years. However, the European Union still needs to deal with the legacy of the crisis and translate higher growth into new jobs, fairness and new opportunities for all, **to build a more united, a stronger and more democratic Union for 2025 and beyond.**

2017 was a rich year for DG EAC, with the adoption of several key policy documents in spring, the yearlong Erasmus 30th anniversary, and with **Education and Culture becoming a top priority on the European Leaders political agenda** towards year end. Beside new policy developments, mid-term evaluations for the major policies and programmes were finalised. Their conclusions will not only help improve the current programmes to be more flexible and accessible, but also help prepare the reflection for the next generation of programmes to be presented in May 2018, together with the next MFF.

To contribute to the first Leaders Agenda discussion – on education and culture – taking place in the context of the **EU Social Summit in Gothenburg on 17 November**, the Commission presented its **Communication on Strengthening European identity through Education and Culture**¹⁰. It announced the Commission's vision of a European Education Area by 2025, *"in which learning, studying and doing research would not be hampered by borders. A continent, where spending time in another Member State – to study, to learn, or to work – has become the standard and where, in addition to one's mother tongue, speaking two other languages has become the norm. A continent in which people have a strong sense of their identity as Europeans, of Europe's cultural heritage and its diversity"*. In follow-up to the discussion in Gothenburg, the **European Council of 14 December** took note of the willingness to do more in the areas of education and culture and called on Member States, the Council and the Commission to take work forward on the priority strands for the creation of the European Education Area.

Building on the preparatory work carried out throughout 2017, including discussions and consultations with multiple stakeholders, DG EAC could react promptly to turn the Leaders' vision into reality. On 17 January 2018, the Commission has adopted a first delivery package in follow-up to this Communication. It consists of three proposals focussing on: supporting Member States in creating a strong and broad basis of key competences, supporting Member States in building up common European values and social inclusion through education, and the Digital Education Action Plan.

- The **Council Recommendation on Key Competences for lifelong learning**¹¹ defines the key competences each European needs for personal fulfilment and development, employability and social inclusion. This recommendation reflects the outcomes of a broad review process of the 2006 Recommendation on Key Competences for Lifelong Learning, which DG EAC conducted in 2016 and 2017. The review pointed to the need to partly up-date the description of key competences to maintain a shared understanding of these competences and also highlighted the need to further support competence oriented education, training and learning by developing and providing a variety of learning approaches and

¹⁰ COM(2017)673 final

¹¹ COM(2018)24 final

contexts, better supporting educational staff, and by developing tools and methods to assess and validate competence development.

In line with the Communication on Strengthening European identity through education and culture, and as announced in the Communication on supporting the prevention of radicalisation leading to violent extremism¹²DG EAC drafted a proposal for a **Council Recommendation on promoting common values, inclusive education, and the European dimension of teaching**¹³ The Recommendation is built on four objectives: promoting common values at all levels of education; fostering more inclusive education; encouraging a European dimension of teaching, without prejudice to the national prerogatives in this realm; as well as supporting teachers and teaching. It encourages Member States and the Commission to share good practice and information; and to develop policies at both national and EU levels. The commitments for Member States are of a voluntary nature and each Member State decides the approach to take in implementing them.

- The **Digital Education Action Plan** identified three key priorities: optimising digital technology use for teaching and learning, developing digital skills for living and working in an age of digital transformation, and using better data analysis and forecasts to improve education. The Action Plan, a joint initiative by DG EAC and CNECT, delivers on the agenda towards a European Education Area and helps DG EAC re-establish its key role in supporting education and training systems that are fit for the digital age.

On 30 May 2017, the European Commission presented its new strategy to support high quality, inclusive and future-oriented school and higher education. The package included a proposal for a Council Recommendation on a coordinated EU approach to tertiary graduate tracking and two new communications: a Communication on the modernisation of higher education, and a Communication on School development and excellent teaching.

- As announced in the **New Skills Agenda for Europe**, in June 2016, the Commission proposed a **Council Recommendation on a coordinated EU approach to tertiary graduate tracking**¹⁴, including graduates who have followed vocational education and training. The objective of the Recommendation is to improve the availability of detailed, comparable data on graduate employment and social outcomes as a way to improve the relevance of higher education through better evidence-based policy and practice. The Commission launched a pilot graduate tracking survey, supervised by an Advisory Board of member states representatives, in December 2017.
- As the crucial contribution of an effective higher education system to economic and social development is largely uncontested, DG EAC brought forward a **Communication on the modernisation of higher education**¹⁵. This Communication updated the existing agenda of structural reform for higher education systems to further strengthen knowledge, innovation and growth in Europe. It brings together a coherent and focused set of EU-level actions to support Member States reforms to build higher education systems that are fit for purpose in the 21st century and to enable a large proportion of the population to acquire relevant and advanced knowledge and skills. More broadly, the communication underpins the delivery of the Commission Agenda for Jobs, Growth,

¹² COM(2016)379 final

¹³ COM(2018)23 final

¹⁴ COM(2017)249 final, adopted by the Council on its meeting of 20/11/2017

¹⁵ COM(2017)247, adopted by the Council on its meeting of 20/11/2017

Fairness and Democratic Change, the Investment Plan for Europe and the goals of the Europe 2020 strategy and the European Semester.

- The **Communication on School development and excellent teaching**¹⁶ looks at current challenges in school education at the level of the institutions, the education of teachers and school leaders and the governance of school education systems. It called for developing better and more inclusive schools, supporting better teachers and school leaders in their work and improving school education systems by making them more effective, equitable and efficient.

In 2017, DG EAC continued to support the implementation of the Strategic Framework for European cooperation in education and training (**ET 2020**) and the **EU Youth Strategy** which facilitate the Member States cooperation at European level through the **Open Methods of Coordination**. DG EAC produced in particular draft concepts or mandates for the new ET2020 Working Groups which are due to start work in the second half of 2018, which were discussed by the High-level Group on education and training in Sofia on 30 November/1 December.

DG EAC also issued, at the beginning of the second half of the year, a staff working document on the mid-term evaluation of the EU Youth Strategy for 2010-2015 which will pave the way for the policy proposals for the post-2018 EU Youth Strategy. In this context, 2017 was a year of listening; a year of intensified dialogue with the youth sector to better incorporate their inputs into the preparation for the future Strategy cycle.

DG EAC continued to work closely with the external relations family of DGs to ensure that the **extra-European dimension** of DG EAC's policies, whether in the field of youth, higher education, or research, was implemented effectively. Most often this was achieved via the regular programming of calls for proposals aimed at involving Partner Countries stakeholders. Less common were high profile political events involving individual countries (e.g. China, India, Japan) or groups of countries within a target region (e.g. Western Balkans, African Union, Eastern Partnership or Latin America), organised with the support of the hierarchy and the partner DGs (EEAS, NEAR, DEVCO or RTD for example), as for the EU-Africa Partnership initiative.

In 2017, DG EAC started work for the preparation of a **new Strategic Framework for cooperation in Education and Training** after 2020, with the support of an internal Commission Steering Group. This included in particular the preparation of a roadmap and a draft survey to assess Member States' perception of the impact of the current ET 2020 framework, which were discussed by the High-level Group on Education and Training in Sofia on 30 November/1 December.

DG EAC also worked on the preparation of the **first European Education Summit** announced by Commissioner Navracsics at the Education Council of 17 February 2017, which took place on 25th January 2018.

DG EAC continued to work with other Commission services on **Europe 2020** and the **European Semester** to highlight the particular importance of education and training for the EU's economic and social progress. In 2017, a total of 13 country-specific recommendations were delivered to Member States inviting them to prioritise improvements in their education and training policies. In addition, to support Member States' education reforms, DG EAC has stepped up its peer learning / peer counselling to countries to better address their education challenges. In the same vein, DG EAC also works closely with the Commission's Structural Reform Support Service (SRSS).

In 2017, DG EAC continued to strengthen its **analysis and knowledge capacity**

¹⁶ COM(2017)248

regarding education and training systems, in line with Europe 2020 and the strategic framework for European cooperation in education and training (ET 2020) through studies, evaluations and the collection and use of data from relevant knowledge providers¹⁷. In 2017 DG EAC initiated the work on evaluating the existing ET2020 benchmarks in preparation of the debate on the post-2020 period.

Key output to support evidence-based education policies was the **sixth Education and Training Monitor** published on 9 November 2017. The Monitor reports how the EU has been faring on the Europe 2020 education headline target and the six Education and Training 2020 targets. The 2017 Monitor showed progress, but also pointed to the need to address inequality in education and the weaknesses in the acquisition of basic skills. In addition to EU-wide trends and patterns, it also identified country-specific developments and analysed policy measures in each EU Member State.

In 2017, DG EAC continued its cooperation with the OECD mainly on the PISA and TALIS international surveys on education and on country analysis. Together with the OECD, DG EAC, and the Luxembourgish Ministry of Education organised the third **Global Education Industry Summit** (GEIS), the annual meeting to establish a dialogue between ministers of education and the global education industry. This third edition took place on 25-26 September 2017 and focused on schools at the crossroads of the innovation in cities and regions. DG EAC also continued its cooperation with OECD's Centre for Entrepreneurship, SMEs, Local Development and Tourism Directorate for the development and promotion of **HEInnovate**¹⁸, the common initiative to support higher education institutions and higher education systems to assess and develop their innovative and entrepreneurial potential.

In 2017, the **mid-term evaluations** of Erasmus+, Horizon 2020 and Creative Europe, have been finalised. The results, which point out the value of the programmes, also identified some avenues for improvement, and provide a substantive contribution to the preparation of successor programmes, post-2020.

As regards **Erasmus+**, the mid-term evaluation shows that the programme is highly valued by stakeholders and general public and proved to be highly effective. Its EU added value is undisputed. Compared to its predecessors, Erasmus+ appears more coherent, more relevant and more efficient. 2017 was also the year of the very successful "**From Erasmus to Erasmus+**" **30th anniversary campaign**, showcasing the programme impact and highlighting citizens' enthusiasm for it. In a celebration event in the Parliament (Strasbourg) in June 2017, President Juncker called on EU leaders to ensure the number of individuals participating in Erasmus+ can be doubled. In the framework of the campaign, an *Erasmus+ Generation Online Meeting Point* was created, to provide all participants and beneficiaries of Erasmus+ and its predecessor programmes with an open space where they could engage in debates on the future of the programme beyond 2020. At the end of these discussions, the representatives of the Erasmus+ Generation reflected their vision in **The Erasmus+ Generation Declaration**, a document containing 30 concrete recommendations for a more impactful programme for the future of Europe. The Declaration was officially presented and discussed on November the 30th during the closing event of the Erasmus+ 30th anniversary campaign. 2017 has also been significant in relation to the following achievements:

- The one-off action "**Move2Learn, Learn2Move**" initiative offers a limited number of young Europeans the opportunity to travel to other EU countries as a concrete expression of youth learning mobility through the eTwinning network under the Erasmus+ Programme.

¹⁷ Eurydice, OECD, Eurostat, Commission's Joint Research Centre, IEA, academic, expert networks such as EENEE and NESET

¹⁸ HEInnovate: www.heinnovate.eu

- More than 500.000 registered users in **eTwinning** since its launch in 2005 and further expansion into the EU Southern Neighbourhood (Jordan).
- More than 40.000 registered users in the **School Education Gateway**.
- More than 30.000 registered users in **EPALE** (Electronic Platform for Adult Learning in Europe)

In 2017 DG EAC was the main contributor to the practical of the **European Solidarity Corps**, which was conceived largely building on the European Voluntary Service. DG EAC was in charge of ensuring that existing mechanisms and instruments can be mobilised in a common, horizontal manner during the first phase of the initiative. Based on the Commission proposals put forward in May 2017, political negotiations with the co-legislators on a Regulation establishing the European Solidarity Corps started last year and are expected to lead to its adoption mid-2018.

In 2017, in the field of sport, following the Commission's report on the implementation and relevance of the second EU Work Plan for Sport (2014-2017) – the Member States in the Council and the Commission negotiated a **new multi-annual EU Work Plan for Sport** (2017-2020)¹⁹. The Work Plan sets out the policy priorities and main actions for cooperation in the field of sport at EU level: integrity of sport, the economic dimension of sport, and sport and society. In parallel, the Commission continued the work in priority areas, such as good governance in sport, the promotion of grassroots sport and healthy life style through the **European Week of Sport** and the Tartu Call on healthy life style, and the promotion of social inclusion through sport. Moreover, **sport diplomacy** was further developed through a dedicated Seminar as well as the launch of cooperation with China in the framework of the High level People to People Dialogue.

The third edition of the **European Week of Sport** reached record numbers of people: more than 37,000 events took place in 32 countries, encouraging European citizens to practice physical activity and follow a healthy lifestyle. Celebrated from 23 to 30 September, this flagship initiative run by DG EAC included activities all across Europe, with the support of 34 national coordinators and 38 European partners, mainly sport organisations. Pending final figures, it is estimated that this year's campaign may have reached about 16 million participants, all following the motto #BeActive.

With regards the **Creative Europe** programme, the mid-term evaluation largely confirmed that the priorities and objectives guiding the programme continue being relevant and that the actions to achieve those objectives are pertinent. In 2017, DG EAC supported further the implementation of the Work Plan for Culture 2015-2018, the "Music moves Europe" initiative, the follow-up on the Digital Single Market (DSM) initiative²⁰ and the negotiations of a second package of proposals for a revision of the copyright rules and the Audiovisual Media Service (AVMS) directive. The first agreements for the Guarantee facility were signed.

In 2017 the European Parliament and the Council adopted the Decision on a **European Year of Cultural Heritage 2018** (EYCH). The aim of the EYCH, launched at the European Cultural Forum in Milan in December 2017, is to encourage more people to discover and engage with Europe's cultural heritage, and to reinforce a sense of belonging to a common European space.

During 2017 EAC continued to support the implementation of the **Council Work Plan for Culture 2015-2018**, through the Open Method of Coordination in Culture. In the field of cultural diplomacy, DG EAC supported the work of the "**Friends of the Presidency**" tasked with drawing up a comprehensive step by step EU strategy for international cultural relations, and signed an administrative arrangement with EUNIC, the umbrella

¹⁹ subsequently adopted by the Council on 24 May

²⁰ COM(2015)0192

organisation of national cultural institutes. Finally, the December Communication on "Strengthening the European identity through education and culture" highlighted how culture and education are the best vectors for strengthening the sense of belonging together and being part of a community. The same Communication also stated the ambition to revamp and strengthen the **European Agenda for Culture**, to promote the cultural dimension of the Union with a particular emphasis on **European identity through culture and values**.

With **Horizon 2020**, investment in research and innovation is at the heart of the Europe 2020 strategy for smart, sustainable and inclusive growth and of the priorities of the Juncker Commission. The mid-term evaluation of the **Marie Skłodowska-Curie actions** (MSCA) clearly acknowledged the programme to be attractive, efficiently run, providing real EU added value, helping to build a new, highly-skilled generation of researchers and impacting on societal needs. The evaluation also identified points on which the program could be improved.

2017 celebrated the **20th anniversary of the MSCA** and the 150th birthday of its namesake, the Polish-French double Nobel Prize winner Marie Skłodowska-Curie, with a series of events around Europe and beyond, but also of the first ever MSCA Seal of Excellence conferred to over 2 300 Individual Fellowship applicants whose excellent projects could not be supported due to insufficient EU funding. In 2017, two of the three new **Nobel laureates in Chemistry**, awarded the prize for optimising electron microscopes, have participated in MSCA and other EU-funded research projects, while the MSCA-funded Grawiton project contributed to the detection of gravitational waves that led to the 2017 **Nobel Prize in Physics**. Finally, the annual **European Researchers' Night** attracted over 1 000 000 visitors in almost 350 cities in around 30 European countries and beyond and stimulated, especially among young people, interest in research and related careers.

The evaluation of the **European Institute of Innovation & Technology** (EIT) activities was completed in 2017, covering mainly the period of 2011-2015, thereby contributing to the H2020 mid-term evaluation. The EIT evaluation and confirmed that the EIT model, comprising the EIT and its Knowledge and Innovation Communities (KICs), remains strongly valid and relevant, and has started delivering concrete results. The successful evaluation of the EIT was a condition for launching the last call for KICs on Urban Mobility and Added-value manufacturing published in January 2018.

During 2017, DG EAC assessed the robustness in the application by the EIT of the internal control standards, of the grant management and of the procurement implemented by the EIT. DG EAC concluded that it was mature enough to be granted the **full financial autonomy** as of 1st January 2018.

In terms of Corporate activities, the reform process of the **Blue Book traineeships** programme continued to be carried out in 2017, in particular as adaptations of selection criteria, internal process and preparation for IT migration to corporate systems were concerned.

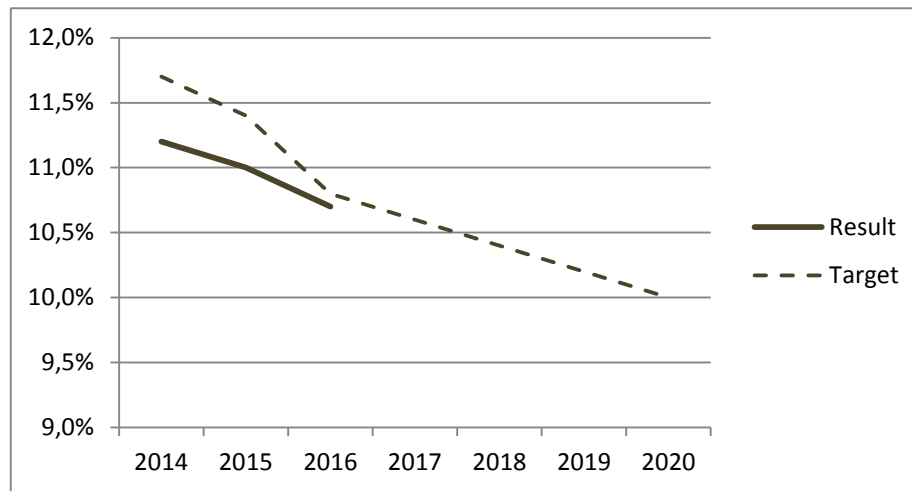
Finally, the Commission Library and e-Resources unit signed in March 2017 the inter-institutional framework contract for a new cloud-based integrated **Library Management System** and the new system was successfully implemented by the end of the year. In November 2017, the Library also introduced an electronic platform allowing **Demand Driven Acquisition** (DDA). DDA will allow Commission staff to become progressively involved in the selection and acquisition of e-books.

b) Key Performance Indicators (KPIs)

The selection of KPIs presented below demonstrates that DG EAC is well on track to deliver on its 2020 target with regards to the Erasmus+ programme and the Marie Skłodowska-Curie Actions. Detailed information for all programmes can be found in Annexe 12, including for the Creative Europe programme and the European Institute for Innovation and Technology, for which only limited data is available.

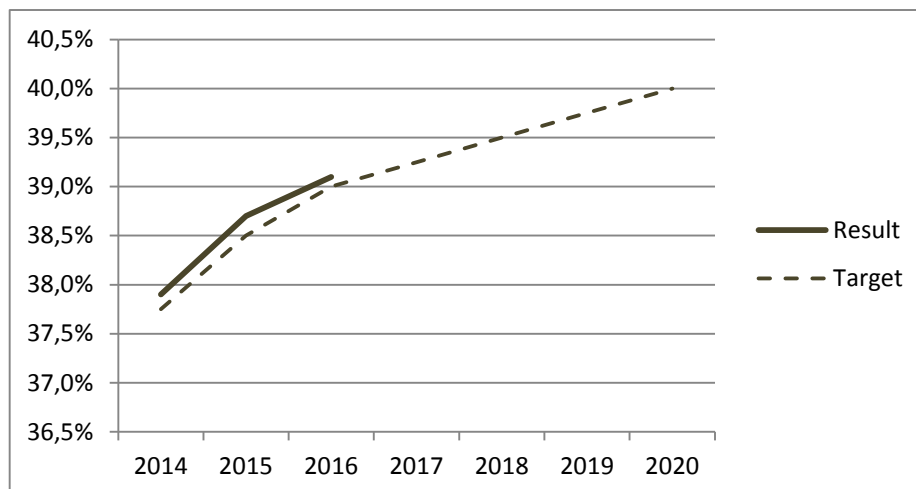
1- Share of early leavers from education and training

Europe 2020 headline target / Commission-level impact indicator 1
Erasmus+ Programme statement General Objective 1 – Indicator 1



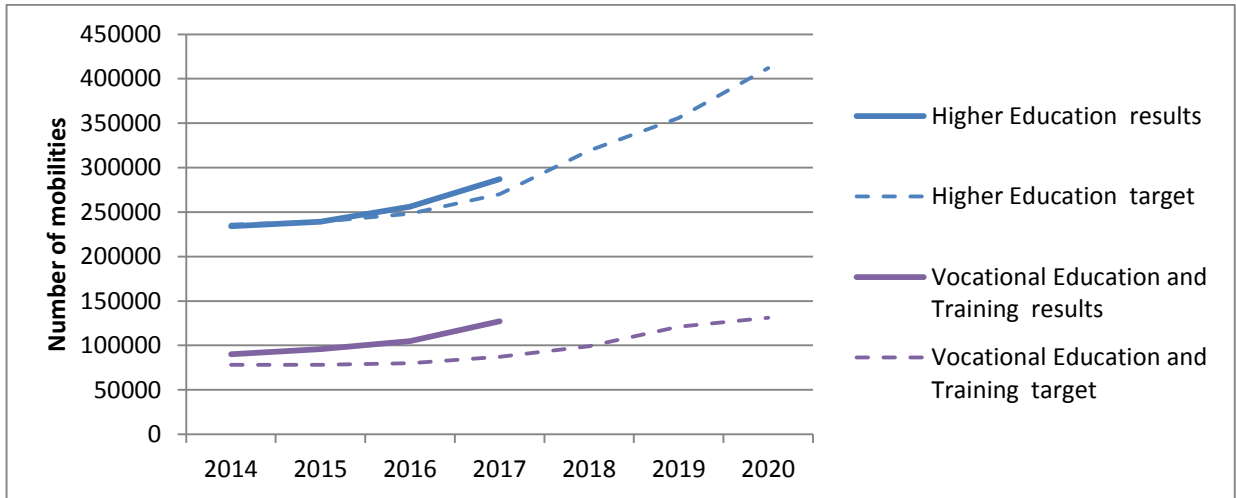
2- Tertiary education attainment

Commission-level impact indicator 2
Erasmus+ Programme statement General Objective 1 – Indicator 2



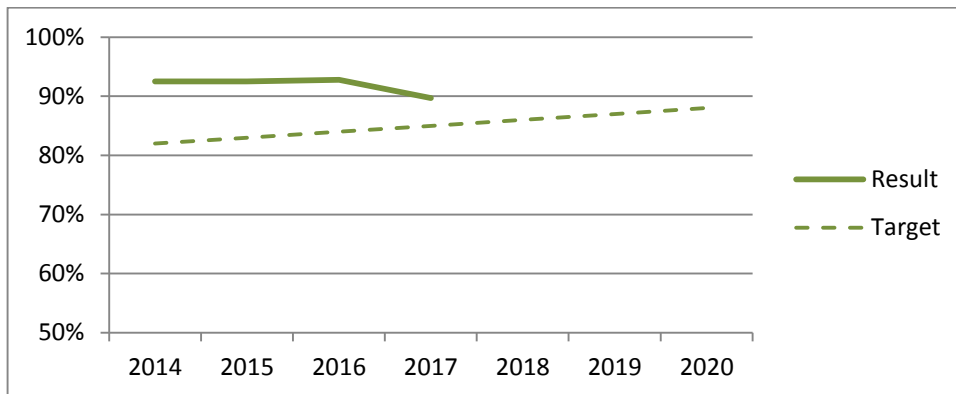
3- Learning mobility opportunities

AAR output indicator 14 / E+ Programme statement Specific Objective 1 - Indicator 2



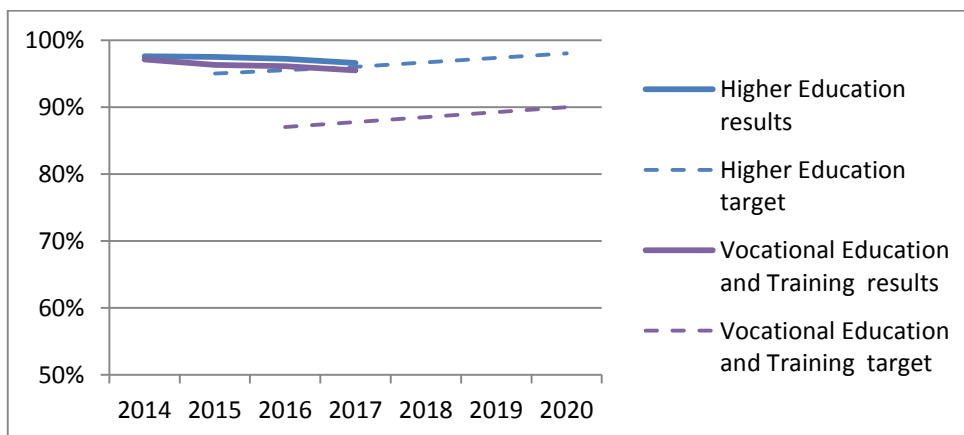
4 - Better skills for participants

AAR result indicator 15 / Erasmus+ Programme statement Specific Objective 1 - Indicator 1



5 - Language skills for participants

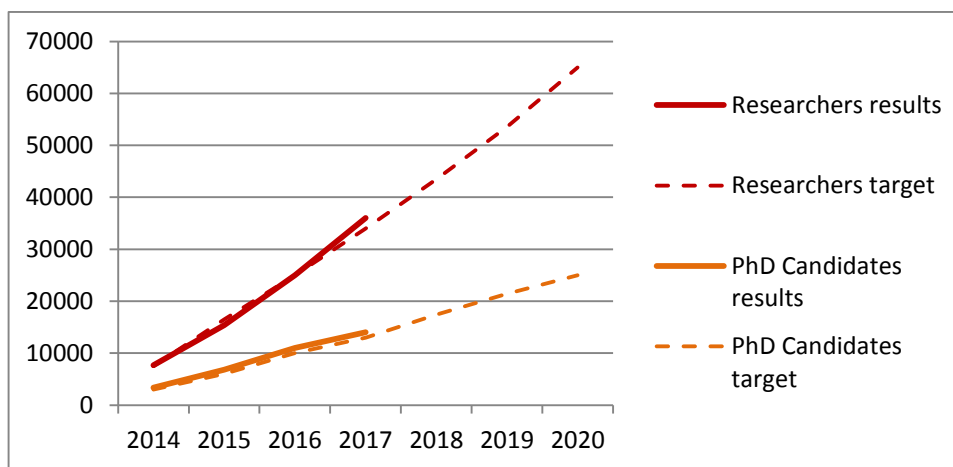
AAR result indicator 25 / Erasmus+ Programme statement Specific Objective 5 - Indicator 1



6 - Cross-sector and cross-country circulation of researchers

Marie Skłodowska-Curie Actions

AAR Output indicator 28 /H2020 Programme statement Specific Objective 3 – Indicator 1



7 – Multi-annual residual error rate

✓ Less than 2%

Stable and in line with previous years, the multi-annual residual error rate is below 2% in 2017 for any management mode.

