

ANNEXES

ANNEX 1: Statement of the Resources Director

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

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

Brussels, 30 March 2017

Signed

Wilfried Beurms

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

Internal Control Coordinator

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

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

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

Human Resource Management

Objective: The DG deploys effectively its resources in support of the delivery of the Commission's priorities and core business, has a competent and engaged workforce, which is driven by an effective and gender-balanced management and which can deploy its full potential within supportive and healthy working conditions.		
Indicator 1 (data provided by DG HR): Percentage of female representation in middle management		
Source of data: Staff in place at 31/12/2016		
Baseline 2015: 29.41%	Target: - 2016: 35% (according to the provisions of staff and subject to the filling of the management positions becoming vacant in 2016) - 2019: 40% female representation in middle management (average target at European Commission level)	Latest known results 2016 29.41%
Indicator 2 (data provided by DG HR): Percentage of staff who feel that the Commission cares about their well-being²		
Source of data: Commission staff survey		
Baseline 2014: 40.92%	Target: - 2016: 45% (target reflects expected improvement that should follow the implementation of the action plan established following the staff survey) - 2020: 50% (target set to maintain the upward trend)	Latest known results 2016 49%
Indicator 3 (data provided by DG HR): Staff engagement index		
Source of data: Commission staff survey		
Baseline 2014: 64%	Target 2016: 70% The trend has been declining for this index. The REA aim to reach again in 2016 the levels from 2013.	Latest known results 2016 67%
Indicator 4: Time to fill posts falling vacant		
Source of data: REA HR		
Baseline 2015: 5.5 months	Target: within 5 months The target is based on an	Latest known results 2016 4 months

² This indicator may be replaced by a fit@work index on which DG HR is currently working.

	analysis of the average minimum time needed for recruiting a staff member (selection, panel composition, interviews, acceptance of offer, notice period etc.).	
Indicator 5: Speedy recruitment of staff on new positions made available under the 2016 budget		
Source of data: REA HR		
Baseline 2015:	Target 2016:	Latest known results 2016
91.3% of the new posts 2015 filled by 31/12/2015	75% of new positions filled by 30/06/2016. The target that has been set by considering that 6 panels have been launched in autumn 2015.	82% of the new posts 2016 filled by 30/06/2016

Information management

Objective: Information and knowledge in your DG is shared and reusable by other DGs. Important documents are registered, filed and retrievable		
Indicator 1 (data provided by DG DIGIT): Percentage of registered documents that are not filed³ (ratio)		
Source of data: Hermes-Ares-Nomcom (HAN) ⁴ statistics		
Baseline 2015	Target 2016	Latest known results 2016
0.3%	0%	0.03%
Indicator 2 (data provided by DG DIGIT): Number of HAN files readable/accessible to all units in the DG		
Source of data: HAN statistics		
Baseline 2015	Target	Latest known results 2016
94.36%	Stay in the same range with only 6% of the files with restricted access (personnel files, audit cases, OLAF files, etc.)	7.41% ⁵
Indicator 3 (data provided by DG DIGIT): Number of HAN files shared with other DGs		
Source of data: HAN statistics		
Baseline 2015	Target	Latest known results 2016
33.25%	N/A	2.67% ⁵

³ Each registered document must be filed in at least one official file of the *Chef de file*, as required by the [e-Domec policy rules](#) (and by ICS 11 requirements). The indicator is to be measured via reporting tools available in Ares.

⁴ Suite of tools designed to implement the e-Domec policy rules.

⁵ REA's performance on the indicators relating to the sharing of documents in the Agency and with other DGs for which the performance in the past years was excellent, dropped. This drop is due to the creation in 2016 of thousands of files related to the validation of participants which rightfully have their visibility limited to other units of the Agency or to other DGs of the Research Family for reasons of personal data protection. In light of this, the Agency will reflect on the most appropriate way to encode validation files in the system and adjust the targets set for these indicators accordingly.

External Communication

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

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

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

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

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

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

Objective: Support the parent DGs' communication

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

Source of data: REA Communication unit

Baseline: 2015: 40 2016: 80	Target: 2016: 40 2020: 80	Latest known results 2016:115
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The total amount spent on all communication actions undertaken by REA is €116,337.9 which represents an increase compared to 2015 due to production of four videos and promotional material.