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

In accordance with the governance arrangements of the European Commission, (the staff of) DG EAC 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 principles, based on international good practice, aimed to ensure the achievement of policy and operational objectives. The financial regulation requires that the organisational structure and the internal control systems used for the implementation of the budget are set up in accordance with these standards/principles. DG EAC has assessed the internal control systems during the reporting year and concluded the internal control principles are implemented and function as intended.

In addition, DG EAC has systematically examined the available control results and indicators ²¹, including those aimed at supervising 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's assurance as regards the achievement of control objectives.

For the management of *operational* appropriations, EACEA has maintained a reservation on the LLP programme 2007-2013, Youth in Action 2007-13 and for the Culture programme 2007-2013 under its multi-annual calculation of the error rate.

EACEA has a new reservation on an internal control weakness relating to the selection process as a result of the findings of the IAS audit carried out in 2017. The implementation of the action plan by EACEA's Director as AOD in response to the IAS audit shows that appropriate corrective actions have been taken in cooperation with the parent DGs and therefore, it is not necessary to make an additional reservation at parent DG level. Indeed DG EAC considers that the supervision responsibilities were fulfilled and the reputational risk mitigated adequately.

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.

d) Provision of information to the Commissioner(s)

In the context of the regular meetings during the year between the DG and the Commissioner on management matters, the relevant elements of this report and assurance declaration have been brought to the attention of Commissioner Navracsics, responsible for Education, Culture, Youth and Sport.

²¹ As of 2018, DG EAC will in addition also monitor internal control monitoring criteria, which include indicators with baseline and target value, and will report upon in AAR 2018.

1. KEY RESULTS AND PROGRESS TOWARDS THE ACHIEVEMENT OF GENERAL AND SPECIFIC OBJECTIVES OF THE DG

Policy aspects of the main outputs for 2017

As stressed by President Juncker in his State of the Union Address (SOTEU) 2017, the overall economic context is improving significantly in the past years. However, the European Union still needs to deal with the legacy of the crisis and translate higher growth into new jobs, fairness and new opportunities for all, **to build a more united, a stronger and more democratic Union for 2025 and beyond.**

2017 was a rich year for DG EAC, with the adoption of several key policy documents in spring, the yearlong Erasmus 30th year anniversary, and with **Education and Culture becoming a top priority on the European Leaders political agenda** towards year end. Beside new policy developments, mid-term evaluations for the major policies and programmes were finalized. Their conclusions will not only help improve the current situation but also help prepare the reflexion for the next generation of programmes to be presented in May 2018, together with the next MFF.

DG EAC was also in charge of coordinating the contribution of education to the preparation of the future **Multi-Annual Financial Framework**, including to the future Structural and Investment Funds and instruments such as the European Fund for Strategic Investment and the new proposed reform delivery tool, in close cooperation with the Commission core Directorates-General on these topics. DG EAC's main goal was to ensure that Member States can benefit from adequate support for carrying out structural reforms in the fields of education and training, in particular in line with the outcomes of the European Semester.

Leader's agenda



To contribute to the first Leaders Agenda discussion – on education and culture – taking place in the context of the **EU Social Summit in Gothenburg on 17 November**, the Commission presented its **Communication on Strengthening European identity through Education and Culture**²². It announced the Commission's vision of a European Education Area by 2025, "*in which learning, studying and doing research would not be hampered by borders. A continent, where spending time in another Member State – to study, to learn, or to work – has become the standard and where, in addition to one's mother tongue, speaking two other languages has become the norm. A continent in which people have a strong sense of their identity as Europeans, of Europe's cultural heritage and its diversity*".

In follow-up to the discussion in Gothenburg, the **European Council of 14 December** took note of the willingness to do more in the areas of education and culture and called on Member States, the Council and the Commission to take work forward on the priority strands for the creation of the European Education Area:

- stepping up mobility and exchanges, including through a substantially strengthened, inclusive and extended Erasmus+ programme;

²² COM(2017)673

- strengthening strategic partnerships across the EU between higher education institutions and encouraging the emergence by 2024 of some twenty 'European Universities', consisting in bottom-up networks of universities across the EU which will enable students to obtain a degree by combining studies in several EU countries and contribute to the international competitiveness of European universities;
- enhancing the learning of languages, so that more young people will speak at least two European languages in addition to their mother tongue;
- promoting student mobility and participation in educational and cultural activities, including through a 'European Student Card';
- promoting cooperation of Member States on mutual recognition of higher education and school leaving diplomas at secondary education level in the appropriate framework;
- taking the opportunity of the European Year of Cultural Heritage to increase awareness of the social and economic importance of culture and cultural heritage.

The Commission was invited to present, where relevant, proposals for Council recommendations in spring 2018 with a view to adoption by the Council as soon as possible.

While the European Education Area focusses on boosting mobility, ensuring the free movement of learners and creating a genuinely European educational space, the European Council also asked the Commission, the Council and the Member States to examine possible measures addressing:

- the skills challenges linked to digitalisation, cybersecurity, media literacy and artificial intelligence;
- the need for an inclusive, lifelong-learning-based and innovation-driven approach to education and training;
- the legal and financial framework conditions for the development of cultural and creative industries and the mobility of professionals of the cultural sector.

January 2018 package



Building on the preparatory work carried out throughout 2017, including discussions and consultations with multiple stakeholders, DG EAC could react promptly to turn the Leaders' vision into reality. On 17 January 2018, the Commission has adopted a first delivery package in follow-up to this Communication on Strengthening European identity through Education and Culture. It consists of three proposals focussing on:

supporting Member States in creating a strong and broad basis of key competences, supporting Member States in building up common European values and social inclusion through education, and the Digital Education Action Plan.

1- The **Council Recommendation on Key Competences for lifelong learning**²³ defines the key competences each European needs for personal fulfilment and development, employability and social inclusion. This recommendation reflects the outcomes of a broad review process of the 2006 Recommendation on Key Competences

²³ COM(2018)24

for Lifelong Learning, which DG EAC conducted in 2016 and 2017. The review pointed to the need to partly up-date the description of key competences to maintain a shared understanding of these competences and also highlighted the need to further support competence oriented education, training and learning by developing and providing a variety of learning approaches and contexts, better supporting educational staff, and by developing tools and methods to assess and validate competence development.

2 - As announced in the Communication on supporting the prevention of radicalisation leading to violent extremism²⁴ and in line with the Communication on Strengthening European identity through education and culture, DG EAC worked on a proposal for a **Council Recommendation on promoting common values, inclusive education, and the European dimension of teaching**²⁵. The aims of the Recommendation are to provide guidance to Member States on how to increase the sharing of the common values set out in Article 2 of the Treaty on European Union from an early age and at all levels of education, on good practice in inclusive education and on how to support young people in experiencing their European identity in all its diversity, with a view to strengthening social cohesion and a common sense of belonging. The preparatory work was supported by an online public consultation²⁶ carried out between 19 May and 11 August 2017 and led to 1 124 responses, including over 200 position papers, which revealed a virtually unanimous agreement (95 %) on the role of education in helping young people 'understand the importance of and adhere to shared values' and that the EU should help Member States in this task (98 %).

In 2017 DG EAC also contributed to the Commission work on the European agenda for security by promoting the role of inclusive education in preventing marginalisation and supporting social inclusion. DG EAC provided substantial input to the "Education and social inclusion" chapter of the Interim Report of the **High-level Commission Expert Group on Radicalisation**, that was presented to the Justice and Home Affairs Council of 8 December 2017²⁷.

3 - The **Digital Education Action Plan** identified three key priorities: optimising digital technology use for teaching and learning, developing digital skills for living and working in an age of digital transformation, and using better data analysis and forecasts to improve education. The Action Plan delivers on the agenda towards a European Education Area and helps DG EAC re-establish its key role in supporting education and training systems that are fit for the digital age. The action plan, a joint initiative by DG EAC and CNECT, sets out 11 actions through which the Commission will support Member States' work in ensuring that education systems make good use of digital technologies, are prepared for future change and equip students with the competences they need in an increasingly digital world.



In 2017 DG EAC worked on the preparation of the **first European Education Summit** announced by Commissioner Navracsics at the Education Council of 17 February 2017, which took place on 25th January 2018.

²⁴ COM(2016)379 final

²⁵ COM(2018)23 final

²⁶ https://ec.europa.eu/info/sites/info/files/results-citizenship-consultation_en.pdf

²⁷ <http://ec.europa.eu/transparency/regexpert/index.cfm?do=groupDetail.groupDetailDoc&id=36235&no=1>

May 2017 package

On 30 May 2017, the European Commission presented its new strategy to support high quality, inclusive and future-oriented school and higher education. The package included two new communications: a Communication on School development and excellent teaching, and a Communication on the modernisation of higher education; and a proposal for a Council Recommendation on a coordinated EU approach to tertiary graduate tracking.



It is no longer sufficient to equip young people with a fixed set of skills - we have to develop their resilience and ability to adapt to change.



As the crucial contribution of an effective higher education system to economic and social development is largely uncontested, DG EAC brought forward a **Communication on the modernisation of higher education**²⁸. This Communication updated the existing agenda of structural reform for higher education systems to further strengthen knowledge, innovation and growth in Europe. It brings together a coherent and focused set of EU-level actions to support Member States reforms to build higher education systems that are fit for purpose in the 21st century and to enable a large proportion of the population to acquire relevant and advanced knowledge and skills. More broadly, the communication underpins the delivery of the Commission Agenda for Jobs, Growth, Fairness and Democratic Change, the Investment Plan for Europe and the goals of the Europe 2020 strategy and the European Semester. The Communication was welcomed by the Council in its **Council Conclusions on a renewed EU agenda for higher education**²⁹. While the Council expressed support for the actions set forward by the Commission, it also invited Member States to focus their policies on promoting excellence in skills development, addressing the needs of a diverse student body and supporting academic staff, and contributing to innovation in the wider economy.

As announced in the **New Skills Agenda for Europe**, in June 2016, the Commission proposed a **Council Recommendation on a coordinated EU approach to tertiary graduate tracking**³⁰, including graduates who have followed vocational education and training. The objective of the Recommendation is to improve the availability of detailed, comparable data on graduate employment and social outcomes as a way to improve the relevance of higher education through better evidence-based policy and practice. The Commission launched a pilot graduate tracking survey, supervised by an Advisory Board of member states representatives, in December 2017.

The **Communication on School development and excellent teaching**³¹ looks at current challenges in school education at the level of the institutions, the education of teachers and school leaders and the governance of school education systems. It called for developing better and more inclusive schools, supporting better teachers and school leaders in their work and improving school education systems by making them more effective, equitable and efficient. The Council welcomed the Communication in its Council Conclusions on School Development and Excellent Teaching (OJ 2017/C421/03) and complemented its approach by inviting Member States to ensure high-quality and inclusive education for all learners, empower teachers and school leaders, and shift towards more effective, equitable and efficient governance of school education systems.

²⁸ COM(2017)247, adopted by the Council on its meeting of 20/11/2017

²⁹ OJ 2017/C429/04

³⁰ COM(2017)249 final – 30.05.2017, adopted by the Council on its meeting of 20/11/2017

³¹ COM(2017)248

ET2020

In 2017, DG EAC continued to support the implementation of the Strategic Framework for European cooperation in education and training (**ET 2020**) and the **EU Youth Strategy** which facilitate the Member States cooperation at European level through the Open Methods of Coordination. It was representing the Commission in Council preparatory bodies (such as the Education Committee) and cooperated with ministries and permanent representations of the Member States, public stakeholders and various Commission services.

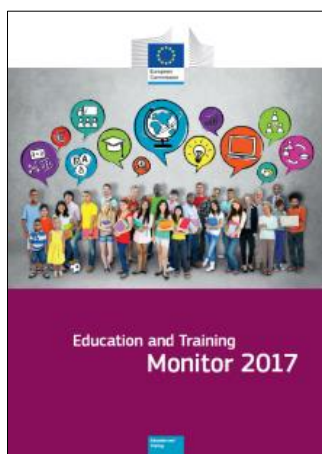


In December 2017, DG EAC presented to the High-Level Group on Education and Training proposals for the mandates of the **new ET 2020 Working groups** for the 2018-2020 period, which build on the achievements of the ET 2020 Working Groups active in 2016-2018³² and address key topics highlighted in the Communication on Strengthening European Identity through Education and Culture.

In 2017, with the support of an internal Commission Steering Group, DG EAC started work for the preparation of a new Strategic Framework for cooperation in Education and Training after 2020. Initial deliverables included a draft roadmap, the launch of a questionnaire for a survey among Member States on the performance of the current ET 2020 framework, the launch of a request for an external assessment of ET 2020 tools and deliverables, and the preparation of a high-level meeting of senior officials on EU-level cooperation towards a European Education Area, which took place on 24th January 2018.

In 2017 DG EAC initiated the work on **evaluating the existing ET2020 benchmarks** with a view to proposing new and/or revised benchmarks for the post-2020 period, also with reference to the November 2017 Communication on Strengthening European Identity through Education and Culture. The work is a collaboration between EAC, its stakeholders and national delegates in the Indicator Expert Group on E&T evidence monitoring.

Education and Training Monitor



In November 2017, the **6th edition of the Education and Training Monitor** was adopted, as planned. The Monitor reports on the evolution of education and training systems across Europe and shows progress towards the ET2020 targets: (1) The share of early leavers (aged 18-24) from education and training should be less than 10%, (2) the share of 30 to 34 year-olds with tertiary educational attainment should be at least 40%, (3) at least 95% of children between the age of four and the age for starting primary education should participate in education, (4) the share of 15 year-olds with underachievement in reading, mathematics and science should be less than 15%, (5) 82% of recent graduates from upper secondary to tertiary education (aged 20-34) who are no longer in education or training should be in employment, (6) at least 15% of adults

³² The 2015 Joint Report stated: "As of 2016 a new generation of Working Groups will work on ET 2020 concrete issues listed in the Annex. Their mandates will be proposed by the Commission and adjusted in the light of comments expressed by the Member States, in particular through the Education Committee. The Groups will report regularly to the relevant informal groups of senior officials (i.e. the DG meetings and the High-Level Group on Education and Training) which provide steering, and to the Education Committee which brings relevant outputs to the attention of the Council. Innovative working methods will be encouraged and the outputs of the Groups will be better disseminated so as to enable real knowledge-sharing, as well as to facilitate follow-up work."

(aged 25-64) should participate in formal or non-formal learning offers both a European cross-country and country-specific analysis with the ultimate aim to support national reform efforts. 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 2017 Monitor explored societal challenges of inequality in education. It showed progress but also pointed to deficiencies in basic skills among 15-year-olds and the need to make education systems more inclusive. Generally, the ET2020 indicators have shown some very positive developments in 2016. The share of persons aged 30 to 34 in EU who have completed tertiary education continued to steadily increase in every Member State from 23.6% in 2002 when the series started to 39.1% in 2016. Thirteen Member States have already met or exceeded their 2020 national target. In addition, the proportion of early school leavers decreased in 2016 in all Member States reaching a total of 10.7% in 2016. Thirteen Member States have already fulfilled their 2020 national target. Nevertheless, extensive education challenges remain in the acquisition of basic skills in particular among the disadvantaged groups. In this context, twelve Member States received Country Specific Recommendations on education topics such as the need to address inequalities in education and low basic skills, the education of disadvantaged and vulnerable groups and support to teachers. The findings of the Monitor have been widely disseminated, including a launch event in Brussels and further national seminars with wide media coverage.

Policy Cooperation



Drawing on the cooperative exchanges under the Education and Training 2020 framework, the ongoing knowledge of national policies developed in the preparation of the Education and Training Monitor and the joint work with OECD and other expert bodies, DG EAC continued to contribute to the Commission-wide work within the **European Semester process**, highlighting how education can best contribute to the EU's economic and social progress and promoting modernisation of national education systems as part of structural reforms. In the 2017 exercise of preparing Country Specific Recommendations, recommendations concerned fully or partially with education and training were addressed to a total of 13 Member States.

In addition, DG EAC stepped up its **peer learning support to countries** to address their particular education challenges. The value of tailored support through 'peer counselling' was underlined in both of the policy Communications, on schools and higher education, adopted in May 2017. During the year, successful peer counselling sessions – where professional peers from national administrations were invited to provide expert external advice to countries in the process of preparing education reforms – were undertaken in Slovenia (on a new funding mechanism for higher education) and in Bulgaria (on inclusive education).

Other initiatives to strengthen DG EAC's **analysis and knowledge capacity** in line with Europe 2020 and the strategic framework for European cooperation in education and training (ET 2020) included studies³³, evaluations³⁴ and the collection and use of data from relevant knowledge providers (Eurydice, OECD, Eurostat, Commission's Joint Research Centre, IEA³⁵, academic expert networks such as EENEE and NESET³⁶). Since

³³ See Annex 9

³⁴ See Annex 9

³⁵ International Association for the Evaluation of Educational Achievement

2016, EENEE and NESET organise joint annual conferences to improve the visibility of their work and contribute to policy debate. The 2nd conference was held in November 2017 and was also used to promote the Education and Training Monitor.

DG EAC continued its cooperation with the **OECD's** Education and Skills Directorate (EDU). The main point of cooperation is on international surveys on education: PISA in particular, as it is the basis for the ET2020 benchmark on low achievers; TALIS provides insights on teachers and teaching. In addition, EAC funds secondary analyses of survey data, and contributes substantially to various EDU projects in the area of country analysis. In the **School Resources Review**, the second round of country reviews was completed (Austria) and the first thematic comparative report 'Review The Funding of School Education: Connecting Resources and Learning' was released.



In the **Education Policy Outlook** project, 6 joint OECD-EC country profiles (Austria, Belgium, Italy, Latvia, Luxembourg and Sweden) were produced and published and launch events took place in Luxembourg, Latvia and Sweden. Finally, in line with the Memorandum of Understanding (MoU) concluded in August 2015 and the current Supplemental Memorandum of Understanding (SMoU), the OECD undertook the second phase of the **review of Greece's education system**. DG EAC continued also its cooperation with OECD's Centre for Entrepreneurship, SMEs, Local Development and Tourism Directorate (CfE - LEED) for the further development and promotion of **HEInnovate**³⁷, the common initiative to support higher education institutions and higher education systems to assess and develop their innovative and entrepreneurial potential. The first round of HEInnovate country reviews was

completed (Bulgaria, Hungary, Ireland, Poland, The Netherlands). Launch events of the country reports took place in Hungary, Ireland and Poland.

DG EAC has established informal meetings with the 22 EU Member States that are also OECD members on strategic cooperation prior to OECD EDPC meetings. Finally, EAC-representatives actively participate in all EDU Boards. Also, DG EAC representatives participate regularly in the OECD Informal Working Group on Higher Education.



DG EAC, together with the OECD and the Luxembourgish Ministry of Education organised the **third Global Education Industry Summit (GEIS)**, the annual meeting to establish a dialogue between ministers of education and the global education industry.

2017 was also the starting year of the **INSCHOOL programme**, jointly co-funded by DG EAC and the Council of Europe, which aims at promoting the education of Roma children by making schools more inclusive.

In line with the sustainable development package, including the Communication on "**Next steps for a sustainable European future**", adopted in November 2016, DG EAC contributed to EU Member States participation in the definition process of Sustainable Development Goal 4 (SDG4) by attending the meetings of the UNESCO Technical cooperation Group (TCG), the UNESCO Steering Committee meetings and the SecGen-led Inter-service Group on SDGs and by keeping the Education Committee and the Standing Group on Indicators and Benchmarks duly informed. DG EAC also reviewed ESTAT's

³⁶ EENEE: European Experts Network on Economics and Education; NESET: Network of Experts on Social aspects on Education and Training.

³⁷ HEInnovate: www.heinnovate.eu

progress report on SDGs published in December 2017. The indicators used by ESTAT to report on SDG4 are the same as the ones used for ET2020.

Culture and Media

DG EAC continued to devote attention to follow-up on the **Digital Single Market** (DSM) initiative³⁸ and the negotiations of a second package of proposals for a revision of the copyright rules and the AVMS directive. The current EU framework on copyright, comprising more than 10 Directives, mostly date back to 2001 and is not always adapted to the digital landscape. This is why the Commission set out proposals on the modernisation of copyright to increase cultural diversity in Europe and conditions for rights-holders and authors and creators, as well as availability of content online, while bringing clearer rules for all online players. The second copyright package adopted in 2016 and being negotiated at the Council and the Parliament includes 1 Regulation on the on-line transmission of TV and radio programmes and 1 Directive covering several aspects of copyright in the DSM. The proposals also bring tools for innovation to education, research and cultural heritage institutions.



Horizon 2020

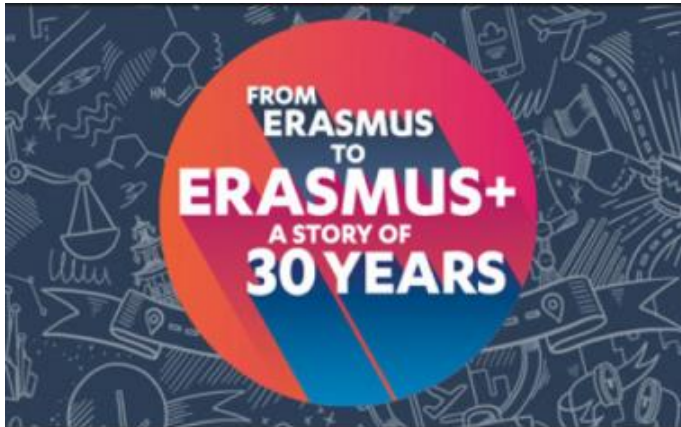


The **Council Conclusions from the Interim Evaluation of Horizon 2020** towards the ninth Framework Programme (adopted 01.12.2017) recommended establishing stronger links and coherence between the European Research Area and the European Higher Education Area by exploring how the success programmes to Erasmus+ and Horizon 2020 can better link shared objectives and priorities. This recommendation aligns with DG EAC's Communication on a renewed EU agenda for higher education and opens up possibilities for the two programmes to jointly address exploitation of research as input for teaching, engagement of undergraduates in research, open science and the network of European Universities amongst others. DG EAC,

together with the JRC, established in 2017 the 'Knowledge Hub for Higher Education' to bring together existing transparency tools that produce quantitative data in the area of higher education: U-Multirank, the European Tertiary Education Register (ETER) and the planned Pilot Graduate Tracking Survey. The Knowledge Hub should help to realise synergies between these tools and allow for the generation of more robust evidence to support policy development in the area of higher education.

³⁸ COM(2015)0192

A. ERASMUS+, the Union programme for education, training, youth and sport



Throughout 2017, the 'From Erasmus to Erasmus+' campaign celebrated the 30th Anniversary of Erasmus across the EU and beyond. The anniversary was an excellent occasion to showcase the impact of Erasmus+ and the previous programmes in the field of education, training, youth and sport and to reflect about its future. The campaign achieved impressive results: more than 750,000 people took part in over 1,900 events in 44 countries to celebrate, discuss the impact of the

activities supported by Erasmus+, such as mobility and cooperation projects, and debate on its future. 65 000 articles on the programme were published and shared over two million times on social media and reached over 90 million people.

As a result, pledges from European institutions and member states to substantially increase the budget for the future programme have been made:

- At **European Commission** level, President Juncker provided a very strong ground for the future negotiations during his speech in the European Parliament in Strasbourg on 13th June: with the next Erasmus programme, we need to be **"nine times more ambitious"**.
- 
- **The European Parliament** adopted a resolution in September 2017 calling for the future programme to be much more ambitious with a multiplication of the budget.
 - Several heads of **EU Member States** have called for an increase in the budget:
 - Charles Michel, Belgian Prime Minister, called to multiply the budget of the future programme by 10;
 - Emmanuel Macron, French President called for an Erasmus+ programme that would allow every European at the age of 18 to spend at least six months in another EU country;
 - Sandro Gozi, Italian State Secretary for European Affairs called for a budget of €150bn, in order to have ten times more exchanges.

In the framework of the campaign, an *Erasmus+ Generation Online Meeting Point* was created, to provide all participants and beneficiaries of Erasmus+ and its predecessor programmes with an open space in which they could engage in debates on the future of the programme beyond 2020. Over 16 000 people from 147 countries joined the [Erasmus+ Generation Online Meeting Point](#), which led to the collective creation of the **Erasmus+ Generation Declaration**. At the end of these discussions, the representatives of the Erasmus+ Generation reflected their vision in this document containing 30 concrete recommendations for a more impactful programme for the future of Europe. The Declaration was officially presented and discussed on November the 30th during the closing event of the Erasmus 30th anniversary campaign.

DG EAC implemented the **2017 Annual Work Programme** for Erasmus+ pursuing the

objectives and generate the benefits of Erasmus+ mentioned in its Strategic Plan³⁹. In 2017, the budget of the Erasmus+ programme⁴⁰, significantly increased by 17,78%⁴¹. EACEA managed 14,7% of this budget and the National Agencies 78,3%.

As in previous years, in 2017, while maintaining a high level of continuity, the programme directly addressed through different actions, specific policy priorities. In particular, similar to 2016, greater emphasis was put, across all actions of the Programme, on activities that support **social inclusion and equity in education, training, youth and sport** - in line with the Paris Declaration⁴² on promoting citizenship and the common values of freedom, tolerance and non-discrimination through education adopted in Paris in 2015 as well as with the Action Plan on integration of third country nationals adopted by the Commission in June 2016. This covered formal and non-formal education and training, from early childhood education and care, over school education, youth and sport activities in the field of non-formal learning, vocational education and training and higher education to adult learning.



In particular on the follow-up of the Paris Declaration, new initiatives - such as the **Erasmus+ virtual exchanges** and **network of role models** - were implemented in 2017 with the aim of fostering intercultural dialogue and mutual understanding, combating radicalisation and violence, and promoting active participation of young people in society. In 2017, a brochure on the role models initiative was published and an EU Networking event on role models took place on 11 December. Erasmus+ Virtual Exchanges aim at reaching 200,000 participants by 2019. These exchanges will connect young people from Europe, the Southern Mediterranean, the Middle East and Africa, and provide a structured platform for sharing views and ideas, and collaborate on joint projects, all facilitated by trained moderators.

Following the President Juncker's State Of The European Union, greater emphasis was placed on activities that support solidarity. Erasmus+ supported the implementation of the Commission's new initiative for European youth, including the launch of the **European Solidarity Corps** (see the Youth section).



In order to better support students to acquire the skills necessary for their future, a **partnership between DG EAC and DG CNECT** has been established in 2017. The scheme aims at providing working experience in the digital field to 5-6,000 graduate students in 2018-2020, with a budget of EUR 10 million (interns will receive an allowance of around 500 EUR per month) from Horizon 2020 Leadership in Enabling and Industrial Technologies - Information and Communications Technology (LEIT ICT). The pilot will be implemented through Erasmus+. This partnership will provide and promote further traineeship opportunities for students and recent graduates who wish to improve their **digital competences** in order to work and thrive in an economy and society undergoing an ongoing and accelerating digital transformation. Students and recent graduates from all disciplines are invited to apply for a traineeship in these domains. These traineeships are expected to take place mostly in the Member States as well as in Horizon 2020 associated countries.

³⁹ http://ec.europa.eu/atwork/synthesis/amp/index_en.htm

⁴⁰ See the amendment to the Erasmus+ Annual Work Programme of 2017:

https://ec.europa.eu/programmes/erasmus-plus/sites/erasmusplus/files/library/c-2017-705_en.pdf

⁴¹ EU 28

⁴² Declaration on Promoting citizenship and the common values of freedom, tolerance and non-discrimination through education, adopted at the informal meeting of EU Education Ministers on 17 March 2015. Complemented by Council conclusions on the role of the youth sector in an integrated and cross-sectorial approach to preventing and combatting violent radicalisation of young people and Council conclusions on developing media literacy and critical thinking through education and training of 30 May 2016.

In order to prepare the 2018 European Youth report and to feed the reflection on the future EU Youth cooperation framework (proposals to be made early 2018), a **Eurobarometer study** on Erasmus+ was conducted in 2017 to look at the situation of young people in areas such as participation in democratic life, non-formal activities and volunteering.



Following up on Commissioner Navracsics' initiative to engage and listen to the views and ideas of one million young people about the issues that matter to them with a view to increasing their influence on policy making at European and national levels, regular cycles of online chats and consultations on a wide range of different topics were organised from the beginning of 2017. In this respect, the Commission implemented the "**New Narrative for Europe**" initiative, aiming to help fill the gap between the EU and its fellow citizens, in particular the young ones. This initiative came to an end in December 2017, and its results, will feed into both the future Erasmus+ programme and the new policy cycle defined by the renewed EU Youth Strategy post-2018.

With regard to the **international dimension**, Erasmus+ continued to provide mobility opportunities for higher education staff, students, young people and youth workers between Europe and the rest of the world. Youth cooperation with Partner Countries Neighbouring the EU was further intensified through capacity building projects. In 2017, in addition to the existing Western Balkans Youth Window, an Eastern Partnership Youth Window with a focus on youth participation and youth entrepreneurship was set up and a new Youth Window for Tunisia was established. Erasmus+ will continue to have a **strong international dimension** with a focus on the Neighbouring Region in particular to address the needs of countries in crisis. The EU-Council of Europe youth partnership was renewed in 2017, as the Framework Partnership Agreement (FPA) 2014-2016 came to an end in December 2016. In the youth field, the cooperation is expected to build on the previous framework contract and to follow the priorities of both institutions.

As provided for in the legal basis for Erasmus+, the Commission conducted a combined **interim evaluation** of the current programme and an ex-post evaluation of the predecessor programmes in 2017⁴³, building on an evaluation report by an external independent contractor, national reports submitted by the programme countries and **over a million responses from all interested parties**.



The findings of this evaluation show that all the programmes evaluated proved to be **highly effective**. At mid-term, Erasmus+ is on track to achieve or to exceed most of the indicators set in the legal basis for it ⁴⁴ (except as regards the Master Loan Guarantee Facility which has not yet lived up to volume expectations). Programme beneficiaries report **satisfaction rates above 90 %**. The Erasmus+ programme fosters skills and competences, employability (+13% compared to non-participants) but also a **sense of feeling 'European'** (+19%). It reaches out to disadvantaged young people (11.5% of the total number of participants in Erasmus+) more than its predecessors or comparable national schemes. Yet the evaluation points to the **need to do more to reach out to the more vulnerable** in society and to facilitate the participation of smaller-sized organisations.

⁴³ COM(2018)50 final of 31 January 2018

⁴⁴ Considering the baseline of the evaluation, between 2007 and 2016, the programmes under review funded learning mobility for more than 4.3 million young people and more than 880 000 practitioners. In addition, many more people benefited from cooperation projects involving 940 000 participating organisations.

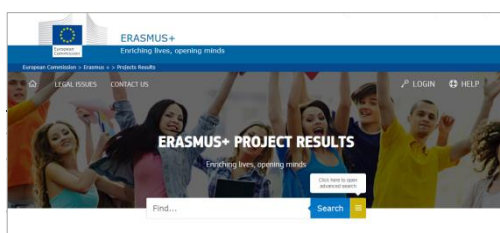
The **European added value** of the evaluated programmes is undisputed. This stems from the high volume and broad **lifelong learning scope** of the activities funded, together with mainstreamed best practices and fairer access to learning mobility across countries, **deeper EU integration** and a clear international dimension. Other schemes funding comparable action at national level remain significantly smaller both in volume and scope. They are most unlikely to be able to substitute for Erasmus+ funding. Overall, the evaluation shows that Erasmus+ is highly valued by stakeholders and the public, which identifies the programme as the **third most positive results of the EU**.

In addition, Erasmus+ is seen as being **more coherent, relevant** and only partly **more efficient** than its predecessors. The evaluation found a high level of **complementarity** and alignment between Erasmus+ and relevant EU policies and other programmes (e.g. the European Social Fund and Horizon 2020). **Cross-sectoral cooperation** within Erasmus+ has increased sharply (+23 percentage points compared to predecessor programmes). Erasmus+ has improved its **geographical balance**. Management **costs** (at 6 % of the Erasmus+ budget⁴⁵) **are reasonable**, especially compared to similar national schemes (14 % on average), although **greater economies of scale** are expected by 2020. However the programme should in the future consolidate current efficiency gains, especially **reducing the administrative burden** by simplifying application and reporting procedures, making IT tools more interoperable and user-friendly, and increasing budget flexibility, while preserving accountability. Building on suggestions in the national reports and taking into account **recommendations** made by the external evaluator, the Commission report makes proposals to adjust the implementation of the current programme to help reach its full potential by 2020, and considers suggestions for improvements with a view to a successor programme.

For the future, without prejudice to the next Multi Financial Framework, the evaluation confirmed the programme's **capacity to absorb an overall budget increase**. Demand greatly exceeds the funding available. In its Communication **Strengthening European identity through education and culture**⁴⁶, the Commission sets out a vision for boosting the future Erasmus+ in all categories of learners (including pupils, students, trainees and apprentices) and teachers, with the aim of **doubling the number of participants** and reaching out to learners from disadvantaged backgrounds by 2025⁴⁷. If that was the case, the evaluation suggested that the current **share-out between the sectors** of the programme could be modified. **School education, vocational education and training (VET)** and youth activities, where the impact of the programmes was proven albeit not yet as widespread as in higher education due to smaller budget allocations, were identified as **having high potential** for expanded participation in Erasmus+ activities in the coming years.

The evaluation also noted that there is potential to introduce better-targeted actions to **maximise the relevance of Jean Monnet** activities and **the programme's added value in the adult learning** sector. The Commission will also seek to increase the focus of some **sport** actions, notably on social inclusion aspects, and reduce overlap with youth activities.

Moreover, DG EAC **revamped the Erasmus+ website** to better meet the users' expectations and needs. With more than 2.3 million visits, it is one of the most visited websites of the Commission. Moreover, the digital version of the Erasmus+ Programme Guide was published for the first time simultaneously in all EU languages.

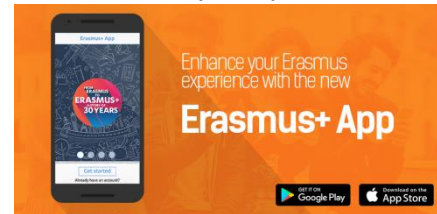


DG EAC's Strategy for the **Dissemination and Exploitation of Programme Results** contributed

agencies, supported through the operational budget. Education and culture — The European Commission's contribution November 2017, COM(2017) 673 Final Framework

to the effectiveness of the Erasmus+ programme through its promotion activities. Thousands of projects were posted on DG EAC's dissemination platform. Several were specifically promoted as Erasmus+ 'Success Stories' through the use of factsheets and videos on social media, EAC's newsletter, websites and during events. The number of users on the Dissemination platform hence rose exponentially.

In the context of the corporate digital transformation initiative and the Erasmus 30 years' campaign, the **new Erasmus+ Mobile App** was launched in June 2017. The objective of this mobile application is to help students, including those involved in an exchange from or to third countries outside Europe, apprentices and people involved in youth exchanges to be better prepared for their mobility. The app allows them to easily keep track of their progress in the different steps before, during and after their experience abroad. The app also allows participants to learn languages anywhere with the Erasmus+ **Online Linguistic Support** feature. By putting Erasmus+ at the fingertips of participants, the app has not only facilitated their access to the programme, but it will also bring it closer to young people in Europe and beyond. Since its launch, the app has already been downloaded more than 27,000 times.



Moreover, DG EAC **revamped the Erasmus+ website** to better meet the users' expectations and needs. With more than 2.3 million visits, it is one of the most visited websites of the Commission. Moreover, the digital version of the Erasmus+ Programme Guide was published for the first time simultaneously in all EU languages.

Furthermore, in 2017, DG EAC pursued optimising the performance and user-friendliness of processes and IT tools supporting the programme implementation, with a special attention to beneficiaries and the National Agencies. DG EAC implemented its 2017 **IT Macroplan** to a very large extent (85%), extending some of its actions to 2018. With the aim to further improve coordination with the National Agencies, DG EAC shared with them the IT Macroplan and regularly reported about its implementation. It has to be highlighted that 2017 has been one of the years with lowest number of critical incidents or delays in the main management tools of the programme (Mobility Tool, Epluslink) since Erasmus+ was launched in 2014.

To go one step further in the modernisation of IT tools, DG EAC launched an ambitious project, in 2017, aiming to introduce of a new generation of **WEB forms** to replace the current PDF forms in order to make them significantly more user-friendly for applicants, by overcoming constraints and limitations of the current technology. This is a clear effort to simplify the application process. In order to ensure a smooth transition and reduce the risks associated with such a project, the switch was introduced gradually through two pilot forms in the field of youth, allowing testing this new technology during 2017. However, the pilot phase revealed a number of significant challenges. For this reason, it was decided to phase in the project in 2017, introducing only part of the new WEB forms for the Call for proposals 2018, and to multiply efforts and resources guaranteeing that all application forms were made available in due time, either as web based form or off line form.

Relevant general objective 1: A New Boost for Jobs, Growth and Investment

DG EAC Specific objective 2.0: To ensure an efficient and effective implementation of the programme

Related to spending programme
**Erasmus+
(Education and Training)**

Main outputs in 2017:

Important items from work programmes/financing decisions/operational programmes

Output	Indicator	Target for 2017	Achieved on
First revision of the Erasmus+ Work Programme 2017 (WP)	Timely adoption	Q1 2017	10 February 2017
Erasmus+ 2018 WP	Timely adoption	Q3 2017	17 August 2017
National Agencies guidance documents	Validation and sending of the 2017 guidelines	January 2017	14 February 2017
Effective WP management	N° of grant agreements signed	1 (Serbia preparatory measures)	1
	Timely signature of Delegation Agreements	April 2017	April - 47/58 DAs signed by AO; remaining DAs were signed as soon as formal requirements were fulfilled by NAs/NAUs: 9 in May 2 (IT, MK) in June (delays in IT NAU/entry ticket had to be paid by MK)
	N° of operational grants signed on time (within Delegation Agreements)	58	58
	N° of NAs meetings	Twice a year	2
	Number of evaluation conclusion letters on the NA Yearly Reports sent to NAU's/NA's (deadline 90 calendar days after reception of complete Independent Audit Body opinion)	Q3 2017 - 60	Q3
	Number of follow-up/feedback letters to the NAU October reports sent to NAU's/NA's	January 2017 - 100% ⁴⁸	100%
	Budget execution	100% ⁴⁹	100%
Other important outputs			
Output	Indicator	Target for 2017	Achieved on
Interim evaluation of Erasmus+ ⁵⁰	Adoption of the report	End 2017	31 January 2018

⁴⁸ This target relates to NAU October reports received in 2016 of which the assessments and the resulting feedback letters have to be finalised in January 2017

⁴⁹ EU28

⁵⁰ EAC/2015/014

1. Education and Training

Europe is facing major challenges such as job creation, economic recovery, terrorism, political polarisation and threats to democracy. **Education and training are crucial to prevent and tackle poverty and exclusion and to promote common values.** As underlined by Commissioner Navracsics⁵¹, "education helps to build economic and social progress".

Promoting social inclusion – including the integration of migrants - and promoting shared values through education was addressed by the ET 2020 Working Group on Citizenship – including through its compendium of good practice – and through two key calls for proposals under Erasmus+ Key Action 3.

In the field of **higher education**, in 2017, priority was given to enhancing the quality and relevance of students' knowledge and skills, better use of ICT, better links between higher education institutions and employers or social enterprises; opening up mobility opportunities beyond Europe which will directly contribute to the Jobs and Growth strategy.

DG EAC organised the **7th European University-Business Forum** in Brussels on 6-7 April bringing together key stakeholders from all over Europe to support the development of better links between higher education institutions and employers. A thematic UB Forum was organised by DG EAC in cooperation with Croatia stakeholders in Croatia on 19-20 October taking into account national and regional priorities.



Besides this aspect, in the field of **school education**, priority was given to strengthening the profiles of the teaching professions, promoting the acquisition of key competences e.g. by addressing underachievement in the basic skills of maths, science and literacy and supporting multilingual classrooms. In line with the EU2020 headline target, DG EAC was also supporting schools to tackle early school leaving (ESL) and disadvantage and to offer quality education, enabling success for all pupils, including children with a migrant background. A special attention was given to efforts to increase access to affordable and high quality early childhood education and care. Access for schools to the Erasmus+ programme has been facilitated through introducing a new form of school exchange partnerships into the programme after close consultation with the national agencies.

DG EAC continued its cooperation with the Joint Research Centre to strengthen the role of higher education in the development and implementation of smart specialisation strategies (**HESS**).



In 2017 the Commission launched its new **the SELFIE tool** in a first pilot phase. SELFIE supports schools to reflect on their progress regarding the use of digital technologies for teaching and learning and take next steps to improve. 'SELFIE' ("*Self reflection on Effective Learning by Fostering Innovation through Educational Technology*") consists of a series of questions that are answered anonymously by school leadership, teachers

and students. SELFIE is being developed by JRC and EAC together with a panel of more than 70 education experts from 14 European countries. The successful pilot phase ran between September and October 2017 in 650 schools from 14 countries and generated nearly 70.000 responses. As set out in the Digital Education Action Plan, in 2018 SELFIE will be further scaled up and made available in the 23 EU languages.

⁵¹ http://europa.eu/rapid/press-release_SPEECH-16-3421_en.htm

As regards **vocational education and training (VET)**, the Erasmus+ programme gave priority to developing VET business partnerships aimed at promoting work-based learning in all its forms, with special attention to apprenticeship training, by involving social partners, companies and VET providers. Long term mobility (i.e. 3-12 months duration) of VET learners has been promoted through introducing the **ErasmusPro** activity into the Erasmus+ programme.

Furthermore, in the field of **adult education**, priority was given to improving and extending the supply of high quality learning opportunities tailored to the needs of individual low-skilled or low-qualified adults so they acquire literacy, numeracy or digital skills, including through the validation of skills acquired through informal and non-formal learning. Extending and developing educators competences is also stressed as a priority for this sector.

In 2017, the use of **eTwinning** has been further enhanced, connecting teachers and classrooms across Europe, to step up support to teachers and foster exchanges, in particular with the aim of enhancing the dialogue on fundamental values and citizenship. Thanks to the work of the Central Support Service and the National Support Services/Partner Support Agencies, the number of members has continued to grow with a record of 100.326 new teachers registered during this year, 23.986 new schools and 15.550 new projects launched in 2017. eTwinning was further deployed in some Partner Countries to foster intercultural dialogue among teachers and pupils from an early age. An agreement for the participation of Jordan in eTwinning Plus, the extension of eTwinning to EU Neighbourhood countries as part of the EU Neighbourhood policy, was signed in December 2017. After Tunisia, Jordan is the second EU Southern Neighbourhood country participating in eTwinning Plus.



In addition to the foreseen activities, the Central Support Service managed to develop on a very short notice a specific on-line application for the "**Move2Learn, Learn2Move**" contest that was launched on 27 March; with the support of the National Support Services, 5.000 winners have been selected to travel to another EU country – individually or together with their school class.

As of December 2017, approximately 400 winners have travelled.

The **School Education Gateway (SEG)** has further established itself as Europe's main online platform for school education. Having been enriched in 2016 by a range of new services such as the Teacher Academy and the European Toolkit for Schools, the platform has proposed throughout 2017 new and attractive, multifaceted and useful content for school education stakeholders. Special attention was given to enhancing the online course offering under the Teacher Academy: a number of courses were newly introduced, such as 'Future classroom scenarios', 'Shared leadership and school development' and 'Effective parental engagement for student learning'. In particular, the course 'Erasmus+ funding opportunities for schools' was well received and registered a completion rate of more than 30%, which was significantly above the global average for MOOCs (normally 5-10%). Another key goal in 2017 was to reinforce the engagement of National Agencies in actively promoting the platform and contributing to its content (including material for online courses).



The collaborative platform **EPALE** (Electronic Platform for Adult Learning in Europe) has developed further the discussion and exchange of good practice between stakeholders involved in areas such as workplace learning, literacy and intergenerational learning. EPALE has carried on establishing its user base through the work of the EPALE Central



Support Service and the 36 National Support Services, to develop the EPALE community and increase the number of themes and discussions, with the continuous aim of improving the quality of the adult education sector. A major enhancement to the platform content was the newly introduced EU policy mini-site, where visitors can find the most up-to-date information about adult learning policy in Europe. This "one-stop-shop" explains what the EU does to promote adult learning and how the European Agenda for Adult Learning is implemented. It also provides information about funding

opportunities for individuals, activities and projects in adult learning, as well as links to useful tools, resources and research.