Annual communication spending (based on estimated commitments):

Baseline (2015):	Target (2016):	Total amount spent	Total of FTEs working on external communication
€80.186,62	€121,761.4	€116,337.9	1.8

ANNEX 3: Draft annual accounts and financial reports

AAR 2016 Version 1

Annex 3 Financial Reports - REA - Financial Year 2016

Operational Budget

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Additional comments

TABLE 1: OUTTURN ON COMMITMENT APPROPRIATIONS IN 2016 (in Mio €)					
			Commitment appropriations authorised	Commitments made	%
			1	2	3=2/1
Title 02 Internal market, industry, entrepreneurship and SMEs					
02	02 04	Horizon 2020 - Research relating to enterprises	103.0096311	102.863797	99.86 %
Total Title 02			103.0096311	102.863797	99.86%
Title 05 Agriculture and rural development					
05	05 09	Horizon 2020 - Research and innovation related to agriculture	191.1834552	191.133272	99.97 %
Total Title 05			191.1834552	191.133272	99.97%
Title 06 Mobility and transport					
06	06 03	Horizon 2020 - Research and innovation related to transport	0.36797725	0.31	84.24 %
Total Title 06			0.36797725	0.31	84.24%
Title 08 Research and innovation					
08	08 02	Horizon 2020 - Research	348.696907	342.949732	98.35 %
Total Title 08			348.696907	342.949732	98.35%
Title 09 Communications networks, content and technology					
09	09 04	Horizon 2020	143.7116655	143.084185	99.56 %
Total Title 09			143.7116655	143.084185	99.56%
Title 15 Education and culture					
15	15 03	Horizon 2020	845.9198778	830.751963	98.21 %
Total Title 15			845.9198778	830.751963	98.21%
Title 18 Migration and home affairs					
18	18 05	Horizon 2020 - Research related to security	57.73294355	55.2702717	95.73 %
Total Title 18			57.73294355	55.2702717	95.73%
Title 32 Energy					
32	32 04	Horizon 2020 - Research and innovation related to energy	0.01712027	0	0.00 %
Total Title 32			0.01712027	0	0.00%
Total DG REA			1690.639578	1666.36322	98.56 %