In 2017, **Erasmus+ Key Action 3 / Support to Policy Reform** supported meetings of the Directors-General for general and higher education, as well conferences under the Maltese and Estonian and Presidencies.

In 2017, in line with the Erasmus+ cross-cutting objective of supporting the implementation of the Paris Declaration on Promoting citizenship and the common values of freedom, tolerance and non-discrimination through education of 2015, Erasmus+ Key Action 3 supported a call for proposals on **Social inclusion through education**, training and youth, focussing on the acquisition of social and civic competences and ownership of fundamental values, inclusive education and training, disadvantaged learners, enhancing critical thinking and media literacy and the inclusion of newly arrived migrants in education. The call led to the selection of 20 projects in the field of Education and training and 4 projects in the field of in Youth.

Erasmus+ Key Action 3 also included a call for **Forward-looking cooperation** projects, which led to the selection of 18 projects on topics such as acquisition of basic skills by low-skilled adults, performance-based approaches in VET, innovative technology in career guidance, professionalisation of school staff and the renewed EU strategy for higher education.

The **Jean Monnet activities** funded by Erasmus+ aim at increasing interest in understanding and participating in the European Union leading to a more active citizenship. Jean Monnet activities continue to reflect the political priorities of the Commission, as it has done so far with conferences and seminars devoted to themes such as migration, justice and fundamental rights, and EU as a stronger global actor. Being the major programme at European level supporting studies on the European Integration process, its outputs can be an important contribution to the reflections on the future of Europe. The recommendations formulated by the Jean Monnet Community are also taken into account in shaping the Programme.

Relevant general objective 1: A New Boost for Jobs, Growth and Investment				
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 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				Related to spending programme Erasmus+
Main outputs in 2017:				
Important items from work programmes/financing decisions/operational programmes				
Output	Indicator	Target 2017	EU 28	Total
Effective implementation of the Erasmus+ 2017 Annual Work programme	N° of individual Mobility of Staff (HE – VET - Schools – Adult)	90 191	106 007	118 114
	N° of students Mobility HE	239 142	289 889	322 996
	N° of Learners Mobility VET	87 227	126 511	140 959
	N° of Erasmus Mundus Joint Masters	4 000	n/a	3 409
	N° of Masters Student loan guarantee facility	19 426	n/a	7 081
	N° of operating grants for National Agencies (NAs)	55	n/a	57
Key Competences Conference	Organisation	June 2017	June 2017	

Relevant general objective 1: A New Boost for Jobs, Growth and Investment			
Specific objective 2.2: To foster quality improvements, innovation excellence and internationalisation, in particular through enhanced transnational cooperation at the level of institutions/organisations between education and training providers and other stakeholders			Related to spending programme Erasmus+
Main outputs in 2017:			
Important items from work programmes/financing decisions/operational programmes			
Output	Indicator	Target 2017	Achieved
Effective implementation of the Erasmus+ 2017 Annual Work programme	N° of Strategic partnerships (School education, VET and Adult learning)	3 026	2 292
	Knowledge Alliances/Sector Skills Alliances	48	22 Knowledge Alliances 14 Sector skills alliances
	N° of Web platforms	4	4
Communication actions	N° of registered users of web platforms (mainly teachers and school education staff, and adult educators)	500.000 ⁵²	610.000
University-Business Forum	Organisation	Q4 2017	University-Business Forum in Brussels on 6-7 April and Thematic University-Business Forum in Croatia on 19-20 October 2017.

⁵² This number includes the registered users of eTwinning, the School Education Gateway and EPALE.

Relevant general objective 1: A New Boost for Jobs, Growth and Investment

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 transparency⁵³ 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 .

Related to spending programme

Erasmus+
(Education and Training)

Important items from work programmes/financing decisions/operational programmes

Output	Indicator	Target for 2017	Achieved
Policy Framework on promoting social inclusion and common EU values through formal and non-formal learning	Finalisation of Policy Framework	Developed by ET2020 WG by Q4 2017	Elements for a policy framework have been developed during 2017 and will be finalised in Spring 2018 in line with the ET2020 WG mandate.
Online compendium of good practices	Number of good practices online	80 good practices online by end 2017	52 good practices online
ET 2020 group meetings (6 groups)	Number of meetings	18	15 ET2020 group meetings held
ET 2020 peer learning activities (PLAs) and reports	Number of PLAs/reports	8	9 PLAs held

Relevant general objective 1: A New Boost for Jobs, Growth and Investment

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 education and training by increasing the attractiveness of European higher education institutions

Related to spending programme

Erasmus+
(Education and Training)

Main outputs in 2017:

Important items from work programmes/financing decisions/operational programmes

Output	Indicator	Target for 2017	Achieved
Effective implementation of the Erasmus+ 2017 Annual Work programme	N° of international Student and Staff Mobility	30 000	32 000
	N° of international students in master degree	3 000	1 345
	N° of international Higher Education Capacity Building projects	168	149

⁵³ The Union transparency aspect is under DG EMPL responsibility.

Relevant general objective 1: A New Boost for Jobs, Growth and Investment			
Specific objective 2.5: To improve the teaching and learning of languages and promote the Union's broad linguistic diversity and intercultural awareness		Related to spending programme Erasmus+ (Education and Training)	
Main outputs in 2017:			
Important items from work programmes/financing decisions/operational programmes			
Output	Indicator	Target for 2017	Achieved
Individual participant report	Percentage of Erasmus+ participants in long-term mobility declaring that they have increased their language skills	HE: 96% VET: 87%	HE: 97% VET: 96%
Cooperation with the Council of Europe ⁵⁴	Implementation of the cooperation	Q4 2017	The Supporting Multilingual Classrooms initiative provided training activities in Member States to support education stakeholders on the linguistic integration of migrant learners in schools in Europe; the RELANG initiative provided tailored modules to relate language curricula, tests and examination to the Common European Framework of Reference (CEFR).

Relevant general objective 1: A New Boost for Jobs, Growth and Investment			
Specific objective 2.6: To promote excellence in teaching and research activities in European integration through the Jean Monnet activities worldwide		Related to spending programme Erasmus+ (Education and Training)	
Main outputs in 2017:			
Important items from work programmes/financing decisions/operational programmes			
Output	Indicator	Target for 2017	Achieved
Effective implementation of the Erasmus+ 2017 Annual Work programme	N° of students receiving training through Jean Monnet activities	285 000	248 000
On-line reporting for the Jean Monnet activities	N° of countries where Jean Monnet activities have been performed successfully	88 ⁵⁵	89
Annual Jean Monnet conference	Organisation	Q4 2017	Achieved November 2017.

⁵⁴ In particular on teaching practices in multilingual classrooms, assessment methods and linking pedagogies to the Common European Framework of Reference for language competences (RELANG project)

⁵⁵ The initial target of 82 for 2017 has been raised given the unexpected success of the last calls.

2. Youth

In 2017, DG EAC's **activities in the field of youth policy have focussed on youth participation, inclusion, solidarity activities and the contribution of youth work.**

In 2017, DG EAC launched the **European Solidarity Corps** which consists of two complementary strands. The volunteering strand offers young people the opportunity to carry out full time voluntary service and the occupational strand provides young people with an opportunity for a job or a traineeship in a wide range of sectors engaged in solidarity activities.



The European Solidarity Corps builds on more than 20 years of experience the Commission has acquired in managing the European Voluntary Service. The European Solidarity Corps aims to reach out further and generate a stronger impact through an increased budget, as well as new formats offering a broader range of opportunities for young people. In the first year of implementation, more than 45,000 young people registered in the Portal of the European Solidarity Corps. In May 2017, the Commission put forward its proposal for a single legal base for the European Solidarity Corps (currently operating under various programmes in phase I). The interinstitutional process is underway, with the Council adopting its common position in November. The new legal base is expected to enter into force mid-2018.

Under the EU Youth Strategy, building on the EU Work Plan for Youth 2016-2018, **involving young people in the policy shaping process** remained a priority. The **Structured Dialogue** is the only large scale and long term participation scheme in Europe to make young people's voice heard in the European policy-shaping process encompassing the European, national, regional and local levels of decision-making. In mid-2017, the Structured Dialogue entered into its sixth cycle, devoted to discussions on the topic 'Youth in Europe: what's next?' with a focus on the future EU youth strategy. Since 2010 the Structured Dialogue has mobilised an estimated 200 000 young people, gradually developing new consultation tools and mechanisms which may vary from one Member State to another.

2017 was also devoted to listening the stakeholders on their ideas for the **future youth strategy** (with Commission proposals to be tabled before summer 2018) and gathering more evidence about the situation of youth. The **New Narrative for Europe** final event took place in January 2018.



This process which has reached 62.000 people was an additional opportunity for young people to express their views on Europe in the form of a Declaration called YOUrope for Youth.



The **Youth Wiki**, Europe's online encyclopaedia in the area of national youth policies, was launched on 12 December 2017. It supports evidence-based European cooperation in the area of youth by providing up-to-date and user-friendly information on national policies supporting young people. The timely launch of the wiki has substantially eased the reporting of

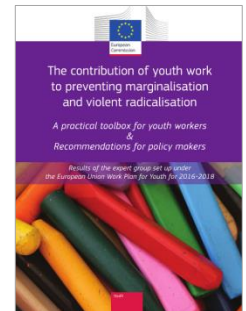
Member States in view of the upcoming 2018 EU Youth Report.

'Improving Youth Work – Your guide to quality development' is the title of the Handbook on quality youth work published in 2017, building on work of the Expert Group Report on Youth Work Quality Systems in the EU Member States. Taken together the two publications establish a common ground and framework for quality development in Youth Work in Europe.



The **Study on entrepreneurial learning**, *Taking the future into their own hands – Youth work and entrepreneurial learning*, was published as planned in the EU Work Plan for Youth 2016-2018: this study maps, describes and analyses the contribution that youth work makes to supporting young people in achieving competences that will help them to fulfil personal aspirations and become active citizens in Europe.

The report of the **expert group on youth work to promoting active citizenship and preventing marginalisation and violent radicalisation** was also published in 2017. The report consists of two parts: a practical toolbox for youth workers and youth organisations, providing with advice and guidance when working with young people at risk and policy recommendations for all level of administration from the very local to the European.



The **expert group on Addressing the risks, opportunities, and implications of digitalisation for youth**, youth work and youth policy presented its final report to the Council Youth Working Party in December. The outcomes *Developing digital youth work – Policy recommendations, training needs and good practice examples for youth workers and decision-makers* was published in January 2018.

As far as Council work is concerned, Ministers contributed to the debate on the future of the EU Youth Strategy when they adopted in May 2017 both a Council **Resolution on the future development of the dialogue with young people** in the context of policies for European cooperation in the youth field, post 2018, and Council Conclusions on strategic perspectives for European cooperation in the youth field post-2018.

They also agreed in May 2017 on Council Conclusions on the role of youth work in supporting young people’s development of essential life skills and examined in November 2017 the role of smart youth work.

Relevant general objective 1: A New Boost for Jobs, Growth and Investment

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

Related to spending programme

Erasmus+ (Youth)

Main outputs in 2017:

Important items from work programmes/financing decisions/operational programmes

Output	Indicator	Target for 2017	EU 28	Total
Horizontal coordination with NAs and organisation of thematic cooperation (trainings, etc.)	N° of participants in Youth Exchanges	67 900	92 354	123 182
Horizontal coordination with NAs and organisation of thematic cooperation (trainings, etc.)	N° of participants in European Voluntary Service projects	12,000	10 117	11 365
Horizontal coordination with NAs and organisation of thematic cooperation (trainings, etc.)	N° of youth workers participating	22,700	31 878	35 810
Expert Group on youth work for active citizenship, preventing marginalisation and violent radicalisation	Toolkit for youth workers on preventing violent radicalisation	Q1 2017	March 2017	
Platform on the European Solidarity Corps on the EU Youth Portal	Finalising the 1 st phase: matching tool communication campaign web app. Launch of the 2 nd phase: roll-out of the European Solidarity Corps.	June 2017	March 2017	
Group on digitalisation and youth	Report including basis for training modules aimed at upskilling youth workers on digital youth work and on the risks, opportunities and implications of digitalisation, and recommendations to policy-makers.	Q4 2017	Q4 2017	

Relevant general objective 1: A New Boost for Jobs, Growth and Investment				
Specific objective 2.8: To foster quality improvements, innovation excellence and internationalisation, in particular through enhanced transnational cooperation at the level of institutions/organisations between organisations in the youth field and other stakeholders				Related to spending programme Erasmus+ (Youth)
Main outputs in 2017:				
Important items from work programmes/financing decisions/operational programmes				
Output	Indicator	Target for 2017	EU 28	Total
Horizontal coordination with NAs and organisation of thematic cooperation (trainings, etc.)	Number of strategic partnerships	2040	2 244	2 500

Relevant general objective 1: A New Boost for Jobs, Growth and Investment				
Specific objective 2.9: 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				Related to spending programme Erasmus+ (Youth)
Main outputs in 2017:				
Important items from work programmes/financing decisions/operational programmes				
Output	Indicator	Target for 2017	Achieved	
Horizontal coordination with NAs and organisation of thematic cooperation (trainings, etc.)	N° of structured Dialogue projects	160	282	
Effective implementation of the Erasmus+ 2017 Annual Work programme	N° of operating grants to European Youth NGOs	71	88	
Youth Monitor on 41 youth indicators	Completion of the update	Q4 2017	Project withdrawn	
6 th cycle of Structured Dialogue with young people	Launch of the cycle	July 2017	July 2017	
Adoption of the WP	N° of support to Eurodesk	35	35	
Organisation of the Forum	Development of the European Youth Forum	1	1	
Youth wiki completion	Launch of the website	Q4 2017	December 2017	
8 th edition of European Youth Week	Organisation of the event	May 2017	May 2017	
Assessment of the event	Number of people attending the 8 th European Youth Week	150,000 participants	112,000	
Handbook on youth work quality systems and frameworks in the EU	Completion	Q1 2017	Handbook completed and released	

Relevant general objective 1: A New Boost for Jobs, Growth and Investment

Specific objective 2.10: 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.

Related to spending programme

Erasmus+ (Youth)

Main outputs in 2017:

Important items from work programmes/financing decisions/operational programmes

Output	Indicator	Target for 2017	Achieved
Effective implementation of the Erasmus+ 2017 Annual WP	N° of capacity building projects (international dimension)	65	67
Partnership between the European Union and the Council of Europe in the field of youth – particular focus on cooperation with EU neighbourhood	Contribution to a Conference on countering violent radicalisation, supporting development of youth knowledge networks in neighbour countries	Throughout 2017	Throughout 2017

3. Sport

The objectives of the Treaty in the area of sport were equally pursued in 2017, including through the implementation of the Sport Chapter of Erasmus+ 2014-2020.

Following the Commission's report on the implementation of the **second EU Work Plan for Sport 2014-2017**, the Member States in the Council and the Commission negotiated a new multi-annual EU Work Plan (2017-2020) that was subsequently adopted by the Council on 24 May. The Work Plan sets out the policy priorities and main actions for cooperation in the field of sport at EU level: integrity of sport, the economic dimension of sport, and sport and society. There will be 2 Expert Groups - one on integrity and one on skills and workforce development in sport - and new working methods will be introduced, such as cluster meetings.

The **annual European Week of Sport** was implemented for the third time in 2017, in cooperation with participating countries and partners of the Week, in order to encourage participation in sport and physical activity and raise awareness about the numerous benefits of both. Over 37.000 events were



organised in 32 countries with around 16 million participants. Through Erasmus+ specific funding is foreseen to support the Week in the Member States. As from 2017 onwards, the Week will take place on a fixed date (23-30 September). The coordination by the Commission will serve to maximise the mobilisation of public authorities at European, national and local level, the private sector and actors of sport in order to ensure a substantial impact on the ground.



Healthy lifestyle was at the heart of the 2017 European Week of Sport, during which 3 Commissioners, namely Tibor Navracsics, Phil Hogan (Agriculture and Rural development) and Vytenis Andriukaitis (Health and Food safety), launched the Tartu Call for a Healthy Lifestyle, setting out a roadmap for promoting healthy lifestyles in Europe, particular amongst children, over the next two years. In line with the Tartu Call,

a study on physical activity at the workplace was published in December 2017. The purpose of the study is to support employers and Member States in promoting physical activity in the workplace setting.

The first ceremony of the **#BeInclusive EU sport** award took place on 22 November 2017. The #BeInclusive EU Sport Awards recognises sport organisations working with ethnic minorities, refugees, people with disabilities, youth groups at-risk, or any other group that faces challenging social circumstances. The three winners were awarded with a 10,000 euro prize.



Priority was also given to a continued promotion of **good governance in sport**, including the further development of the pledge board, initiated in September 2016. 46 organisations have signed the pledge at European and national level.

The cooperation with international organisations active in the field of sport will be further strengthened. In particular, the Commission developed further partnerships with two international organisations through Erasmus+: the **Council of Europe and the World Health Organization**.

Efforts to promote sport as a tool of EU external relations continued. The newly adopted EU Work Plan for Sport foresees specific actions related to **sport diplomacy**. The Commission

established bilateral contacts with China: a dedicated sport seminar took place in the margins of the High Level People to People Dialogue between China and the EU in Shanghai in November setting the basis for future cooperation. In December a seminar on sport diplomacy gathered participants from Europe and beyond and a dedicated study mapping good practices was finalised.

A study evaluating the **anti-doping laws and practices** in the EU Member States in light of the new General Data Protection Regulation was published with a view to assist Member States in revising or adopting anti-doping legislation.

The ability of sport to break down barriers is increasingly being used as a powerful tool to bring together people from all kinds of backgrounds, and in particular from **disadvantaged groups and the promotion of European values**. Across the European Union, at Member States' level or within European Union programmes, a wide range of initiatives have been taken and innovative projects are already being implemented. Through 2 specific calls a total of 33 local sport projects were supported: 14 projects devoted to the integration of refugees and 19 projects related to the monitoring and coaching, through sports, of youngsters at risk of radicalisation.



In the framework of the **European Week of Regions and Cities**, a workshop on smart specialisation through sport highlighted the important economic contribution of sport for regional development through smart specialisation. The workshop explored how EU regions can develop regional excellence through smart specialisation in sport as well as compete in the global economy.

Relevant general objective 1: A New Boost for Jobs, Growth and Investment			
Specific objective 2.11: To support good governance in sport and dual careers of athletes		Related to spending programme Erasmus+ (Sport)	
Main outputs in 2017:			
Important items from work programmes/financing decisions/operational programmes			
Output	Indicator	Target for 2017	Achieved
Effective implementation of the Erasmus+ 2017 Annual WP	N° of cross-border projects to improve good governance and dual careers	39	46
EU Sport Forum	Organisation of the Forum	March 2017	YES
Study on the contribution of sport to the employability of young people	Publication of the study	October 2017	YES

Relevant general objective 1: A New Boost for Jobs, Growth and Investment			
Specific objective 2.12: To tackle cross-border threats to the integrity of sport, such as doping, match-fixing and violence, as well as all kinds of intolerance and discrimination		Related to spending programme Erasmus+ (Sport)	
Main outputs in 2017:			
Important items from work programmes/financing decisions/operational programmes			
Output	Indicator	Target for 2017	Achieved
Effective implementation of the Erasmus+ 2017 Annual WP	N° of cross-border projects to combat threats to sport	40	Number of grants awarded for the fight against doping, match-fixing, violence: 27
Other important outputs			
Output	Indicator	Target for 2017	Achieved
Conclusion of the Council of Europe Convention on the manipulation of sports competitions	Adoption of the proposal by the Commission	Q1 2017	YES

Relevant general objective 1: A New Boost for Jobs, Growth and Investment

Specific objective 2.13: To promote voluntary activities in sport, together with social inclusion, equal opportunities and health-enhancing physical activity through increased participation in, and equal access to sport.

Related to spending programme

Erasmus+ (Sport)

Main outputs in 2017:

Important items from work programmes/financing decisions/operational programmes

Output	Indicator	Target for 2017	Achieved
Effective implementation of the Erasmus+ 2017 Annual Work programme	N° of cross-border projects to enhance social inclusion	168	Number of grants awarded for Social inclusion and Health Enhancing Physical Activity: 120
3 rd European Week of Sport	Organisation of the event	23-30 September 2017	Yes
#BeInclusive EU sport Awards or social inclusion	Organisation and attribution of the award	First half 2017	#Beinclusive EU sport awards ceremony took place on 22 November 2017

B. Horizon 2020, the EU Framework Programme for Research and Innovation



This part of Horizon 2020 aims to reinforce and extend the **excellence of the Union's science base** and to consolidate the **European Research Area** in order to make the Union's research and innovation system more competitive on a global scale.

Relevant general objective 1: A New Boost for Jobs, Growth and Investment			
DG EAC Specific objective 3.0 MSCA: To ensure an efficient and effective implementation of the programme		Related to spending programme	
H2020			
Main outputs in 2017:			
Important items from work programmes/financing decisions/operational programmes			
Output	Indicator	Target for 2017	Achieved
MSCA+ 2018-20 WP	Adoption	Q4 2017	Yes
Effective WP management	Budget execution	100% ⁵⁶	Yes
	N° of calls published	5	Yes
Other important outputs			
Output	Indicator	Target for 2017	Achieved
MSCA Mid-term evaluation report	Adoption of the report	Q3 2017	Yes

⁵⁶ EU28

Relevant general objective 1: A New Boost for Jobs, Growth and Investment			
DG EAC Specific objective 3.0 EIT: To ensure an efficient and effective implementation of the programme		Related to spending programme	
H2020			
Main outputs in 2017:			
Important items from work programmes/financing decisions/operational programmes			
Output	Indicator	Target for 2017	Achieved
2018 EIT WP	Adoption	Q3 2017	Yes (in Q4 2017)
Effective WP management	N° of grant agreements signed	6	Yes
	SME participation in KIC partnerships	40%	No (26%)
	N° of communication and outreach activities	At least 10 newsletters published and at least 3 stakeholder events held.	Yes: 14 Newsletters 7 Events
	Budget execution	100% ⁵⁷	YES
Other important outputs			
Output	Indicator	Target for 2017	Achieved
Report on EIT mid-term evaluation ⁵⁸	Adoption of the report	1 st half 2017	Yes, on 2 nd half on 2017
Revision of the legal basis	Drafting of the proposal	Q4 2017	Yes, to be launched in ISC in Q1 2018
2015 discharge process	Acceptance of the discharge	Q4 2017	Yes (Q2 2017)

⁵⁷ EU28

⁵⁸ EAC/2015/013

1. Marie Skłodowska-Curie Actions, contributing to economic growth through excellence in science



The **Marie Skłodowska-Curie Actions** invest in the people behind research and innovation in Europe, strengthen their skills, training and career development and foster the transfer of knowledge and cooperation between research-performing organisations. They continue to have a pronounced structuring impact on ERA by setting standards for quality training, attractive employment conditions and open recruitment for all EU researchers. The MSCA calls were implemented in 2017, as planned⁵⁹.

Since 1994, the programme has funded over 110 000 researchers: 80 000 before 2014, and more than 30 000 (10 000 Ph. D) until now under Horizon 2020, thus reaching its mid-term target.⁶⁰

MSCA are highly oversubscribed and the available budget remains insufficient with respect to the level of demand. Indeed the oversubscription rate has doubled between FP7 and Horizon 2020. This is particularly relevant for the Innovative Training Networks (ITN) and risks discouraging high-quality research institutions from participating in the programme.

The MSCA provide over 50% of all international cooperation under Horizon 2020 and significantly contribute to major societal challenges as defined in the Europe 2020 Strategy. By focusing on excellence, by promoting cross-border, cross-sector and interdisciplinary mobility and by fostering innovative training for researchers, MSCA strongly contribute to Europe's overarching goal to promote smart economic and employment growth.

A study carried out as part of the **mid-term evaluation of MSCA** concluded that MSCA was an attractive, efficiently run programme providing real EU added value, helping to build a new, highly-skilled generation of researchers and impacting on societal needs. The main problem identified was one of underfunding which has led to a huge loss of talent, particularly among PhD training networks. The findings from the evaluation were used to prepare the MSCA work programme for the last three years of Horizon 2020 (2018-20) and will help with the design of activities and initiatives for MSCA in the next framework programme for Research and Innovation.⁶¹

In this regard, an **MSCA Seal of Excellence** was awarded in 2017 for the first time to more than 2 300 Individual Fellowship applicants whose excellent projects (scoring 85% or above) could not be supported due to insufficient EU funding.⁶² The Seal provides excellent researchers with recognition of quality and also enables them and the hosting institution with whom they applied to seek alternative sources of funding at regional or national level, including through use of ESIF. To date, national funding schemes for Seal of Excellence recipients have been set up in five Member States.



⁵⁹ MSCA are supervised by DG EAC and managed by the Research Executive Agency as part of the Framework Programme for Research and Innovation, Horizon 2020.

⁶⁰ http://ec.europa.eu/research/mariecurieactions/news/20170307-msca-researchers-100-000_en.

⁶¹ <https://publications.europa.eu/en/publication-detail/-/publication/98885a02-c849-11e7-9b01-01aa75ed71a1>

⁶² http://ec.europa.eu/research/mariecurieactions/news/20170503-seals-of-excellence_en.

For the first time ever, the 2016 **MSCA IF call** dedicated over EUR 8 million under a specific Society and Enterprise panel to fellowships in companies or other organisations outside of academia. As a result, almost 50 highly-skilled postdoctoral researchers will spend several years in public bodies, non-governmental organisations, or firms. The fellows will significantly increase both their own expertise and the innovation capacity of their employers.⁶³ The 2017 MSCA IF call set aside EUR 10 million to fund around 60 researchers for the same purpose.

A study on "**European Industrial Doctorates** – towards increased employability and innovation" was completed in 2017. The study showed that, overall, the EID meet the expectations of academic and non-academic organisations as well as the fellows themselves. The scheme is considered to be a very attractive option for funding structured industrial doctoral training and a strong reference point for national policy makers.⁶⁴



A study on "**Business participation and entrepreneurship** in Marie Skłodowska-Curie Actions" assessed the participation of businesses in the programme and reviewed how entrepreneurship is addressed in the training of MSCA researchers. In addition, the study gained insights into the added value for MSCA researchers such as an increase in their employment opportunities beyond academia. In order to widen business participation, better support entrepreneurship and intrapreneurship in MSCA and increase the quality and effectiveness of business participation, the study recommended to target better entrepreneurship education, focus on the complementary skills training during project evaluation and increase efforts in the sharing of good practices on entrepreneurial education among the network of MSCA projects.⁶⁵

In line with the requirement of Commission Decision C(2013)8194, DG EAC carried out a **mid-term review of the unit costs** for MSCA through a consultancy study. Published in June 2017, the final report recommended a 5% increase of the monthly living allowance for early-stage and experienced researchers as well as the monthly top-up allowance for seconded staff members in order to take account of the inflation over the years 2014-2017.⁶⁶ The updated unit costs for the period 1 January 2018 to 31 December 2020 were adopted by Commission Decision No C(2017)6855.⁶⁷

Adopted on 27 October 2017, the **MSCA Work Programme 2018-2020 is the biggest ever with a budget of EUR 2.8 billion**. It foresees one call per action per year (ITN, IF, RISE and COFUND) and two calls for the European Researchers' Night (NIGHT), for 2018 and 2020 respectively. It contains a



number of novelties, such as a special needs allowance for disabled researchers, strengthened career development options for researchers coming back from a career break, revised and more flexible eligibility rules where needed, and the possibility for part-time work for experienced researchers. This will enable them to pursue supplementary activities next to their fellowship in order to start a business, pursue advanced studies or engage in even more research options. In terms of budget, the funds for ITN and IF were significantly

⁶³ http://ec.europa.eu/research/mariecurieactions/news/20170127-eu-gives-thousands-researchers-flying-start-careers_en.

⁶⁴ <https://publications.europa.eu/en/publication-detail/-/publication/c6abb4b4-3c3e-11e7-a08e-01aa75ed71a1/language-en>

⁶⁵ <https://publications.europa.eu/en/publication-detail/-/publication/decfab92-5ae2-11e7-954d-01aa75ed71a1/language-en>

⁶⁶ <https://publications.europa.eu/en/publication-detail/-/publication/0f44192e-5499-11e7-a5ca-01aa75ed71a1>

⁶⁷ http://ec.europa.eu/research/participants/data/ref/h2020/other/legal/unit_costs/unit-costs_msc_a_en.pdf

increased, while the funds for RISE remained the same and those for COFUND were increased less strongly. This was done in order to address the problem of low success rates notably in ITN and IF as far as possible with the financial means available. In order to increase outreach activities, the budget for the NIGHT was increased by 50% for the 2018 call and by 100% for the 2020 call.⁶⁸

Meanwhile, communication and dissemination have been strengthened. The MSCA launched a **strategic communication campaign** to reinforce its message and encourage, in particular, greater participation of companies and widen participation of institutions from less-performing countries. Throughout the year, the MSCA celebrated the **20th anniversary of the programme** with a series of events around Europe and beyond with the support and/or coordination of the European Commission. This ended on 7 November 2017 with the 150th birthday of Marie Curie herself. In addition, a new set of MSCA communication tools were deployed such as infographics, new factsheets, success stories and a revamped MSCA website.



An **MSCA Presidency conference** was organised in Malta on 11-12 May 2017 in cooperation with the Maltese Ministry for Education and Employment. Under the title "Mobility takes research further", an audience of over 100 participants from 31 countries addressed a variety of issues including the impact of mobility on individuals or organisations, widening participation, equal opportunities and inclusion. Within an MSCA award ceremony, three prizes were awarded to promising MSCA fellows for Innovation and Entrepreneurship, Communicating science and Contribution to a Better Society. The conference served as an excellent platform to learn more about MSCA as well as to exchange views on different issues of the current and future programme.⁶⁹

The **MSCA campaign "From Association to Participation"** initiated in 2016 was successfully continued and completed in 2017. The objective of this campaign was primarily to help Associated Countries to improve their participation in the MSCA through the organisation of a series of information and awareness raising events in those countries in cooperation with the network of National Contact Points for Marie Skłodowska-Curie Actions (MSCA NCPs) and the relevant delegations of the European Commission. In total 16 events were organised in 15 associated countries (all except Norway) with an average of 100 participants per event, mainly PhD holders.⁷⁰

Collaboration with the European Parliament has been strengthened to secure political support for the negotiations of the **next Framework Programme** and to deepen the awareness of decision makers and stakeholders on the positive impact of the MSCA.

⁶⁸ http://ec.europa.eu/research/mariecurieactions/news/20171026-msca-work-programme-2018_en.

⁶⁹ http://ec.europa.eu/research/mariecurieactions/news/20170515-msca-prize-winners-announced_en.

⁷⁰ <https://msca-association.teamwork.fr/>.



In this regard, the '**Science is Wonder-ful!**' event took place from 26th to 27th September 2017 in the Visitors Centre of the EP (Parlamentarium) in Brussels⁷¹ as a launch event of the **European Researchers' Night initiative** (NIGHT). In 2017, the NIGHT, a Europe-wide public event to stimulate interest in research careers, especially among young people, gathered, on the last Friday in September, more than one million visitors in almost 350 cities in around 30 European countries and beyond. Several MEPs and Commissioners participated in the events, including EP VP Guillaume, the Commission's VP Šefčovič and

Commissioners Navracsics and Andriukaitis. Likewise, MSCA participated for the first time in the MEP Pairing Scheme, an initiative of the European Parliament (STOA) aimed at enhancing mutual understanding and establishing a long-term, intensive cooperation between Members of the EP and high-calibre researchers: 8 outstanding MSCA researchers were finally selected by the EP out of a total of 18 MEP-Scientist pairs.⁷²

Throughout the entire year, MSCA researchers have featured on MSCA social media and some of the grantees were rewarded prestigious prizes. As in every year since 2013, MSCA beneficiaries received a Nobel Prize: while Richard Henderson, a former MSCA project coordinator, was awarded the **Nobel Prize in Chemistry** along with Jacques Dubochet and Joachim Frank for developing a technique called cryo-electron microscopy to improve images of biological molecules, the MSCA-funded Grawiton project contributed to the preparation of the data on gravitational waves that led to the **Nobel Prize in Physics** 2017.⁷³

With a high presence of **young female MSCA researchers**, other 2017 prize winners include the following: Dunja Šamec received the Croatian National Science Award for junior researcher and the Croatian Women of Influence Award. 'L'Oreal-UNESCO for women in science' award in 2017 was awarded to Dr Radha Boya⁷⁴, and Rezkita Arlavinda won the Austrian Staatspreis Mobilität 2017 – Zukunftspreis⁷⁵. Last but not least, Floriane Gidel was the winner of the Leeds Doctoral College Showcase Postgraduate Researcher of the Year 2017 award with her research - with a significant exposure to industry collaboration - focused on the huge waves that have traumatised sailors for centuries. Three MSCA fellows, Fabien Wagner, John Palmer and Iaroslav Gnilitzky, took part in the international Falling Walls Lab grand finale in Berlin showcasing their breakthrough projects in front of an international jury.⁷⁶



2017 was an extraordinary year for the **Marie Curie Alumni Association** (MCAA): Membership increased to almost 11 000 coupled with a large increase in activities all over the world. There are now 28 active national and regional chapters, 10 active working groups, 23 active thematic groups and 14 general-interest groups. The Executive Committee and the Board of the MCAA have worked hard throughout the year to prepare and implement their annual work programmes. The MCAA website has been constantly developed and improved and many

⁷¹ http://ec.europa.eu/research/mariecurieactions/events/2017/science-wonder-ful_en.

⁷² http://www.europarl.europa.eu/stoa/cms/home/panel_meetings/mepschemist.

⁷³ http://ec.europa.eu/research/mariecurieactions/news/20171005-two-nobel-prizes-involving-msca-fellows_en.

⁷⁴ http://ec.europa.eu/research/mariecurieactions/news/2017/msca-itn-fellow-receives-lor%C3%A9al-unesco-scholarship_en

⁷⁵ http://ec.europa.eu/research/mariecurieactions/news/2017/staatspreis-mobilit%C3%A4t-2017-msca-fellow-arlavinda-rezkita-wins-%E2%80%9CZukunftspreis%E2%80%9D_en

⁷⁶ http://ec.europa.eu/research/mariecurieactions/news/2017/msca-fellows-competed-falling-walls-lab-finale_en

members have been actively involved in MSCA-related activities. This work will continue and expand.

Funding for a new **Net4MobilityPlus** project was awarded under a Horizon 2020 Coordination and Support action. The objective of this project is to facilitate the trans-national cooperation between national contact points for the MSCA with a view to identifying and sharing good practices and raising the general standard of support to applicants, taking into account the diversity of actors and experiences. A key new feature is the focus on 'widening countries' through a specific work package aimed at providing specific information and support to the MSCA NCPs in these countries. The project will begin in March 2018 for three years at a cost of EUR 1.8 million.



Relevant general objective 1: A New Boost for Jobs, Growth and Investment

Specific objective 3.1: 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

Related to spending programme
H2020

Main outputs in 2017:

Important items from work programmes/financing decisions/operational programmes

Output	Indicator	Target for 2017	Achieved
Implementing projects	N° of grants awarded	1,700	1,700
Effective implementation of the MSCA 2016-17 Annual Work programme	N° of Researchers, including PhD candidates, funded through the MSCA	34,000 researchers (cumulative figures for 2014, 2015, 2016 and 2017) 9,000 researchers for 2017	36,000 researchers
European Researchers' Night	Organisation of the NIGHT	Q4 2017	Yes
Evaluation of the Marie Skłodowska-Curie actions	Final report published	November 2017	Yes
Study "Business participation and entrepreneurship in Marie Skłodowska-Curie actions"	Final report published	June 2017	Yes
Dedicated campaign to disseminate results of the MSCA projects to the general public	Organised	Throughout the year	Yes
Campaign to promote MSCA in the countries associated to Horizon 2020	Organised	Throughout the year	Yes
Celebration of 20 years of the MSCA programme	Organised	Throughout the year	Yes
Procurement	Number of procurements	12	12
Expert evaluators used	Number of experts	4000	4134

2. The European Institute of Innovation and Technology, promoting synergies and complementarities via the knowledge triangle

The **European Institute of Innovation and Technology (EIT)** pursue its mission of integrating higher education, research and business. In 2017, the total budget for operational activities to be implemented by the EIT amounts to 300 M€. The EIT continued to extend the KIC model and initiated the preparations in 2017 for the designation in 2018 of two additional KICs (the last under Horizon 2020) in the fields of "Urban mobility" and "Added-Value Manufacturing". The thematic areas of the new KICs are designed to contribute to the delivery of the Europe 2020 agenda. They present an excellent knowledge base and the potential to further strengthen Europe's innovation capacity.



The **evaluation of the EIT** activities has been finalised in 2017, covering mainly the period of 2011-2015, and has contributed to the H2020 mid-term evaluation. The evaluation assessed the work of the EIT and the work of the KICs insofar as it is relevant to the implementation of the EIT's mission. This has been an opportunity to disseminate the results and impacts of the EIT's first six years of operation.

Main outputs of the evaluation process have been:

- an **external evaluation report**, prepared by two consultancies (ICF and Technopolis), based on desk research and on evidence collected through an Open Public Consultation and surveys to KICs' partners and beneficiaries (i.e. students and companies).
- an **EC Staff Working Document (SWD)** which has been published, together with the evaluation report. It includes comments and findings from additional sources (like the Commissioner's Navracsics High-Level Group report, the European Court of Auditors report and the Impact Study commissioned by the EIT).
- a **Commission Opinion** on the evaluation exercise: as stated in H2020 Regulation (art.32.2), the EIT call for new KICs in 2018 (Urban Mobility and Added-Value Manufacturing) was subject to a positive outcome of EIT evaluation. The approved Opinion has been forwarded to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions.

The evaluation confirmed **the EIT model, comprising the EIT and its KICs, remains strongly valid and relevant** and started delivering concrete results. In particular, the first wave KICs (EIT Innoenergy, EIT Digital and EIT Climate-KIC) are already delivering a wide range of tangible results through their innovation, entrepreneurship and education activities and created a steadily increasing number of new or improved products, services, processes and market solutions. The second wave KICs (EIT Raw Materials and EIT Health) are on good track to follow. The EIT's educational programmes attract high calibre students by combining technical knowledge with entrepreneurial and innovation education, direct access to businesses and international mobility. Despite the efforts in seeking co-operation with national and regional authorities, KICs still need to improve their integration into the local innovation ecosystems and their communication strategies, in view of strengthening the EIT brand.

DG EAC is the EIT's parent DG and has a **supervision and support role**. The support role entails support in strategy, operational, budget, HR and liaison issues, among others. The supervision was conducted in 2017 under the terms of the EIT partial financial autonomy and included ex ante checks on EIT's grants and high value procurements (over EUR 60.000). During 2017, DG EAC assessed the robustness in the application by the EIT of the internal control standards, of the grant management and of the procurement implemented by the EIT. DG EAC concluded that it was mature enough to be granted full financial autonomy as of 1st January 2018.

DG EAC organises annual Commission services' – EIT meetings and leads the coordination of the EIT's work with the wider Commission's political priorities. This year, annual meeting between Commission services and EIT/KICs meeting took place at the EIT House on 26th September and was co-organised by EIT. It gathered more than 60 Commission colleagues from all DGs, KICs and EIT staff members. The goal of the meeting was to invite Commission colleagues to give their input on the draft Strategic Innovation Agenda 2021-2027 the EIT elaborated during 2017. Several coordinating meetings between various Commission services also took place. In particular, on the 27th September, DG EAC organised the first EIT Advisory Group meeting. The goal was to improve coordination of EIT KICs and Commission services at the level of Directors-General and Chief Executive Officers on strategic issues related to innovation and to improve the flow of information with the EIT Governing Board (EIT GB). At this first meeting, discussions talked the elements needed for an appropriate ecosystem for KICs to operate in the future, human capital development for innovation and future co-operation between Commission Services, KICs and the EIT Institute. The meeting was highly appreciated and welcomed by services and KICs and will take place again in 2018.

Throughout 2017, the EIT has developed the draft version of its next Strategic Innovation Agenda 2021-2027. DG EAC has been following closely and participating to the elaboration of the draft version of the document which address inter alia the following aspects: - EIT Vision, Mission, Objectives including the specific role of EIT for developing education for innovation and entrepreneurship; - role of the EIT in European Innovation landscape: it shall include an analysis of potential and appropriate synergies and complementarities between EIT activities and other Union initiatives; - future thematic focus of EIT: this section shall be aligned with the challenges prioritised for FP9; - future activities and actions of the EIT; - the financial needs of the EIT to perform these activities and actions. This document has been sent by the EIT to the Commission on 20th December. The Commission will further elaborate it during 2018 before submitting it to the Council and EP for co-decision.

2017 saw the beginning of the discussions around the **next Framework programme for Research and Innovation** (FP9). As the EIT needs to be centrally positioned in the future structure, DG EAC has participated actively in various inter-service groups and discussions. The links between the EIT and the future European Innovation Council have been quite central in this respect. The objective of the EIT is to build on the success achieved so far in fostering innovation to address societal challenges and propose an ambitious narrative for its intervention under FP9. DG EAC has to ensure the alignment of the future EIT SIA with the goals, priorities and structure of FP9, objective which will be further developed during 2018.

Relevant general objective 1: A New Boost for Jobs, Growth and Investment

Specific objective 3.2: 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

Related to spending programme

H2020

Main outputs in 2017:

Important items from work programmes/financing decisions/operational programmes

Output	Indicator	Target for 2017	Achieved
Setting-up of 1 new KIC	Signature of start-up grant agreement with new KIC	1 by end 2017	Yes. EIT Food KIC
EIT financial autonomy	Assessment report	Completion of assessment report by end 2017	Yes
Meeting between the Commission, EIT and the KICs	Organisation of the meeting	1 st half 2017	Yes (2 nd half 2017)
Establishment of an "EIT House" in Brussels, unifying Brussels operations of KICs and EIT	Established	Q3 2017	Yes

C. Creative Europe, the EU framework programme for support to the culture and audiovisual sectors



Based on the priorities of the European Agenda for Culture, DG EAC in 2017 further supported the implementation of the **Work Plan for Culture 2015-2018** and related recurrent activities such as expert groups operating under the Open Method of Coordination.



2017 was decisive regarding our efforts to ensure more targeted support for Europe's music sector. In the context of the **Music Moves Europe** initiative and following close cooperation with the sector, the Parliament voted a Preparatory Action to boost European music diversity and talent. The aim is to test, in 2018, suitable actions for a new programme strand for music post-2020.

Under the **cross-sectoral strand** of the programme, two multi-year projects were completed in 2017: culture for cities and regions (which resulted in a catalogue of 71 best practices) and a network of European creative hubs. A new call for projects on "Cultural and creative spaces in cities" was launched at the end of 2017.

The Europe 2020 strategy recognises the cultural and creative sectors as a source of innovative ideas which can be turned into products and services that can create growth, jobs and address societal challenges. For this purpose an important aspect is the access to finance for cultural and creative sectors. The **Guarantee Facility** under Creative Europe has taken off with the implementation of the first signed agreements in 2017 and is expected to take up further speed in 2018 such as to continue to provide guarantees to lending and credit institutions to encourage them to offer loans or guarantees and provide finance for cultural and creative sectors initiatives. This will enhance access to finance of SMEs in the cultural and the creative sectors, therefore strengthening their financial capacity and reinforcing their competitiveness. To a greater extent, it will also contribute to the promotion of a smart, sustainable and inclusive growth.



In 2017, DG EAC carried out the preparatory work for the organisation of the **European Year of Cultural Heritage 2018**, including the adoption of the relevant legal base. Its overall objective is to encourage the sharing and appreciation of Europe's cultural heritage, to raise awareness of common history and values, and to reinforce a sense of belonging to a common European space. The European year is an opportunity to underline the social and educational value of heritage, its economic significance, and its role in raising the profile of the EU in the world. This will be the only European Year under the Juncker Commission. It is an opportunity to gain a high visibility, leave a strong legacy and take the lead of an action that cuts across many policy fields within the Commission,

in the Member States and internationally.

DG EAC coordinates the European Year activities at the European and international level. Key activities have consisted in preparing a communication strategy, including a logo and a website, launch a Eurobarometre to survey the relations of European citizens with heritage, and organise a launch conference. Preparatory meetings have been organised with the national coordinators of the Year designated by the EU Member States, with stakeholders and with key international organisations (Council of Europe, UNESCO).

in 2017, the Creative Europe programme was half-way through its 7-year implementation period and a **mid-term evaluation** was finalised which confirms the major orientations of the Programme and suggests some adaptations also in view of the new generation of programmes to support the cultural and audiovisual sectors after 2020. A revised framework for performance indicators should be introduced by 2018.

Lastly, an ex-post evaluation was carried out on San Sebastian, Spain and Wroclaw, Poland, the two cities that have held the title of European Capital of Culture in 2016 with a view to evaluating the impact it had on them.

Relevant general objective 1: A New Boost for Jobs, Growth and Investment			
DG EAC Specific objective 4.0: To ensure an efficient and effective implementation of the programme		Related to spending programme Creative Europe	
Main outputs in 2017:			
Important items from work programmes/financing decisions/operational programmes			
Output	Indicator	Target for 2017	Achieved
1 st revision of the 2017 WP	Revision	Q1 2017	Q1 2017
Creative Europe 2018 WP	Adoption	Q3 2017	Q3 2017
Effective WP management	N° of grant agreements signed	2073 (total Creative Europe) ⁷⁷ 150 (Culture sub-programme) 46 (Cross-sectoral)	2291 158 42
	N° of procurements signed	34 (total Creative Europe) ⁷⁸ 22 (Culture sub-programme) 8 (Cross-sectoral)	54 50 8
	Budget execution	100% ⁷⁹	YES
Other important outputs			
Output	Indicator	Target for 2017	Achieved
Interim evaluation of Creative Europe ⁸⁰	Adoption of the report	End 2017	Adoption foreseen Q1 2018
Ex-post evaluation of the 2016 ECOC ⁸¹	Adoption of the report	End 2017	Q4 2017

⁷⁷ Partly executed by DG CNECT (MEDIA sub-programme)

⁷⁸ Partly executed by DG CNECT (MEDIA sub-programme)

⁷⁹ EU28

⁸⁰ EAC/2016/006

⁸¹ 2016/EAC/015

Relevant general objective 1: A New Boost for Jobs, Growth and Investment			
Specific objective 4.1: To support the capacity of the European cultural and creative sectors to operate transnationally and internationally		Related to spending programme	
		Creative Europe	
Main outputs in 2017:			
Important items from work programmes/financing decisions/operational programmes			
Output	Indicator (CULTURE Sub-Programme)	Target for 2017	Achieved
Development of peer learning	N° of cooperation measures	44	21
Providing capacity building	N° of European networks	10	10
Development of a structure for international professional development	N° of European platforms	4	7
Effective implementation of the Creative Europe 2017 Annual Work programme	N° of special actions* launched, such as Prizes, ECOC, European Heritage label (In the special action output, the Melina Mercouri Prize (1,5 EUR Million) will be awarded each year to the European Capitals of Culture- ECOC)	7	7 (4 Prizes awarded 2 ECOC (action) 1 Heritage Label action)
2018 European year of Cultural Heritage	Preparation of the activities (incl. coordination with other DGs)	Throughout the year	<ul style="list-style-type: none"> ▪ Inter-service group established and well-attended by other DGs who are actively contributing to the Year ▪ 3 meetings of national coordinators and as many with civil society ▪ Communication contract signed and items delivered in time for launch of the Year in December 2017 ▪ 10 European initiatives prepared and presented to National coordinators, civil society and other stakeholders ▪ Dedicated call under Creative Europe launched in 2017
European Culture Forum	Organisation	End 2017	The Forum was organised on 7-8 December in Milan.