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

% Outturn on commitment appropriations

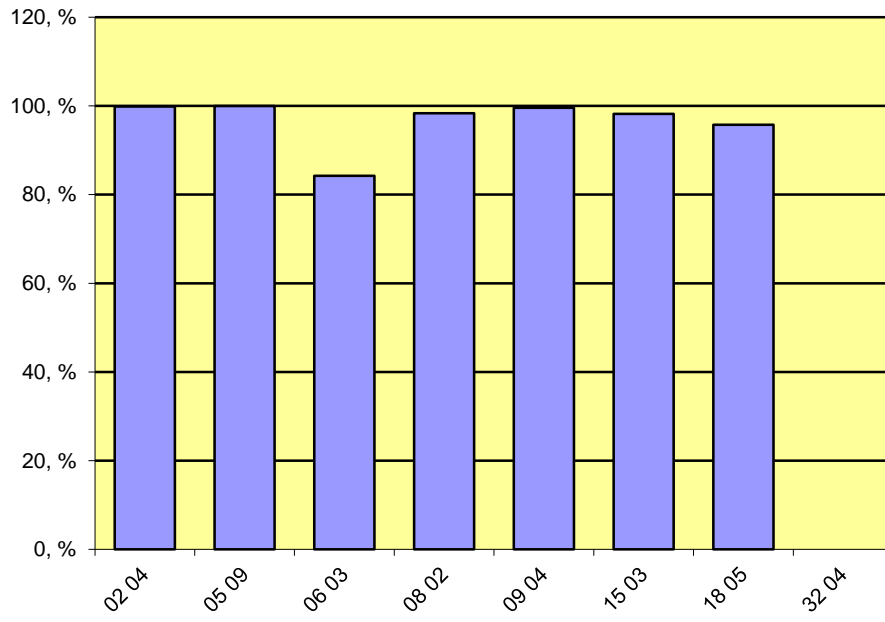


TABLE 2: OUTTURN ON PAYMENT APPROPRIATIONS IN 2016 (in Mio €)					
Chapter			Payment appropriations authorised *	Payments made	%
			1	2	3=2/1
Title 02 Internal market, industry, entrepreneurship and SMEs					
02	02 04	Horizon 2020 - Research relating to enterprises	128.523368	121.070859	94.20 %
Total Title 02			128.523368	121.070859	94.20%
Title 05 Agriculture and rural development					
05	05 09	Horizon 2020 - Research and innovation related to agriculture	67.87067394	63.18477562	93.10 %
Total Title 05			67.87067394	63.18477562	93.10%
Title 06 Mobility and transport					
06	06 03	Horizon 2020 - Research and innovation related to transport	0.52301423	0.25726209	49.19 %
Total Title 06			0.52301423	0.25726209	49.19%
Title 08 Research and innovation					
08	08 02	Horizon 2020 - Research	287.3783134	252.5348467	87.88 %
Total Title 08			287.3783134	252.5348467	87.88%
Title 09 Communications networks, content and technology					
09	09 04	Horizon 2020	210.9598427	189.5574451	89.85 %
Total Title 09			210.9598427	189.5574451	89.85%
Title 15 Education and culture					
15	15 03	Horizon 2020	1015.802686	880.8212884	86.71 %
Total Title 15			1015.802686	880.8212884	86.71%
Title 18 Migration and home affairs					
18	18 05	Horizon 2020 - Research related to security	149.3440258	135.3998539	90.66 %
Total Title 18			149.3440258	135.3998539	90.66%
Title 32 Energy					
32	32 04	Horizon 2020 - Research and innovation related to energy	0.14437149	0.11285144	78.17 %
Total Title 32			0.14437149	0.11285144	78.17%
Total DG REA			1860.546296	1642.939182	88.30 %

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

=" % Outturn on payment appropriations "

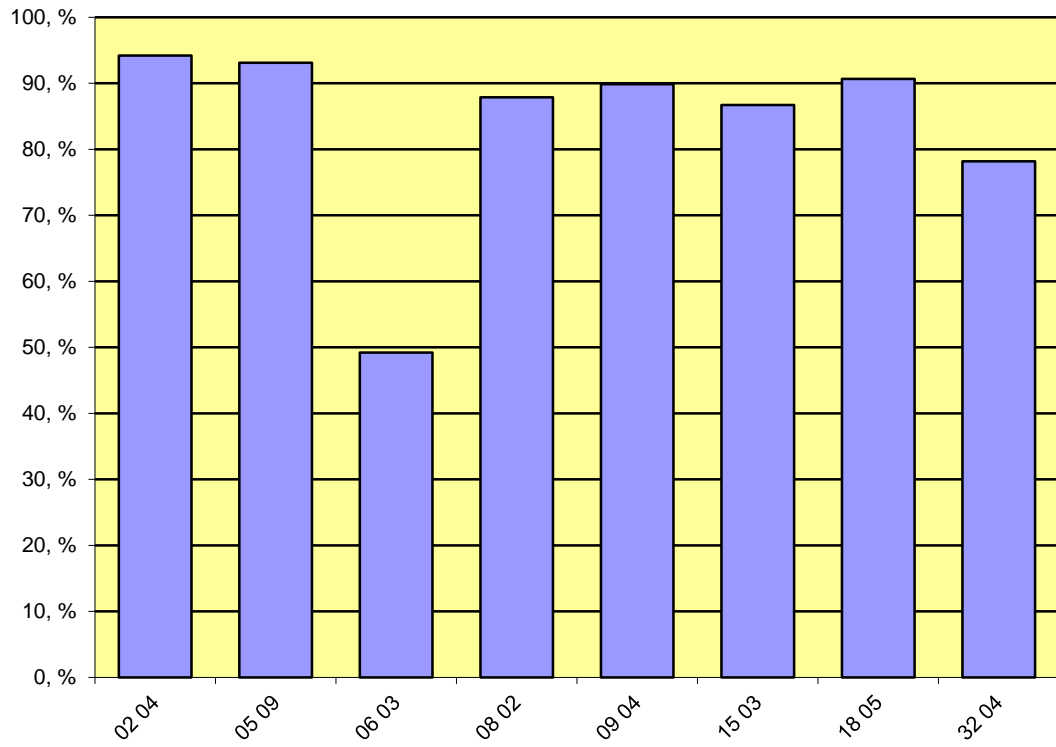


TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2016 (in Mio €)

Chapter			2016 Commitments to be settled				Commitments to be settled from financial years previous to 2016	Total of commitments to be settled at end of financial year 2016(incl corrections)	Total of commitments to be settled at end of financial year 2015 (incl. corrections)
			Commitments 2016	Payments 2016	RAL 2016	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
Title 02 : Internal market, industry, entrepreneurship and SMEs									
02	02 04	Horizon 2020 - Research relating to enterprises	102.8637968	55.49	47.36889699	46.05 %	88.79	136.16	154.51
Total Title 02			102.8637968	55.49	47.36889699	46.05%	88.78820332	136.1571003	154.512297
Title 05 : Agriculture and rural development									
05	05 09	Horizon 2020 - Research and innovation related to agriculture	191.1332718	18.03	173.1010365	90.57 %	81.74	254.84	126.89
Total Title 05			191.1332718	18.03	173.1010365	90.57%	81.7387357	254.8397722	126.894456
Title 06 : Mobility and transport									
06	06 03	Horizon 2020 - Research and innovation related to transport	0.31	0.18	0.12568111	40.54 %	0.11	0.23	0.24
Total Title 06			0.31	0.18	0.12568111	40.54%	0.1071456	0.23282671	0.24001619
Title 08 : Research and innovation									
08	08 02	Horizon 2020 - Research	342.9497316	79.21	263.741336	76.90 %	346.26	610.00	521.73
Total Title 08			342.9497316	79.21	263.741336	76.90%	346.2554475	609.9967835	521.734029
Title 09 : Communications networks, content and technology									
09	09 04	Horizon 2020	143.0841855	70.61	72.47782344	50.65 %	123.58	196.05	243.81
Total Title 09			143.0841855	70.61	72.47782344	50.65%	123.5764355	196.0542589	243.811562

Title 15 : Education and culture									
15	15 03	Horizon 2020	830.7519634	264.12	566.6276835	68.21 %	1,156.43	1,723.06	1792.04
Total Title 15			830.7519634	264.12	566.6276835	68.21%	1156.434668	1723.062351	1792.03595
Title 18 : Migration and home affairs									
18	18 05	Horizon 2020 - Research related to security	55.2702717	9.82	45.44855397	82.23 %	184.30	229.75	301.15
Total Title 18			55.2702717	9.82	45.44855397	82.23%	184.2996507	229.7482047	301.146668
Title 32 : Energy									
32	32 04	Horizon 2020 - Research and innovation related to energy	0	0.00	0	0.00 %	0.01	0.01	0.15
Total Title 32			0	0.00	0	0.00%	0.01439978	0.01439978	0.14782386
Total DG REA			1666.363221	497.47	1168.891012	70.15 %	1981.214686	3150.105697	3140.52281