Relevant general objective 1: A New Boost for Jobs, Growth and Investment

Specific objective 4.2: To support transnational policy cooperation in order to foster policy development, innovation, creativity, audience building and new business models

Related to spending programme

Creative Europe

Main outputs in 2017:

Important items from work programmes/financing decisions/operational programmes

Output	Indicator	Target for 2017	Achieved
Transnational policy cooperation and support	N° of Network of Creative Europe desks	38	38
Appointment of the experts	N° of studies, evaluations and policy analysis (includes also the subsidy for the European Audiovisual Observatory)	6	8
Events dedicated to policy development and EU Presidencies	Organisation of Conferences, seminars and policy dialogue	6	4 presidency conferences Closing conference of "Culture for cities and Regions" 2 Workshops of "Creative Hubs" cross-sectoral project

Relevant general objective 1: A New Boost for Jobs, Growth and Investment

Specific objective 4.3: 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

Related to spending programme

Creative Europe

Main outputs in 2017:

Important items from work programmes/financing decisions/operational programmes

Output	Indicator	Target for 2017	Achieved
Development of a Cultural and Creative Sectors Facility	Loans provided by banks to operators	705	207 [figures as of 30 September 2017 ⁸²]
Capacity building workshops	Organisation of workshops	6	6

Relevant general objective 1: A New Boost for Jobs, Growth and Investment

Specific objective 4.4: 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

Related to spending programme

Creative Europe

Main outputs in 2017:

Important items from work programmes/financing decisions/operational programmes

Output	Indicator (CULTURE Sub-Programme)	Target for 2017	Achieved
Support to international touring	N° of cooperation measures	66	60
Promotion of networks of professionals from different sectors	N° of European networks, such as those promoting audience building	15	18
Effective implementation of the Creative Europe 2017 Annual WP	N° of European platforms, such as those fostering international careers	6	8
Effective implementation of the Creative Europe 2017 Annual WP	N° of literary translations and promotional support	45	45
Communication actions dedicated to Special actions	N° of Special actions, such as Prizes, ECOC, European Heritage label	11	10 (9 EHL sites, 1 Heritage Day action)

⁸² Due to the reporting cycle of the European Investment Fund, the data presented here present the situation at endQ3 2017. End of the year data will be available in April 2018.

D. Corporate activities (general objective 11)

On behalf of the Commission, DG EAC manages 2 corporate activities to the benefit of all services of the Commission or other EU institutions or bodies: the **Library** and **e-Resources Centre** and the **Traineeships office**.

The Library and e-Resources centre aims to develop and deliver high-quality and innovative information services to support Commission staff in their evidence-based policy development and decision-making processes. In 2017, the Library consolidated its key position in the field of corporate information management, continued its modernisation process, and increased its internal efficiency. The unit met its objective effectively by making relevant collections and information services available to Commission staff (and external users). Library users have remained (very) satisfied with the services provided in 2017.

Throughout the year, and in addition to its traditional activities, the Commission **Library and e-Resources centre** has focused mainly on the implementation of its Action Plan for the period 2017 – 2020. The main actions foreseen for 2017 have been delivered according to schedule:

- The inter-institutional framework contract for a **cloud-based 'Integrated Library Management System'** was signed in March 2017. Following an intensive migration period, the new system became operational on 11 December 2017;
- End November 2017 – after an extensive tendering process – the Library introduced an electronic platform allowing **Demand Driven Acquisition (DDA)**. DDA will allow Commission staff to become progressively involved in the selection and acquisition of e-books;
- In close cooperation with DG EAC's IT unit a JIRA-based client management system has been developed, mainly for use by the Library's Reference Service. This so called **Library Enquiry Management System (LIBEMS)** is in operation since the beginning of December 2017;
- The Library continued the weeding of its centrally located printed resource collection. As a result, 30% of the Library's storage capacity in Brussels has been freed up in 2017.

The **EC Traineeship Programme** aims to attract the best and brightest from a variety of educational, social and geographical backgrounds to offer them a relevant learning experience on the EU, its policies and work methods.

To the purpose of selecting trainees, it Shares information via web, social media and presentations

- Defines the rules and procedures for selection of trainees
- Organises and coordinates evaluations and checks of documents with the support of +/- 400 EC evaluators

To the purpose of managing traineeships, it

- Provides IT-based file management of all trainees, including registration of data, payment and insurance
- Coordinates, informs and support local trainee coordinators in all DGs and services
- Organises events, training sessions and visits for trainees
- Coordinates and supports trainees in their activities

It also manages the budget and financial contracts for the programme on and has 13 **Service Level Agreements** with other agencies and services to organise traineeships on their behalf.

As from 2016, the Office is undertaking a reform introducing new activities and changes to the legal base together with other services to enhance its performance, making selections more smooth, increasing the learning and events on offer and to develop a new activity, namely for trainees as ambassadors after their traineeship.

LIBRARY AND E-RESOURCES CENTRE OF THE COMMISSION:

Relevant general objective 11: To help achieve the overall political objectives, the Commission will effectively and efficiently manage and safeguard assets and resources, and attract and develop the best talents

Specific objective 5.1: To develop and deliver high quality and innovative information services to support Commission staff in evidence-based policy development and decision making processes

Main outputs in 2017:

- *Implementation of a new – cloud based – Integrated Library Management System*
- *Introduction of an electronic platform allowing Demand Driven Acquisition*
- *Introduction of a client management system for the Reference System*

Other important outputs

Output	Indicator	Target	Achievement
<ul style="list-style-type: none"> • Consultation of the Library's search tool Find-eR. • Downloads from the Library's electronic collections. 	Number of searches run in Find-eR. Number of downloads from the Library's electronic collections.	<ul style="list-style-type: none"> • Number of searches in Find-eR: ≥ 200 000. • Downloads from electronic collections: ≥ 190 000. 	<ul style="list-style-type: none"> • Number of searches in Find-eR in 2017: 210 264. • Downloads from electronic collections in 2017: 249 132.
<ul style="list-style-type: none"> • Library collections, mostly composed of electronic periodicals, e-books and on-line versions of daily press. 	Percentage of acquisition budget spent on electronic information sources	Target (July 2020): 70% of all acquisitions are e-resources.	<ul style="list-style-type: none"> • Breakdown 2017 budget: 54% e-resources, 46% print resources • Breakdown 2016 buget: 51% e-resources, 49 print resources.

TRAINEESHIPS OFFICE

Relevant general objective 11: 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

Specific objective 5.2: To develop and deliver high quality and innovative information services to support Commission staff in evidence-based policy development and decision making process

Main outputs in 2017:

- *Adoption of a new legal base*
- *Revising selection process (pilot phase)*
- *Launch of alumni activities*

Other important outputs

Output	Indicator	Target for 2017	Achievement
Organisation of pre-selections for the traineeship (information, online module, organisation/supporting EC evaluators, communication with candidates, VBB)	<ul style="list-style-type: none">• number of evaluations• number of appeals	<ul style="list-style-type: none">• 40.000 evaluations per year• less than 100 appeals	<ul style="list-style-type: none">• 41645 evaluations were made• 3 appeals were filed
Events and trainings for trainees Guidance and support to trainees, advisors and coordinators	<ul style="list-style-type: none">• satisfaction of trainees	<ul style="list-style-type: none">• at least 90% of trainees satisfied	<ul style="list-style-type: none">• more than 90% of trainees were satisfied

2. ORGANISATIONAL MANAGEMENT AND INTERNAL CONTROL

2.1 Financial management and internal control

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

This 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.

Because of the nature of the targeted final beneficiaries who are mostly individuals, the implementation of the DG 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, and chaired by the Director of Resources. Key management indicators are reported to senior management in a consolidated manner 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 consistent with those achieved in prior years.

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.

2.1.1 Control results

This section reports and assesses the elements identified by management that support the assurance on the achievement of the internal control objectives⁸³. 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 payment appropriations executed by DG EAC⁸⁴:

Indicative only

Payments 2017	Direct	Entrusted	Proportion
EACEA	-	45.129.077	1,91%
EIT	-	303.566.373	12,87%
Erasmus+ handled by National Agencies	-	1.936.430.246	82,11%
LLP (2007-13) handled by National Agencies	-	25.091	0,00%
Youth in Action (2007-13) handled by National Agencies	<i>p.m.</i>	<i>p.m.</i>	0,00%
Creative Europe	7.722.114	-	0,33%
Former Culture and Media programmes (2007-13)	<i>p.m.</i>	<i>p.m.</i>	0,00%
Traineeships	7.581.922	-	0,32%
Library	2.488.714	-	0,11%
MSCA and H2020 & FP7	2.658.851	-	0,11%
Erasmus+ direct	34.823.624	-	1,48%
LLP and YiA (2007-13) direct	253.661	-	0,01%
Pilot projects	1.200.088	-	0,05%
Other	16.492.764	-	0,70%
Total (includes EFTA, R0, etc.)	73.221.737	2.285.150.787	2.358.372.523
	3%	97%	100,00%

The objectives, indicators and assessments in this section cover all significant expenditure and revenue, financial instruments or other significant⁸⁵ non-expenditure

⁸³ 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).

⁸⁴ Appropriations under direct management for Erasmus+ and Creative Europe implemented by EACEA and REA are delegated directly to the Directors of these Executive Agencies

⁸⁵ i.e. having a value of more than 10% compared to the total annual expenditure as per the AAR Annex 3

items⁸⁶, and the overall conclusion (table) demonstrates the completeness of the coverage by presenting the available main indicators per distinct control system.

Control objective	Result
Control effectiveness as regards legality and regularity	<p>Controls are effective as regards legality and regularity; supervisory controls are effective as regards entrusted bodies;</p> <p>Multiannual residual error rate for the implementation through NAs of 0.79% for the 2007-13 programmes, and an estimate of 1% or less for the 2014-20 Erasmus+ programme;</p>
Efficiency and Cost-effectiveness	Overall, the DG EAC Commission-level cost of control is estimated to be in the range 0,42%-1,16%. 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"> • Entrusted funds appropriately safeguarded; • Accounting and reporting is reliable; • Budget execution in line with targets.

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-annual⁸⁷ residual error rate does not exceed 2% in any management mode⁸⁸.

In order to **protect the financial interests of the Union**, DG EAC 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.

Table 2.

⁸⁶ 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.

⁸⁷ DG EAC assesses legality and regularity over each financial perspective, 2007-13 and 2014-date.

⁸⁸ 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. 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, although these amounts are not normally material in the context of the budget as a whole.

Supervision of 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") and the legacy of the predecessor programmes Lifelong Learning Programme and Youth in Action through the National Agencies. Appropriations managed account for 81% of executed payments in 2017. Contribution to NA management costs by the Commission totalled € 85 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 both periods.

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 to 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 57⁸⁹ National Agencies** (NAs), under the supervision of the National Authorities (NAUs) of the participating countries⁹⁰, as well as an Independent Audit Body⁹¹. 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)⁹². 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.

The structures in place to enable reporting under the Erasmus+ legal base are covered in the relevant Internal Control Template in Annex 5.

Building blocks

All individual management opinions for National Agencies are summarised yearly in overall management opinions by programme⁹³. The information was deemed reliable after additional information and clarifications were obtained in the context of the annual reports by National Authorities, received in the last quarter of the year.

The 2016 NA Management Declarations and NA reports confirmed in 2017 a **satisfactory level of quality** and relevance. 100% of all NA Declarations and Reports were received

⁸⁹ The Erasmus+ NAs are the same entities as for LLP or YiA for 57 agencies, with the LLP and YiA Delegation Agreements mainly in the closure process.

⁹⁰ 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.

⁹¹ 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.

⁹² See the Internal Control Template in Annex 5 for a detailed description of this management mode.

⁹³ The IT tool NA Lifecard facilitates follow-up all recommendations from the Management declarations and audit opinions.

by 17 March. For the 2016 reporting period 38 out of 57 NAs had submitted their yearly report by the legal deadline of 15/2/17 (23 for the 2015 exercise completed in 2016).

2017 was the third year Independent Audit Bodies were required to submit audit opinions. In line with last year, they have generally been adequate to support the assurance given, using the template provided by the Commission for the audit opinion, with no exceptions. DG EAC supervision focused on ensuring transparent information was given on sampling coverage and the nature of the work carried out.

As regards supervisory controls, DG EAC has conducted a number of financial ex-post audits and supervisory visits⁹⁴.

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 2016, which was received in 2017, is sufficient to draw full assurance conclusions, with some minor exceptions (see below).

Key control results for assurance on National Agencies

The key supervision and control results for assurance in 2017 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 2017, control results obtained in 2014-2017 and reported in 2017 are used to calculate the error rate.

The **residual error rate detected by National Agencies** obtained in 2016 and reported in 2017 implementing the Lifelong Learning programme in their (random) desk controls on actions funded from the programme launched in 2013 was 0,98% for LLP (compared to 0.99% obtained in 2015 and reported in 2016). On average, the multi-annual NA residual error rate for LLP for the controls carried out by NAs remains around 1%.

This error rate is based on a very large number of checks (9,174) whose reliability is checked during financial audits and supervisory visits.

For Erasmus+, data on primary checks is reported by NAs within the Epluslink reporting tool. On the basis of 5,636 closed checks, 745 resulted in modification of the grant amount, with an overall error rate indicated of less than 1%. DG EAC performed a data quality review in early 2017 of the primary checks, to ensure NAs properly review and encode the checks in the context of their Management Declarations on 2017. The errors recorded indicate that **the inherent and control risks for Erasmus+ are in line with the predecessor programmes**, with a corresponding overall low error rate in the context of the extensive use of lump sums, flat rates, and scales of unit costs.

Supervisory control results

As regards the **supervisory review** of the submissions made to DG EAC by the National Agencies and National Authorities, the indicator set on the number of National Authorities and National Agencies with at least one outstanding **critical or very important recommendation** showed overall an amelioration as compared to the previous reporting (end 2016) for three key control areas (being issues related to the Independent Audit

⁹⁴ In 2017 ten supervisory visits were carried out in nine countries (PL all fields, LU all fields, GR Youth, SK Youth, SB all fields, DK all fields, IT Youth, NO Youth, DE Youth, IT VET), at both National Authority and National Agency level. One National Agency covered all fields, another four covered only the Education and Training fields and four covered only the youth field.

Body, supervision activities by National Authorities and checks of grant beneficiaries). Compared to the situation of end 2016, at the end of 2017 there has been a decrease in the number of concerned NAUs/NAs (from 26 to 17) in the key control areas affected (remains at 5, being IAB related issues, monitoring and supervision activities by National Authorities, checks of grant beneficiaries, grant award procedures and management supervision). The decrease of open 'very important' recommendations is first of all the case in the field of IAB related issues (10 IABs). This can be explained by the fact that the new requirement put in place in 2016 for IABs to include the (low risk) EU contribution to management costs into the audit scope not always being performed in 2016 was always performed in 2017. Secondly, the decrease of open 'very important' observations is in the field of NA related various issues.

On the basis of a risk-based **supervisory visit** made in 2017 to an NA competent for all fields, one critical observation was issued and addressed to the National Agency. The issues were not yet solved at year end but the NA proposed already an acceptable remedial action plan.

In one case, an opinion of full assurance could not be given in 2017: Youth agency in France (partial assurance regarding YiA, representing 0.19% of multi-annual entrusted amounts). The Commission in cooperation with the NAU will ensure **reinforced monitoring on this Agency** in 2018 to ensure appropriate measures are taken to achieve full assurance.

All 57 remaining agencies (including Switzerland) are considered to have given reasonable assurance. **DG EAC's methodology for defining the materiality criteria**⁹⁵, 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 resources⁹⁶.

Assurance level	Number of NAs/NAU concerned	%Error attributed by methodology
NAs/NAUs with no assurance:	0	20%
NAs/NAUs with partial assurance:	1	5%
NAs/NAUs with reasonable assurance: combined multi-annual residual error rate detected in financial audits and primary controls by NAs	56	0.787%

In terms of the contribution to the residual error rate, 0,009% 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 perspective⁹⁷ and taking into account the impact of recoveries, the results show a modest 2011-2017 detected error rate of 0.13% (LLP: 0.06%; YiA: 0,72%). 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 LLP⁹⁸, the resulting combined multi-annual residual error rate observed from

⁹⁵ See Annex 4 on materiality criteria.
⁹⁶ 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.
⁹⁷ 74 audits over 2011-17 have covered all but 5 of the currently functioning NAs (these 5 have been subject to supervisory visits)
⁹⁸ 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.

controls and audits is 0.79% (0.75% in AAR 2016)⁹⁹. The coverage of the residual error rates observed by the financial (so-called ADEC) 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*)¹⁰⁰. 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 partial assurance for one agency (Youth, France).

For the LLP programme (2007-13) as a whole (including the amounts delegated to EACEA), sufficient data is available for the entire period to estimate the overall error rate at 1,39%, demonstrating reasonable assurance has been obtained on the underlying transactions. From AAR 2018 onwards, DG EAC will only report on Erasmus+.

Management's factual conclusion on the control results: This leads to an aggregate 2011-2017 residual error rate for the implementation through NAs of 0.79% (0.75% over 2011-2016). As this is below the 2% threshold, there is **no need to make a reservation for this management mode**.

⁹⁹ 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

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

w_X = budget weight of programme X in total budget

¹⁰⁰ 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.

Supervision of the Education Audiovisual and Culture Executive Agency (EACEA)

Governance

DG EAC is one of the parent DGs of EACEA since it entrusted the Agency with the management of parts of Erasmus+ and Creative Europe. As a consequence, DG EAC is part of the Steering Committee of the agency and has a supervision role over the agency.

This supervision role is framed by a certain number of legal documents and guidance (the Commission Delegation Act to EACEA, the Memorandum of Understanding between the DGs and the agency, the Commission Guidelines on Executive Agencies, etc.).

However, the parent DGs' supervision of the work of the Executive Agencies shall not blur the respective responsibilities and, in particular, it shall not result in duplication or overlap with the tasks of the agency.¹⁰¹

Control results

The executive director of EACEA has entered a new reservation in his Annual Activity Report concerning internal control weaknesses relating to the selection process of beneficiaries. This issue was highlighted in an IAS audit carried out in 2017 on the grant management in Erasmus+ and Creative Europe where one critical and eight very important issues were detected. The EACEA reservation and the IAS audit conclusions involve a reputational risk for the parent DGs of EACEA.

Extensive actions have been taken by DG EAC to ensure the weaknesses are effectively rectified by the Agency:

- Two Extraordinary meetings of the EACEA Steering Committee with participation of IAS and DG BUDG;
- Rapid revision of the Creative Europe work programme to deal with issues on retroactivity;
- DG-level meetings involving all parent DGs, SG, IAS and DG BUDG;
- Weekly Audit Management Team meetings and Head of Unit group with participation of IAS;
- EACEA Working Group on the update of grant procedures;
- Participation of parent DGs in training courses on selection in March;
- Examination of best practice in other Executive Agencies;
- Multiple technical meetings on legal and compliance matters with DG BUDG.

This has ensured a close follow-up of the critical issues and close supervision will be maintained throughout the current implementation of EACEA's action plan agreed with IAS.

Overall, DG EAC considers that its supervision of the Executive Agency, whose Authorising Officer receives delegation directly from the Commission, has been effective and sufficient in 2017. All the reports foreseen in the Memorandum of understanding between EACEA and its parent DGs were provided and enabled DG EAC to closely monitor the implementation of Erasmus+ and Creative Europe.

In the context of its own AAR, EACEA is expected to maintain its **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

¹⁰¹ Decision C(2014) 9109 of 2 December 2014 establishing guidelines for the establishment and operation of executive agencies financed by the general budget of the Union

flat rates. Initial data on error rates for Erasmus+ and Creative Europe are encouraging though insufficient in size to be representative.

The errors concerning the predecessor programmes relate mainly to 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) 2016, **EACEA maintained its reservation** on the management of the **(2007-2013)** Lifelong Learning Programme (LLP), Youth in Action and Culture programmes because of the occurrence of significant errors in the underlying transactions found through ex post controls by external auditors¹⁰². The multi-annual detected error rates is 4.52% of the LLP programme for 2011-2016 (4.39% over 2011-2015). 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%. 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, 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. 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 in Action 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 (€42 million including contributions from DG NEAR managed by DG EAC), the EA has justified its use and any unused appropriations have been recovered by the parent Directorate Generals.

On the budget lines for the EACEA subsidy, no specific difficulties were encountered and no weaknesses are to be reported.

In contrast, for the management of *operational* appropriations, EACEA has maintained a reservation on the LLP programme 2007-2013, Youth in Action 2007-13 and for the Culture programme 2007-2013 under its multi-annual calculation of the error rate.

Regarding the IAS audit, based on the above and based on the fact that the implementation of the action plan by EACEA's Director as AOD in response to the IAS audit shows that appropriate corrective actions have been taken with the parent DGs and therefore, **it is not necessary to make an additional reservation at parent DG level.** Indeed DG EAC considers that the supervision responsibilities were fulfilled and the reputational risk mitigated adequately.

¹⁰² See EACEA AAR based its own 2011-2016 error rates on the results of approximately 120 ex post audits per year.

Supervision of the Research Executive Agency (REA)

Control results

DG EAC is **one of the parent Directorate Generals** of the **Research Executive Agency (REA)**, which is responsible for implementing the major part of the Marie Skłodowska Curie Actions (MSCA), DG Research and Innovation being the lead parent DG for REA. The amount delegated to REA for MSCA (€ 839 million in 2017), represents 45% of REA's financial activity. In terms of AAR reporting, the MSCA, forming part of Horizon 2020, do not have a large number of closed transactions which are auditable, thus control results are not sufficient to provide a statistical sample; therefore the assurance given is related to the People programme under FP7, as well as the low error rates so far identified across Horizon 2020 testing by the Common Audit Service. No issues are noted regarding DG EAC's contribution to REA's operating costs, which has received a consistently positive opinion from the European Court of Auditors.

In its AAR 2017, **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 volume¹⁰³. The 1,73% estimated error rate (1,72% in AAR 2016) on projects audited ex post under the representative strand for the People Programme is estimated to have a budgetary impact¹⁰⁴ on EU funding granted of 1,55% (1,55% in 2016). 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 unit costs 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 researchers) remains relatively low. The Director of REA confirms that he has reasonable 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.

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.

No reservation is required on MSCA for 2017. As regards DG EAC's specific participation, REA's 2017 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 flat rates and unit costs making errors less likely. Due to the similarities in the control framework of the H2020 MSCA programme, no reservation is necessary in this case for the 2014-20 period. For this AAR of DG EAC, no financial or reputational reservation is required.

¹⁰³ See REA's AAR.

¹⁰⁴ 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 a budgetary impact on the (multi-annual) project because the eligible costs and financial contribution are normally corrected at the final payment stage.

Supervision of the European Investment Fund

Governance

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. The scheme became operational in June 2015. Administrative and incentive fees have been paid to the EIF during 2017 concerning the signature of guarantee agreements with financial intermediaries. 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 guarantee 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. 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 2017. No issues were noted as a result of the procedures carried out. No issues were identified during 2017.

EIF (accompanied by DG EAC) has carried out a first Monitoring Visit on the Spanish Financial Intermediary, as well as one in France. The monitoring visit provided reasonable assurance on the professional implementation by the intermediary, as well as on sound monitoring by EIF.

<p>Due to the currently low financial exposure, DG EAC does not consider there is any significant assurance risk for EIF attached to the administrative and incentive fees paid during 2017 or arising from its supervisory activities as member of the Steering Committee and designated service for the instrument during the year.</p>
--

Supervision of the European Institute for Innovation and Technology

The executed payments made by DG EAC to the EIT in 2017 represent 13% of the total, or €304 million, of which €6.4 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

The EIT is responsible for the primary and secondary controls on KICs activity. The EIT's primary controls consist of administrative checks which are augmented by audit certification on the major items of expenditure in accordance with the Horizon 2020 methodology. Secondary controls are assured by *ex post* audits after payment on a representative and risk basis.

In addition to these building blocks, the 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 2011-17, the Commission supervised the EIT under partial financial autonomy. DG EAC 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.

DG EAC has finalised its assessment of the EIT's state of readiness during 2017 and has granted full financial autonomy as of 1st of January 2018.

External to the EIT, the IAS is its internal auditor as defined in the framework financial regulation¹⁰⁵. 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

The procedure for the selection of a new EIT Director is expected to be finalised in 2018.

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 *ex post* audits showed a detected and residual error rate below 2% (1.18%, residual 0.98%)¹⁰⁶, with no reservation being necessary in EIT's 2016 AAR. The Declaration of Assurance given by the European Court of Auditors for 2016 indicates that the EIT's accounts were true and fair and that the underlying transactions

¹⁰⁵ OJ L 328, 7.12.2013, p. 42-68

¹⁰⁶ https://eit.europa.eu/sites/default/files/eit_gb_decision_15_2017_-_consolidated_annual_activity_report_2016.pdf

were legal and regular with no qualifications.

Nevertheless, and without qualifying their opinion, the Court refers to significant shortcomings detected in the procurement processes of two KIC Legal Entities (EIT InnoEnergy and EIT Climate-KIC). The EIT agrees that the procurement processes of the two KIC Legal Entities had weaknesses in the audited year (2015 grants). However, the EIT recognised this issue and now carries out monitoring activity on the procurement procedures of Innovation Communities and corrective actions are under implementation.

Moreover, the Court points out that, despite the increase in the budget from € 309 million (2008-2013) to € 2.4 billion (2014-2020) and in the number of KICs from three to six at the end of 2016, the EIT's authorised number of posts did not change significantly (60 FTE in 2014, 63 FTE in 2016). This may give rise to a risk that the Institute will not have sufficient capacity to deal with the expanded workload.

Post closure event

On 18 January, the General Court of the European Union annulled the decision of the European Institute of Innovation and Technology Governing Board of December 9th 2014 to designate the Knowledge and Innovation Community on Innovation for healthy living and active ageing (EIT Health) and to reject the proposal submitted by the Kenup consortium.

In order to implement the judgement, the European Institute of Innovation and Technology held an extraordinary Governing Board meeting on 2 March 2018 to partially re-perform the selection procedure.

The EIT Governing Board re-evaluated the proposal assessments by the independent experts, agreed on the list of the three best proposals to go to the second stage (hearings) of the selection procedure, and re-evaluated also the outcomes of the previous hearings as the basis for a new selection decision.

After careful examination of the experts' work and having discussed in detail the merits and weaknesses of all proposals, the Governing Board confirmed the ranking of the proposals by the independent external experts and decided to designate the same proposal as before, InnoLife – Better, longer lives.

The European Institute of Innovation and Technology has informed all applicants. The decision shall enter into force with retroactive effect from 9 December 2014. At time of publication, and following the advice of the Commission Legal Service, DG EAC has advised the EIT against appealing the Court's decision.

The judgment of the General Court on Case T-76/15 (KENUP vs EIT) issued on 18 January 2018 is a matter of potential impact and a potential reputational risk for the EIT. The EIT has consequently taken measures to implement the Court judgement. DG EAC has closely followed up this implementation via its position as observer on the Governing Board of EIT, which is composed of high-level members experienced in higher education, research, innovation and business. It is responsible for steering the activities of the EIT, for the selection, designation and evaluation of the KICs, and for all other strategic decisions.

DG EAC will continue to monitor the results of these mitigating actions during 2018, and the EIT has correspondingly adapted its evaluation and selection procedures for the 2018 KIC calls to prevent a recurrence of the issue.

Therefore, **it is not necessary to make a reservation at DG EAC level.** Indeed DG EAC considers that its supervision responsibilities were fulfilled and the reputational risk mitigated adequately.

Direct management

Governance

DG EAC has a small remaining amount of direct expenditure (3% of executed payments during 2017) which is managed directly via centralised financial circuit, except for the Library and e-Resources Centre.

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 1,5% of executed payments) are carried out by an external audit firm and based on a random and risk selection methods across all such transactions of the DG, which provides a sound and conservative basis for applying the results of the controls to the full sub-population. In addition to ex-post grant audits, additional ex post controls are being carried out for (immaterial) additional categories of transactions such as expenditure under procurement contracts and corporate services (Traineeship Office, Library and e-Resources Centre).

Control results

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

The multi-annual residual error rate **for DG EAC's direct management by the DG is 0.83% over 2011-2017** (0,88% over 2011-2016), which is below the 2% threshold. For the reasons above, it is considered that **DG EAC has reasonable assurance on direct management for 2017**.

Amount at risk at closure

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 at payment¹⁰⁷ for the 2017 payments made is 14,65 M€. This is the AOD's best, conservative estimation of the amount of relevant expenditure¹⁰⁸ during the year (1.465 M€) not in conformity with the applicable contractual and regulatory provisions at the time the payment is made. The weighted average error of 1% is a conservative estimate consistent with the confidence interval in measuring the error, in order to ensure a sufficiently conservative and straightforward calculation.

This expenditure will be subsequently subject to ex-post controls and a sizeable proportion of the underlying error will be detected and corrected in successive years. The conservatively estimated future corrections for those 2017 payments made are 0,2 M€. This is the amount of errors that the DG conservatively estimates to identify and correct from controls that it will implement in successive years.

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. In an environment where errors are low and evenly distributed, large errors are rare, so corrections have a low impact on reducing the amount at risk.

The difference between those two amounts leads to the estimated overall amount at risk at closure of 14,45 M€.

¹⁰⁷ In order to calculate the weighted average error rate (AER) for the total *relevant expenditure* in the reporting year, the *detected*, estimated or other equivalent error rates have been used.

¹⁰⁸ "*relevant expenditure*" during the year = payments made, minus new pre-financing paid out, plus previous pre-financing cleared.

Table - Estimated overall amount at risk at closure

DG EAC	"payments made" (FY; m€)	<i>minus</i> new prefinancing [<i>plus</i> retentions made] (in FY; m€)	<i>plus</i> cleared ^c prefinancing [<i>minus</i> retentions (partially) released ^b and deductions of expenditure made by MS] (in FY; m€)	= "relevant expenditure" (for the FY; m€)	Average Error Rate (<i>weighted AER</i> ; %)	estimated overall amount at risk <i>at payment</i> (FY; m€)	Average Recoveries and Corrections (<i>adjusted ARC</i> ; %)	estimated future corrections [and deductions] (for FY; m€)	estimated overall amount at risk at closure (m€)
-1	-2	-3	-4	-5	-6	-7	-8	-9	-10
EAC	2.358	2.305	1.411	1.465	1%	14,65	0	0,2	14,45
Overall, total	2.358	2.305	1.411	1.465	1%	14,65	-	0,2	14,45

Most transactions under Delegation Agreements (DA) with NAs have a cycle of 3-4 years (the DA for year N is finalised in N+4). Only management cost and networks, which have an annual cycle, are cleared in a shorter cycle; they are paid in year N and cleared based on the yearly report received in year N+1. The NA pre-financings (the majority of PF paid by DG EAC) are mainly for 3 year projects; each DA foresees a 1st and 2nd / 3rd pre-financing. Partial clearings are performed each year for reports which are not finalised based on the realised amount declared by the NA in the yearly reports; the clearings are done after the evaluation of the operational units of the yearly reports. In a context where the budget is progressively increasing, there is a persistent difference between opened PF and clearings.

2017 Cost-effectiveness and efficiency calculation

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.

Efficiency by ICT

For direct management (grants, procurement, Library, Traineeships), for 2017 all financial indicators have remained satisfactory, i.e. below target ceilings. For instance, the average payment time for the whole DG (10 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 (3% in 2017).

For executive agencies, efficiency indicators are monitored and reported on in their AARs.

For NAs, payment times are supervised and followed-up in the context of overall monitoring of the Erasmus+ dashboard, and included in the conclusion letters and recommendations sent to NAs as part of the annual reporting cycle.

For EIF and EIT, with a small number of transactions at the level of DG EAC, no issues related to efficiency have been identified.

Cost effectiveness

Regarding cost effectiveness, DG Education and Culture has made an 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 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 framework in order to provide 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.**

DG EAC's estimate is that the cost of controls in total regarding its overall activities is between **a minimum of 0,42% (2016 - 0,51%)** (based on FTEs who performed "checks") **and a maximum of 1,16% (2016 - 1,09 %)** (based on FTEs who performed "controls" in a broad sense).

For information, when also taking into account "primary level of controls performed by its entrusted entities"¹⁰⁹, the estimation of their cost of controls based on their operating grant regarding their overall activities is between a minimum of 1,13% (2016 - 0,95%) (for "checks" based approach) and a maximum of 4,92% (2016 - 4,77%) (for broader

¹⁰⁹ Mainly NAs and EIT

"controls" approach). Consequently when adding the two layers of controls, the global cost of control is between a minimum of 1,30% (2016 - 1,40%) and 4,98% (2016 - 4,97%) of the budget managed (EAs budget excluded).

EUR million	Maximum ("Broad chain of Controls") *	Minimum ("Checks")
Amount** managed by DG EAC	2.410	2.410
Amount** managed by entrusted entities only	1.867	1.867
Of which cost of controls at entrusted entity level as a percentage of amount managed by entrusted entities only except EAs (%)	4,92%	1,13%
Total cost of controls %***	4,98%	1,30%
Of which cost of controls at Commission level (%)	1,16%	0,42%
Commission cost of controls	28	10

* 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

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 € 3.9 bn (ie including operational budget executed by EACEA and REA), DG EAC's 'own' budget is €2.4 bn in 2017.

Cost of controls by ICT

Direct management: DG EAC implements a small amount of grants and procurement, as well as Library and Traineeships, via dedicated financial circuits and information management systems at the *ex ante* level as required by the Financial Regulation. The *ex post* audits (cost < €100k per year), selected on a risk and random basis, are cost effective in comparison to the amounts which have been recovered or corrected over the long term.

Indirect management at National Agencies (NAs): DG EAC's budget is largely entrusted to National Agencies (83%). 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 38 FTEs or €5,4m in 2017. These costs, together with the management costs paid to the NAs, which are in addition capped in the programme legal base, are considered appropriate given the size of the budget and the supervisory processes required by the indirect management mode (yearly declarations, independent audit body, etc.)**

DG EAC's supervisory controls on executive agencies, the EIF and the EIT
EAC_aar_2017_final

represent approximately 5,7 FTEs or €0.815m. 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. The subsidies paid to executive agencies are set via a Cost Benefit analysis performed in 2013 covering the entire period 2014-20, and revised by the Commission to ensure overall cost effectiveness. They are covered in detail in EACEA and REA's AARs. For EIT, the personnel and administrative costs represent less than 3% of the budget managed. For EIF, the costs are calibrated in accordance with the performance of the instrument, in line with the Financial and Administrative Framework Agreement (FAFA). These different calculation methods all effectively limit the overall costs of running and supervising entrusted entities.

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 (€0,4m in 2017, €0.3m in 2016). For quantifiable benefits, 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, based on published research, 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.

Regarding the possibility foreseen in Financial Regulation art 66.2 to differentiate the frequency and/or the intensity of the DG's controls in view of the different risk-profiles among its current and future transactions, the current control framework is based on a single audit approach. The controls of entrusted bodies incorporate appropriate adaptation of in proportion to the associated risks while enabling an overall representative assessment of assurance on an annual basis.

Overall, the DG EAC Commission-level <u>cost of control for 2017 at 0,42%-1,16% of the budget managed</u> (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. These cases are mainly followed up at national level where the National Agencies have direct access to means of legal redress and referral of fraud cases. In 2017, none of them has required specific 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. €0,003m (i.e. < €1m) of financial prejudice to the EU budget resulting from fraud was established in final OLAF case reports concerning DG EAC received during 2017. One case was referred to OLAF and none to IDOC during 2017 by DG EAC, but a number of cases were followed up during the year directly with National Agencies and National Authorities.

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 was updated in November 2017¹¹⁰, to further emphasise data analysis to identify potential risk areas.

DG EAC has continued awareness raising activities mainly covering indirect management. Fraud was included as a topic in the NA seminar carried out in September 2017. Creation of a combined database of Erasmus+ transactions in direct and indirect management has enhanced the capability to monitor a beneficiary's entire activity across the programme.

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 measures. DG EAC maintains close cooperation with OLAF and follows the small number of ongoing cases closely.

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

For 2017, 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 also manages non-Euro currency where 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 of the fiduciary (and subaccounts) in the context of a negative interest rate environment, while ensuring the necessary liquidity for the instrument.

Pre-financing is also managed and controlled mainly in the context of Delegation Agreements with National Agencies. No issues have been identified as regard the assurance on safeguarding of assets.

¹¹⁰ Ares(2017)5993030

Accounting controls

In the context of the accounts quality exercise, DG EAC has established a work programme for accounting controls in 2017, based on the risk assessment carried out at the beginning of the year. This work programme, which contributes to the quality of the final financial data, includes regular controls to verify the correctness and completeness of the accounting registrations in the DG.

The controls carried out in 2017 do not show significant or systematic errors, which confirm the accuracy of the central financial cell.

High level of turnover of financial staff has been addressed by requesting more support from DG BUDG, specific investment in the documentation of year-end controls and reallocation of some controls to colleagues from the financial cell. In 2018, this situation will be improved by the recruitment of a more experienced financial and accounting officer and the optimisation of the processes for the controls.

Budget execution

The total available budget including all types of appropriations in DG EAC's "domain" (including amounts implemented by Executive agencies) amounted to EUR 4.153 billion in (CA) and EUR 4.112 billion in payment appropriations (PA). Overall execution (all appropriations) end of December reached 94% in commitments (96% in 2016) and 90% in payments (91% in 2016).

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

Commitments appropriations: the operational credits show a 100% execution rate on every budgetary chapter. As regard the administrative expenditures, the execution rate reached also 100%.

Payment appropriations: The overall execution rate reached 99.6% of available appropriations. The operational credits have been fully executed. The overall execution rate for administrative expenditures reached 83% which was perfectly in line with the overall forecast (82%). However, four administrative budget lines with a small budget did not reach their consumption target.

Cross-sub-delegations

Crossed-subdelegations received represent €3.790 million in CA and €3.452 million in PA. The total executed CA represents 88% and 98% in PA. Crossed-subdelegations given represent €2.804 million in CA (excluding outstanding commitments RAL) and €3.367 million in PA. The total executed CA represents 100% and 91% in PA. The Authorising Officers by Delegation of other DGs have all submitted their reports on the 2017 activities as foreseen in cases of crossed sub-delegation.

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

2.1.2 Audit observations and recommendations

DG EAC had no open critical or very important recommendations from the IAS/ECA in 2017.

While in January 2017, there were 9 **outstanding IAS recommendations**, 5 open and 4 ready for review; **by end 2017, the number was reduced to 6.**

3 were open and 3 ready for review at IAS level, all rated 'Important', in relation to the "Performance management systems in DG EAC, including the contributions of Executive agencies and National agencies to the achievement of policy objectives", the "Audit on the effectiveness and efficiency of the Erasmus+ Control Strategy in the Education, Audio-visual and Culture Executive Agency (EACEA) and in National Agencies" and to the "Performance Audit of National Agencies".

Opinion of the Internal Auditor/ IAS Audits

The Internal Audit Service has concluded for DG EAC that in 2017 "the internal control systems audited are effective"¹¹¹.

One IAS consultancy on DG EAC's process and methodology to granting full financial autonomy to the EIT was performed by the IAS in 2017, to add value to the ongoing readiness assessment performed by DG EAC on EIT, in order to reach the decision to grant the Institute the full financial autonomy. The IAS advice was fully taken on board for the finalisation of the assessment that underlies the final decision of DG EAC's Management to grant the full financial autonomy to the EIT as of first of January 2018.

IAS follow-up of audit reports

A performance audit was completed by the IAS in December 2016: "Performance management systems in DG EAC, including the contributions of Executive agencies and National agencies to the achievement of policy objectives" resulted in 3 important recommendations, one ready for review at IAS level in relation to the exchange of best practices between the working groups and two more foreseen to be implemented by DG EAC in 2018, in relation to:

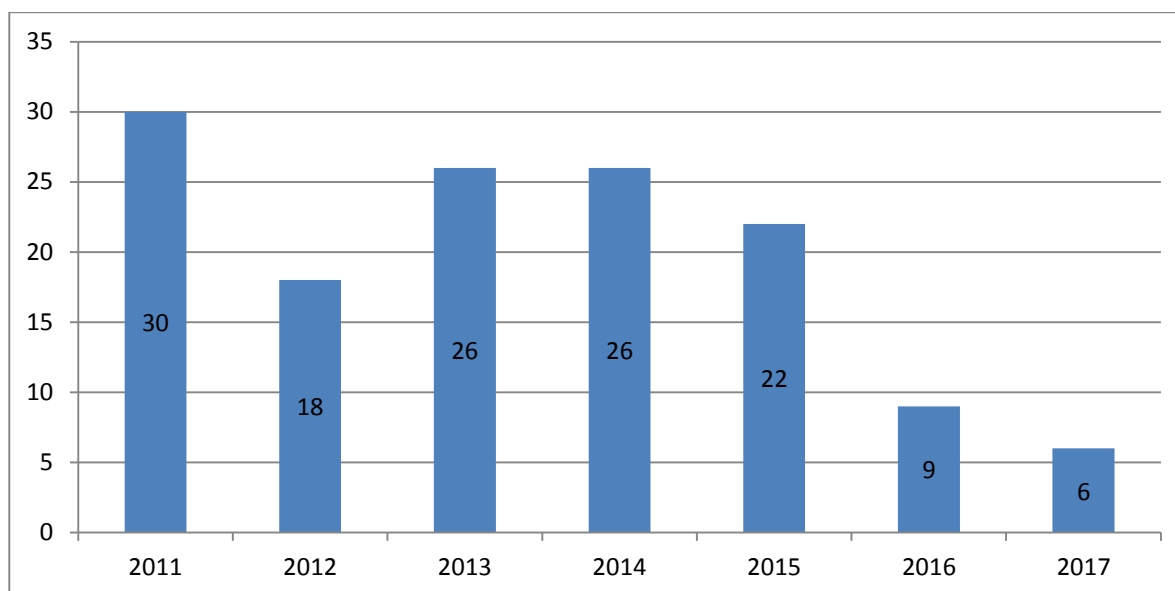
- the monitoring and reporting on policy making and programmes' implementation;
- internal performance and allocation of resources by action/output, in particular for policy actions.

The 2015 audit on Erasmus+ Control Strategy in EACEA and National Agencies resulted in two important recommendations, one related to guidelines for the National Agencies (now closed) and the other related to the controls performed ex-ante and during programme's implementation (now ready for review by IAS).

The implementation of one remaining recommendation from the 2013 performance audit of National Agencies (LLP and Youth in Action) is on track and is ready for review at IAS level, as the Erasmus+ Mid-Term evaluation has been finalised and published end January 2018.

Discharge ¹¹¹ Note Ares(2018)824479

OPEN IAS RECOMMENDATIONS FOR DG EAC*



(*) the 2015-2017 figures also cover the IAS recommendations closed at DG EAC level, for which the implementation status had yet to be analysed by IAS; for end 2017, there were 6 open recommendations end of the year, including 3 closed at DG EAC's level and 3 under revision by the IAS

European Court of Auditors' findings and recommendations

For its 2016 **Declaration of Assurance (DAS)** the Court observed a decrease in errors in the area of Competitiveness for growth and jobs (Chapter 5 of the Court's Annual Report) from the previous year, which also includes the education and culture policy area.

For 2016, the **estimated level of error** communicated by the Court **for Chapter 5 has decreased from 4.4% to 4.1%**. This error rate is not broken down by policy area so there is no "DG EAC" rate from the ECA. There were no specific errors or references for EAC in this Chapter.¹¹²

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 is addressed by DG EAC in the context of its supervision strategy.

There were no special reports issued in 2017 by the Court for DG EAC as main DG.

The Court started at the end of 2016 the field work on a special report on Erasmus+, focused on key action one (KA1) "Learning mobility", which is ongoing. The fact-clearing letter has been sent end December 2017. DG EAC is expected to send its comments by early February, followed by the draft and final report in 2018.

Another ongoing ECA performance audit is related to the Commission's contribution to addressing radicalisation to terrorism, mainly addressed to DG JUST and DG EAC as an associated DG. The final report has not yet been issued by the Court of Auditors as at January 2018.

DG EAC's performance is in line with its peer Directorate Generals in the policy group, with no major evidence of systematic weakness on the basis of the findings of the Court.

¹¹² Only one reference is made to the EIT and the fact that is not currently participating in the Common Support Centre (CSC).

Discharge authority recommendations

Following the European Parliament resolutions on 2015 discharge, DG EAC was in the lead for the implementation of 4 recommendations:

2016/AUD/0027, issued following the Court's Special Report Nr. 04/2016 "The European Institute of Innovation and Technology must modify its delivery mechanisms and elements of its design to achieve the expected impact".

In the first recommendation, the Commission is invited to propose an amended EIT legal basis to the European Parliament and Council.

The Target implementation date is set as soon as possible after the 2017 evaluation. The proposal was submitted to European Commission in February 2017. The Amendment is foreseen to be concluded in 2018.

Two other recommendations relate also to the EIT Special Report 4/2016 issued by the Court of Auditors: **2015/PAR/0539** (2015 EP - Provide the Parliament with a follow-up report on the implementation and monitoring of and actions taken regarding the Court's recommendations) and **2015/COU/0294** (2015 Council - SR 4/2016 - Report to the Council on the actions taken by mid-2017 in addressing the Court's recommendations). More details on the state of play of the implementation for the recommendations from the special report 4/2016 can be found later in this Chapter about the EIT. DG EAC is constantly updating in the RAD system the status of recommendations, where the Parliament, Council and ECA have also access.

An additional recommendation by the Parliament **2015/PAR/0538** requests to ensure a coordinated and efficient innovation policy at Commission level and is ongoing. The Commission has introduced with H2020 a coherent system supporting innovation in Europe. Notably, the EIT has been integrated in H2020 starting from 2014. The Commission is basing its innovation policy on evidence instruments such as: Innovation Union Scoreboard, the Regional Innovation Scoreboard and the Innobarometer, with financial support coming from the Horizon 2020 Programme and other instruments. In order to coordinate innovation policy, the Commission has set up the Research and Innovation Directors-General Group, which has been in operation since the start of Horizon 2020 in 2014. DG EAC actively participates in this Group and all related fora and contributes to a more coherent EU innovation policy coordination.

European Institute of Innovation and Technology (EIT)'s discharge

In relation to the Court's annual report opinion on the EIT for the **discharge 2016** exercise, still ongoing at the time of this report. The ECA issued an unqualified audit opinion on the EIT's 2016 accounts on the basis that all the transactions underlying the annual accounts are legal and regular 'in all material respects'.

Internal Audit Service (IAS) activity related to the EIT

There were two IAS audits for EIT with a total of 7 open recommendations end 2017.