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

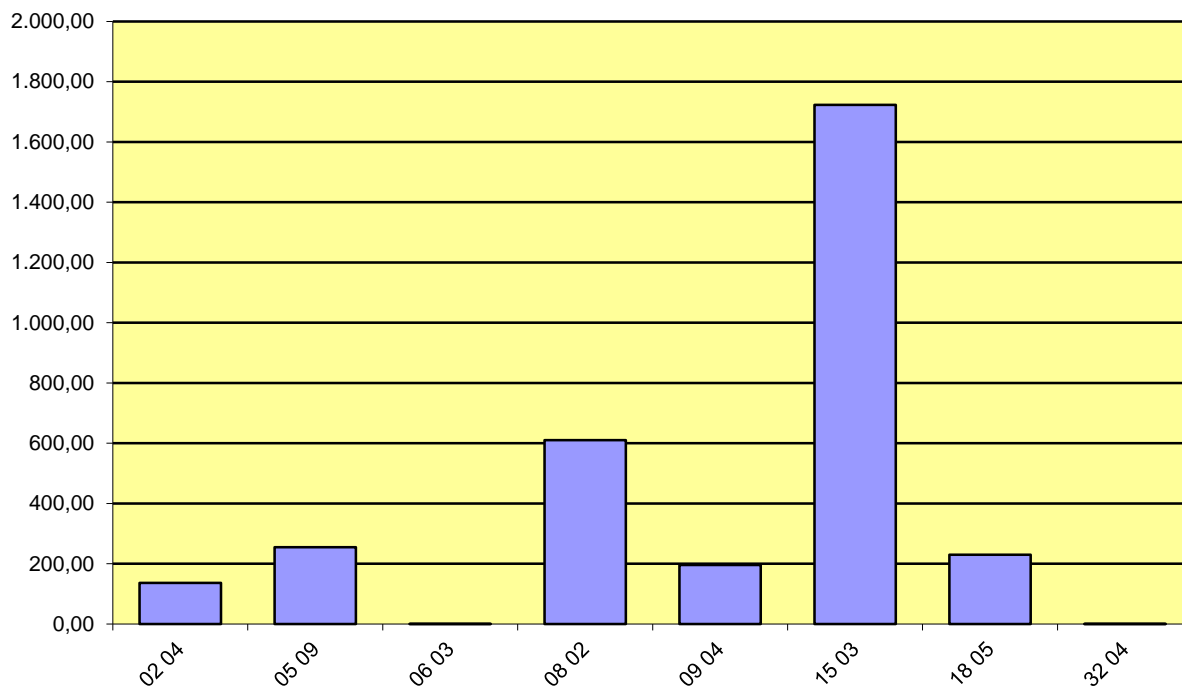


TABLE 4 : BALANCE SHEET

BALANCE SHEET					
BALANCE SHEET		2016		2015	
A.I. NON CURRENT ASSETS		456119427.4		282074151.3	
A.I.5. Non-Current Pre-Financing		456,119,427.37		282,074,151.30	
A.II. CURRENT ASSETS		873765122.3		836429261.1	
A.II.2. Current Pre-Financing		867,675,062.95		826,549,727.16	
A.II.3. Curr Exch Receiv & Non-Ex Recoverables		6,090,059.32		9,879,533.98	
ASSETS		1329884550		1118503412	
P.II. CURRENT LIABILITIES		-176259698.6		-149864057.9	
P.II.4. Current Payables		-89,970,428.72		-72,932,574.01	
P.II.5. Current Accrued Charges & Defrd Income		-86,289,269.87		-76,931,483.90	
LIABILITIES		-176259698.6		-149864057.9	
NET ASSETS (ASSETS less LIABILITIES)		1153624851		968,639,354.53	
P.III.2. Accumulated Surplus / Deficit		3745285519		2406007228	
Non-allocated central (surplus)/deficit*		-4898910370		-3374646582	
TOTAL		0.00		0.00	

TABLE 5 : STATEMENT OF FINANCIAL PERFORMANCE

STATEMENT OF FINANCIAL PERFORMANCE	2016	2015
II.1 REVENUES	-5029801.14	-266933.4
II.1.1. NON-EXCHANGE REVENUES	-5818262.66	-2494583.74
II.1.1.5. RECOVERY OF EXPENSES	-5,711,615.07	-2,306,399.64
II.1.1.6. OTHER NON-EXCHANGE REVENUES	-106,647.59	-188,184.10
II.1.2. EXCHANGE REVENUES	788461.52	2227650.34
II.1.2.1. FINANCIAL INCOME	46,611.25	1,154,058.13
II.1.2.2. OTHER EXCHANGE REVENUE	741,850.27	1,073,592.21
II.2. EXPENSES	1429692443	1339545225
II.2. EXPENSES	1429692443	1339545225
II.2.10. OTHER EXPENSES	203.38	13,185.32
II.2.2. EXP IMPLM BY COMMISS&EX.AGENC. (DM)	1,429,670,263.08	1,339,563,716.79
II.2.8. FINANCE COSTS	21,976.43	-31,677.61
STATEMENT OF FINANCIAL PERFORMANCE	1,424,662,641.75	1,339,278,291.10

Explanatory Notes (facultative):

TABLE 5bis : OFF BALANCE SHEET

OFF BALANCE	2016	2015
OB.1. Contingent Assets	5,690,612.60	5,770,798.00
GR for pre-financing	5,690,612.60	5,770,798.00
OB.2. Contingent Liabilities	(1,907,645.00)	(931,266.00)
OB.2.7. CL Amounts relating to legal cases	(1,907,645.00)	(931,266.00)
OB.3. Other Significant Disclosures	(2,974,273,381.40)	(2,990,676,943.57)
OB.3.2. Comm against app. not yet consumed	(2,974,273,381.40)	(2,990,676,943.57)
OB.4. Balancing Accounts	2,970,490,413.80	2,985,837,411.57
OB.4. Balancing Accounts	2,970,490,413.80	2,985,837,411.57
OFF BALANCE	0.00	0.00

Explanatory Notes (facultative):

TABLE 6: AVERAGE PAYMENT TIMES FOR 2016 - REA

Legal Times							
Maximum Payment Time (Days)	Total Number of Payments	Nbr of Payments within Time Limit	Percentage	Average Payment Times (Days)	Nbr of Late Payments	Percentage	Average Payment Times (Days)
30	22766	22663	99.55 %	10.82923708	103	0.45 %	57.1359223
45	7	4	57.14 %	36	3	42.86 %	97
60	1				1	100.00 %	66
90	3002	2810	93.60 %	60.85373665	192	6.40 %	126.213542
105	1	1	100.00 %	16			
Total Number of Payments	25777	25478	98.84 %		299	1.16 %	
Average Net Payment Time	17.34325174			16.35065547			101.923077
Average Gross Payment Time	22.70438763			21.0655075			162.354515