IAS carried out an audit in April 2016 on "**Transition to Horizon 2020**". The audit covered the legal transition to the Horizon 2020 rules and regulations as well as the Start-up Grants provided to the two second-wave KICs. The final report was issued in December 2016. The IAS acknowledged that

- the EIT has successfully adapted its processes to the rules of Horizon 2020, and in particular the Rules for Participation,
- b) the EIT's controls over the start-up process have been generally effective in supporting the new KICs in fulfilling the requirements for "legal and operational readiness",

The IAS concludes that urgent action is needed to secure a robust application of the H2020 legislative framework and further improve the start-up process of new KICs.

The IAS has made three recommendations (two very important and one important) in order to:

- effectively and efficiently respond to legal and technical issues raised by the KICs in the context of grant management under H2020, the EIT needs to significantly develop and implement a comprehensive Knowledge Management system.
- fulfil its strategic objectives, EIT needs to strengthen its controls over the changes in the KIC's partners' portfolio and their impact on the partnership's structure (knowledge triangle) during the start-up process and before signing the Framework Partnership Agreement (FPA).
- Improve the clarity of the start-up milestones.

These 3 recommendations remained open end 2017.

The IAS finalised the audit on "**Monitoring of Grant Agreements**" end November 2017 and there are 4 open recommendations. They relate to:

- The EIT should complement and document its review of the KICs' good governance principles
- Purpose and approach for monitoring
- Methodology and quality assurance of monitoring activities
- Follow-up of recommendations stemming from monitoring activities

The EIT has prepared an action plan for the implementation of these recommendations, accepted by the IAS.

All actions stemming from past audits have been reported as "ready for review" by EIT in 2017 and there are no overdue actions.

DG EAC therefore considers **it has sufficient assurance for EIT at the supervisory level with regard to 2017**, but will continue to follow up the implementation of all outstanding matters following the granting of the full financial autonomy as of 1st of January 2018.

The Internal Audit Capability (**IAC**) of the EIT finalised the following reports in 2017: Consultancy on the Entry and Exit of KICs Partners and Validation of ABAC Access Rights. Management accepted all recommendations and the actions plans have been issued end February 2018.

ECA Special Report 4/2016 on the EIT

The European Court of Auditors' special report entitled "The European Institute of Innovation and Technology must modify its delivery mechanisms and elements of its design to achieve the expected impact" was published in 2016. The EIT has fully implemented all of the actions stemming from the recommendations of this report. The only open recommendation is the one addressed to the European Commission, in relation to the:

- Amendment of the EIT Regulation removing the 25% funding condition: The EIT Governing Board agreed on main changes in September 2016, proposal was submitted to European Commission in February 2017. The Amendment is foreseen to be concluded in 2018.
- Multi-annual Grant Agreements: Following a detailed legal and technical analysis, involving the Commission (DG EAC and DG Budget), the EIT and KICs decided jointly that introduction is not feasible in 2018 due to major constraints; however a pilot for 2019-2020 will be further explored. „True" multi-annual grant agreements could be introduced as from 2021 if the EU Multi-Annual Financial Framework is set

up in a way that EIT receives commitment appropriations accordingly (i.e. rather than receiving annual allocations, one bigger allocation every two or three years).

DG EAC has granted the EIT the full financial autonomy as of 1st of January 2018.

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, Youth, Sport and Culture considers that the recommendations issued do not raise any material assurance implications** and are being implemented as part of the on-going continuous efforts in terms of further improvements.

2.1.3 Assessment of the effectiveness of the internal control systems

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

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.

The Internal Control Framework has been renewed in 2017¹¹³. As of the second half of 2017, DG EAC has **progressively updated its internal control framework**. Existing control measures have been mapped under the new Internal Control Principles and when necessary new requirements have been identified - in consultation with DG EAC's units responsible for implementation and monitoring of internal control - to reinforce DG EAC's internal control functioning under the new Framework. Taking into account DG EAC's specificities and risks, DG EAC's internal control monitoring criteria for 2018 have been established and validated by senior management and the Director-General, and presented to the Commissioner, in view of inclusion in the Management Plan 2018.

As required by this new framework, the **Director in charge of risk management and internal control** (formerly the Internal Control Coordinator) has been assigned by the Director General of DG EAC. In 2018, further specific actions will be taken in view of supporting the Director of Risk Management and Internal Control in its new function of ensuring the completeness, reliability and robustness of AAR part I policy achievements reporting.

In DG EAC, **management assesses on a continuous** basis the effectiveness of the internal control systems, in order to determine whether they work as intended and ensuring that any control weaknesses in the system are detected, analysed and considered for improvement. A detailed Internal Control Action plan is validated each year and is monitored by the Internal Control Coordinator on a permanent basis. Also audit recommendations are monitored on a continuous basis. 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 2017, two risk assessment exercises were performed. Exceptions and non-compliances are continuously monitored and reported upon. When necessary, measures are taken to reinforce internal control functioning.

In addition, DG EAC's management performs regular assessments to ascertain whether the internal control systems and their components are present and functioning. The purpose of these management assessments is to provide reasonable assurance that the internal control standards, and as of 2018 internal control principles, adopted by the Commission are implemented and functioning in DG EAC, and that any deficiencies are communicated and corrected in a timely manner, with serious matters reported as appropriate. As regards internal control functioning in 2017, DG EAC has performed two internal control assessments, i.e in view of the mid-term reporting to the Commissioner and the Annual Activity Report 2017.

Assessment process

The 2017 internal control annual assessment in DG EAC is being conducted on the basis of the new framework following, but not limited to the methodology established in the

¹¹³ C(2017)2373 final, 19.4.2017

"Implementation Guide of the Internal Control Framework of the Commission". It is based on two pillars of activity:(1) interviews in view of assessing state of play of Internal control functioning in DG EAC under the revised IC framework, (2) desk review including: AOSD reports and the assurance provided therein; Status of ECA and IAS audit reports, outstanding recommendations; Register of exceptions and non-compliances; Internal Control action plan 2017, DG EAC 's risk assessment.

The DG placed emphasis in 2017 on **ICS 5 and 12 which address the key risks identified for 2017 in the context of the Management Plan 2017**, taking additional measures to reinforce the assurance provided:

Objectives and indicators (ICS 5) - Performance management – support director in charge of Risk Management and Internal Control

The DG now has a comprehensive range of performance monitoring tools based on Business Objects and Qlikview which enable detailed and consolidated presentations of programme implementation, covering both direct and indirect management. Work is continuing on developing indicators of performance as well as cost effectiveness, with the assistance of an external consultant. This has enabled detailed reporting in the context of, e.g. the 2016 Erasmus+ annual report¹¹⁴. Work in this area will continue during 2018.

Information and Communication (ICS 12)

DG EAC effectively mobilised its stakeholder network to ensure a successful promotion of Erasmus+ 'Success Stories' through the use of factsheets and videos on social media, EAC's newsletter, websites and during events. The number of users on the Dissemination platform hence rose exponentially.

In the context of the corporate digital transformation initiative and the Erasmus+ 30 years' campaign, the new Erasmus+ Mobile App was launched in June 2017. DG EAC also revamped the Erasmus+ website to better meet the users' expectations and needs. With more than 2.3 million visits, it is one of the most visited websites of the Commission. The digital version of the Erasmus+ Programme Guide was published for the first time simultaneously in all EU languages.

Internally DG EAC ensured high prominence for its activities and effective relationship building with other DGs in the context of planning the next MFF.

DG EAC has assessed its internal control system during the reporting year and can conclude that it is effective and that the components and principles are present and functioning as intended, with further possible improvements to be addressed in 2018. Taking into account the internal control state of play 2017 on the basis of the internal control principles (ICP), audit recommendations and risks identified for 2018, **DG EAC will place particular emphasis on the following principles during 2018:**

- Principle 12: The Commission deploys control activities through corporate policies that establish what is expected and in procedures that put policies into action
- Principle 13: The Commission obtains or generates and uses relevant quality information to support the functioning of internal control (as regards information quality meaning data quality and data governance in DG EAC)
- Principle 16: The Commission selects, develops, and performs ongoing and/or separate assessments to ascertain whether the components of internal control are present and functioning

¹¹⁴ https://ec.europa.eu/programmes/erasmus-plus/resources/documents/erasmus-annual-report-2016_en

- Principle 17: The Commission assesses and communicates internal control deficiencies in a timely manner to those parties responsible for taking corrective action, including senior management and the College of Commissioners, as appropriate

The following **key actions** will be proposed to further reinforce the internal control functioning in DG EAC in 2018:

- The implementation of the **performance management and reporting framework (ICP 6)**, including the establishment of data governance and data management controls (ICP 13) will be prioritised in support of the director in charge of risk management and internal control to ensure effective (Internal Control Principle (ICP) 2) preparation of the Annual Activity Report, and the completeness and reliability of management reporting.
- DG EAC will further focus on **enhancing organisational performance** with the arrival of the new DG in view of streamlining and formally establishing **DG EAC Governance** (ICP 3). An assessment whether existing governance structures assure decision-making at an optimal level should take place. This will be closely monitored in 2018 in view of implementing DG EAC internal control monitoring criteria for 2018. There is a further need for further clarification of **roles and responsibilities**. The revised Memorandum of Understanding (MoU) with the EIT will be finalised during 2018.
- There is a need to review, where necessary, DG EAC's **control procedures** (ICP 12) that ensure achievement of objectives, or reassess them to ensure they remain relevant and well documented.
- To enable high quality performance monitoring and reporting in DG EAC which is required in the context of Budget Focused on Results, it is necessary to increase awareness of the importance of **appropriate data quality and management** and initiate procedural documentation (ICP 13). Data quality checks are already ongoing as regards E+ link and NA primary checks.
- Besides implementing the annual internal control assessment exercise according to the new methodology under the revised framework, DG EAC will reinforce **'continuous' monitoring of internal control** through **more centralised, efficient and effective tool(s)** and in this way to reinforce assessment and communication on internal control weaknesses and potential deficiencies (ICP 12, 16, 17) within the DG, raising awareness and providing training (ICP 4) when necessary.

Most of the above key actions are also part of DG EAC's internal control monitoring criteria defined for 2018 which will be implemented and reported upon in the AAR 2018. DG EAC will also further monitor the establishment and implementation of its agencies' internal control monitoring criteria. For EACEA's monitoring criteria, DG EAC will in particular take into account the IAS audit at EACEA on the grant management process (from call to contract) showing critical and very important recommendations, and on HR management with very important recommendations, as well as revising the MoU with the EIT.

2.1.4 Conclusions as regards assurance

This section reviews the assessment of the elements reported above (in Sections 2.1.1, 2.1.2 and 2.1.3) 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 executive director of EACEA has entered a new reservation in his Annual Activity Report concerning internal control weaknesses relating to the selection process of beneficiaries. This issue was highlighted in an IAS audit carried out in 2017 on the grant management in Erasmus+ and Creative Europe where one critical and eight very important issues were detected. The EACEA reservation and the IAS audit conclusions involve a certain reputational risk for the parent DGs of EACEA.

DG EAC is the lead parent DGs of EACEA since it entrusted the agency with the management of parts of Erasmus+ and Creative Europe. As a consequence, DG EAC is part of the Steering Committee of the Agency and has a supervision role. This supervision role is framed by a legal documents and guidance (the Commission Delegation act to EACEA, the Memorandum of Understanding between the DGs and the agency, the Commission Guidelines on Executive Agencies, etc.). However, the parent DGs' supervision of the work of the executive agencies shall not blur the respective responsibilities and, in particular, it shall not result in duplication or overlap with the tasks of the agency¹¹⁵.

Extensive actions have been taken by all to ensure the weaknesses are effectively rectified:

- Two Extraordinary meetings of the EACEA Steering Committee with participation of IAS and DG BUDG;
- Rapid revision of the Creative Europe work programme to deal with issues on retroactivity;
- DG-level meetings involving all parent DGs, SG, IAS and DG BUDG;
- Weekly Audit Management Team meetings and Head of Unit group with participation of IAS;
- EACEA Working Group on the update of grant procedures;
- Participation of parent DGs in training courses on selection in March;
- Examination of best practice in other Executive Agencies;
- Multiple technical meetings on legal and compliance matters with DG BUDG.

This has ensured a close follow-up of the critical issues and close supervision will be maintained throughout the current implementation of EACEA's action plan agreed with IAS.

Overall, DG EAC considers that its supervision of the executive agency, which is authorising officer receiving delegation directly from the Commission, has been effective and sufficient in 2017. All the reports foreseen in the Memorandum of understanding between EACEA and its parent DGs were provided and enabled DG EAC to closely monitor

¹¹⁵ Decision C(2014) 9109 of 2 December 2014 establishing guidelines for the establishment and operation of executive agencies financed by the general budget of the Union

the implementation of Erasmus+ and Creative Europe.

Based on the above and based on the fact that the implementation of the action plan by EACEA's Director as AOD in response to the IAS audit shows that appropriate corrective actions have been taken with the parent DGs and therefore, it is not necessary to make an additional reservation at parent DG level. Indeed DG EAC considers that the supervision responsibilities were fulfilled and the reputational risk mitigated adequately.

The reservations of the **Executive Agencies** EACEA and REA respectively on the management of LLP, Culture, Youth in Action 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, and preliminary control results providing positive indications. 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 **EIT**, while DG EAC is carefully monitoring the KENUP case above, no other issues have been identified with regard to its assurance.

Regarding the **EIF**, no issues have come to light in the early stages of the Student Loan Guarantee Fund.

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, DG EAC 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.

2.1.5 Declaration of Assurance

I, the undersigned,

Director-General of the Directorate General of Education, Youth, Sport and Culture,

In my capacity as authorising officer by delegation

Declare that the information contained in this report gives a true and fair view.¹¹⁶

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 limited conclusion 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, 28 March 2018

(Signed)

Themis CHRISTOPHIDOU

¹¹⁶ True and fair in this context means a reliable, complete and correct view on the state of affairs in the service.

2.2 Other organisational management dimensions

2.2.1 Human resource management

In February 2017, DG EAC joined the second pilot phase of the HR Modernisation project, which is still ongoing. The creation of the new HR Business Correspondent entity and the departure of 10 HR officials from EAC.R.1 to the Account Management Center of DG HR required an adjustment to the ways of working on HR issues within the DG. This shift often generated frustrations regarding the confusion and limitations of the new HR delivery model. Towards the end of 2017, the situation was considerably improved, but not yet optimal.

Following the re-organisation that took place on 1st January 2017, structured and voluntary mobility continued into the first quarter of 2017. Excellent results show that 28 ADs and 32 ASTs were redeployed over this period.

As in previous years, the allocation of resources was aligned to the DGs' priorities, namely the European Solidarity Corps (ESC), the inclusion of young people, Erasmus+, the preparation of the new programmes, investment in education, the follow-up to the New Skills Agenda, the European Year of Cultural Heritage, and the Digital Single Market. While the ESC initiative received HR reinforcement, other priorities such as the European Semester and the development of innovation policy through the EIT were not reinforced. Internal redeployment tried to optimise the use of existing human capital.

On 16 March 2018, a first female appointment to a middle management position took place, which positions DG EAC well to achieve its target of 2 such appointments by November 2019¹¹⁷. With more than 35% female representation in middle management, DG EAC is also well on track to meet the strategic target of 40% female representation in middle management by 2020

DG EAC is in line with the Commission average regarding staff engagement levels, and staff well-being has improved due to numerous actions taken in the last 2 years. Overall, DG EAC continued to strive for a competent and engaged taskforce which can deploy its full potential within supportive and healthy working conditions, driven by a gender-balanced management. See Annexe 2 for more details.

2.2.2 Better regulation (only for DGs managing regulatory acquis)

In 2017, the DG finalised four evaluations, continued working on two ongoing evaluations and launched four new evaluations. One planned evaluation was postponed to 2018, and three planned evaluations cancelled. The results of evaluations, studies and projects developed under DG EAC's programmes continued to be valorised as sources of evidence for future policy making, especially in the context of preparations for the post-2020 generation of programmes. See Annexe 9 for more details.

2.2.3 Information management aspects

Document Management

The indicators on document management and the accompanying actions demonstrate that there has been progress to meet the objective of registering and filing documents effectively and sharing their information with the rest of the Commission.

¹¹⁷ SEC(2017)359 final

The number of registered documents that are not filed remains under the threshold of 200 documents, thanks to control actions and fortnightly reminders sent by the CAD to the units.

In addition, at the end of 2017 EAC units analysed their files to verify whether or not they could become visible to the rest of the Commission. As a result, the number of files shared with the other DGs and services has slightly increased. In this context, it is necessary to point out that the baseline of 2015 showed a higher percentage of shared files since it took into account any file accessible by at least one DG/service (but not the whole Commission). The current actions and results are aimed at enlarging the visibility of files to "Commission" level (if justified restrictions do not apply) in line with the Rolling Plan for the Data, Information and Knowledge Management Communication. This exercise in EAC was preceded by informative meetings with DMO Correspondents of each unit, which has helped to raise awareness on the advantages of enlarging the visibility of files and keeping restrictions on those cases that need to be restricted for justified reasons.

The percentage of Ares documents electronically signed, that is by means of Ares e-Signatory, has remained above the threshold to reach 88%. Regular monitoring on the use of the e-signatory, the support of the hierarchy and a campaign on new document circulation system due to the absence of mail clerks have helped to keep a high rate of electronically signed documents.

Concerning the percentage of files that have not received any document in the last twelve months, in order to show more clearly the efforts that members of the staff carry out when closing official files in due time, the Directors Steering Committee (DSC) of EAC has adapted the threshold of the indicator to a more realistic figure and has excluded some justified exceptions when they represent the largest part of the activity of the unit.

The DMO encouraged to close files and transfer the paper part to the archives in meetings with DMO correspondents and in a specific training session about the creation, management, closure and transfer of official files. Following the closure of files, units have transferred 100 linear metres of paper files to the Central Intermediate Archives of EAC during 2017, thereby reducing the amount of paper documents kept by the administrative entities.

See Annexe 2 for more details.

Knowledge Management

Knowledge sharing among colleagues is an important way towards high staff engagement, to this end in 2017, DG EAC has created a team whose mission is to use the best practices in corporate knowledge sharing, collaboration and governance to help the DG in the achievement of its objectives while ensuring that all initiatives are in line with the Commission's evolving vision/policy in this area.

In 2017, the team started to improve information sharing inside the DG through a thematic approach and a better user-centric collaboration, moving from 6 thematic collaborative site to 19 by year-end and used by 75% of DG EAC staff. Targeted working groups on content reorganisation and several tailor-made coaching sessions took place.

All the aforementioned actions contribute to improve the understanding of what is expected of all at work as well as to facilitating them to have the appropriate and final information to do their work in a timely way.

2.2.4 External communication activities

It is at the heart of DG EAC's communication and dissemination activities to inform citizens and stakeholders about its policies in the fields of education and training, youth, sport and culture and the related programmes Erasmus+, the European Solidarity Corps, Creative Europe and the Marie Skłodowska-Curie Actions, as well as to present concrete results, important achievements and inspiring success stories.

In 2017, DG EAC has celebrated the 30 years of the Erasmus programme and 20 years of Marie Skłodowska-Curie Actions.

The campaign "**From Erasmus to Erasmus+**" celebrating the 30th anniversary showcased the impact of the Erasmus+ programme and its predecessors and highlighted the continued support and enthusiasm for Erasmus+ among participants, stakeholders and across the entire political spectrum, at national and European levels.

Throughout 2017, more than 750,000 people took part in over 1,900 events in 44 countries to celebrate and discuss the future of Erasmus+. 65,000 articles on the programme were published and shared over two million times on social media, reaching over 90 million people. The new Erasmus+ Mobile App launched in June 2017 has already been downloaded more than 22,000 times.

In Gothenburg, President Juncker invited the EU leaders to double the number of young people in the EU participating in Erasmus+ by 2025, which would require a budget of €29.4 billion for the period 2021-2027. During their meeting, the EU leaders agreed to step up mobility and exchanges, including through a substantially strengthened, inclusive and extended Erasmus+ programme for all categories of learners.

The Commission also invited the Erasmus+ Generation to engage in the debate and created the Erasmus+ generation online meeting point with 16,000 participants. Their discussion resulted in 30 recommendations on how to make Erasmus+ a bigger programme with a bigger impact on the future of Europe.

DG EAC launched a communication campaign on the **Marie Skłodowska-Curie Actions** launched to reinforce its message and mainly encourage greater participation of companies in the programme, widen participation of institutions from low-performing countries and gain the support of policy makers at EU level, notably at the European Parliament. In November 2016, the MSCA started one year of celebrations to mark the 20th anniversary of the programme ending on 7 November 2017, the 150th birthday of Marie Skłodowska-Curie, the double Nobel Prize winner and the programme's namesake, with major events mainly in Paris, Warsaw, Athens and Zagreb. During a whole year, over 150 events occurred around Europe and beyond with the support and/or coordination of the European Commission. All MSCA events in this period gathered over 1.25 million people.

For the whole period, the number of followers on Facebook increased 43% reaching more than 25 500 followers in December 2017. Likewise, Twitter passed the ceiling of 10 000 followers at the end of the year with an increase from February 2017 of 64%. In addition, a total of 60 fellows have been featured specifically in devoted posts under 'the fellow of the week initiative' on Facebook.

The eighth edition of the **European Youth Week** took place across Europe from 1 to 7 May 2017 with in total of 1 000 events across the EU (workshops, information stands, round tables, bike tours, hikes, concerts, festivals and other activities, including one Citizens' Dialogue by Commissioner Navracsics and a Conference in Brussels). Around 113 000 young people participated in the various events. The European Youth and the Erasmus+ Facebook and Twitter accounts reached over 3.3 million people in just the span of a week.

DG EAC launched successfully the **European Year of Cultural heritage** and boosted the communication actions on the **European Solidarity Corps**. In 2017 around 45 000 young people registered to the European Solidarity Corps portal, developed by DG EAC. The mobile app to participants was released, two animated infographics serving as learning material to participants were produced, several factsheets prepared and 7 newsletters to registered young people were sent in 2017. DG EAC contributed to promotion of the European Solidarity Corps on social media and provision of best practice examples.

DG EAC's **Strategy for the Dissemination and Exploitation of Programme Results** has continued to be implemented in 2017 and at the same time DG EAC has carried out an evaluation of the strategy with an external contractor. Over 100 success stories have been selected and flagged as such in DG EAC's dissemination platforms for the Erasmus+ and Creative Europe programmes. The number of projects contained in the two platforms has reached about 107 000 (some 80,000 Erasmus+ projects, 20,000 Lifelong Learning projects, 3,500 Youth in Action projects and around 1000 projects from Erasmus Mundus, Tempus, Sports and Co-operation with Industrialised Countries actions, 1750 Creative Europe projects, 735 Culture and 15 Prizes and Initiatives projects). For Success stories, selected in 2016 and 2017, 65 factsheets and 10 videos have been produced with the support of an external contractor, giving further visibility to these projects, in a user-friendly format. They have been promoted via the social media, DG EAC's newsletter, websites, as well as during events. The Dissemination platform was promoted and improved so that the number of users rose exponentially.

In the context of the corporate **digital transformation initiative** and the Erasmus 30 years campaign DG EAC revamped the Erasmus+ website to better meet the users' expectations and needs. With nearly 2.9 million visits it is one of the most visited websites of the Commission. Moreover, the digital version of the Erasmus+ Programme Guide was published for the first time in all EU languages simultaneously.

The website of the European Year of Cultural Heritage was launched in December and several other projects were completed such as the Education and Training Monitor with new and enhanced digital features and new, improved European Week of Sport campaign site.

DG EAC used **social media** to interact with a young, engaged audience and to generate interest in events, programmes and policies. The combined audience of the DG's social media accounts is almost 850,000 people, with Erasmus+ being the biggest DG-specific Facebook page in the Commission (more than 430,000 followers). Facebook Live or live tweets at events and conferences, Twitter walls, infographics, animations and videos, competitions, Facebook and/or Twitter campaigns and the promotion of thematic days have been carried out for programme- and policy-related events and communication opportunities of DG EAC.

See Annexe 2 for more details.