Target Times							
Target Payment Time (Days)	Total Number of Payments	Nbr of Payments within Target Time	Percentage	Average Payment Times (Days)	Nbr of Late Payments	Percentage	Average Payment Times (Days)
20	1779	1600	89.94 %	8.57875	179	10.06 %	35.99441341
30	8	1	12.50 %	11	7	87.50 %	62.14285714
75	899	620	68.97 %	55.58387097	279	31.03 %	98.04659498
90	1	1	100.00 %	16			

Total Number of Payments	2687	2222	82.69 %		465	17.31 %	
Average Net Payment Time	30.68403424			21.69891989			73.61935484
Average Gross Payment Time	45.54112393			30.02835284			119.6688172

Target Times							
Target Payment Time (Days)	Total Number of Payments	Nbr of Payments within Target Time	Percentage	Average Payment Times (Days)	Nbr of Late Payments	Percentage	Average Payment Times (Days)
20	1779	1600	89.94 %	8.57875	179	10.06 %	35.9944134
30	8	1	12.50 %	11	7	87.50 %	62.1428571
75	899	620	68.97 %	55.58387097	279	31.03 %	98.046595
90	1	1	100.00 %	16			
Total Number of Payments	2687	2222	82.69 %		465	17.31 %	

Average Net Payment Time	30.68403424			21.69891989			73.6193548
Average Gross Payment Time	45.54112393			30.02835284			119.668817

Suspensions							
Average Report Approval Suspension Days	Average Payment Suspension Days	Number of Suspended Payments	% of Total Number	Total Number of Payments	Amount of Suspended Payments	% of Total Amount	Total Paid Amount
0	43	3232	12.54 %	25777	411,326,814.23	26.47 %	1,553,895,737.59

TABLE 7 : SITUATION ON REVENUE AND INCOME IN 2016

Chapter		Revenue and income recognized			Revenue and income cashed from			Outstanding balance
		Current year RO	Carried over RO	Total	Current Year RO	Carried over RO	Total	
		1	2	3=1+2	4	5	6=4+5	
52	REVENUE FROM INVESTMENTS OR LOANS GRANTED, BANK AND OTHER INTEREST	50956.47	1193.41	52149.88	39818.78	1193.41	41012.19	11137.69
66	OTHER CONTRIBUTIONS AND REFUNDS	29031475	9392124.39	38423599.39	23782981.9	8994642.36	32777624.26	5645975.13
71	FINES	37730	0	37730	0	0	0	37730
90	MISCELLANEOUS REVENUE	68917.59	130725.96	199643.55	22225.83	38254.35	60480.18	139163.37
Total DG REA		29189079.06	9524043.76	38713122.82	23845026.51	9034090.12	32879116.63	5834006.19

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

INCOME BUDGET RECOVERY ORDERS ISSUED IN 2016	Error		Irregularity		Total undue payments recovered		Total transactions in recovery context(incl. non-qualified)		% Qualified/Total RC	
	Year of Origin (commitment)	Nbr	RO Amount	Nbr	RO Amount	Nbr	RO Amount	Nbr	RO Amount	Nbr
2007			1	9698.18	1	9698.18	2	10462.69	50.00%	92.69%
2008	1	37247.05	15	492442.11	16	529689.16	22	572596.46	72.73%	92.51%
2009			15	1117816.22	15	1117816.22	43	5795804.22	34.88%	19.29%
2010	1	50070.06	16	340587.92	17	390657.98	85	4710093.4	20.00%	8.29%
2011			26	1087476.72	26	1087476.72	134	7811137.63	19.40%	13.92%
2012			14	1549249.93	14	1549249.93	88	4387031.35	15.91%	35.31%
2013			4	708251.38	4	708251.38	50	2969345.17	8.00%	23.85%
2014			2	1251516.84	2	1251516.84	81	3393973.7	2.47%	36.87%
2015							5	49514.71		
2016							9	6308.31		
Sub-Total	2	87317.11	93	6557039.3	95	6644356.41	519	29706267.6	18.30%	22.37%

EXPENSES BUDGET	Error		Irregularity		OLAF Notified		Total undue payments recovered		Total transactions in recovery context(incl. non-qualified)		% Qualified/Total RC	
	Nbr	Amount	Nbr	Amount	Nbr	Amount	Nbr	Amount	Nbr	Amount	Nbr	Amount
INCOME LINES IN INVOICES									1	620.00		
NON ELIGIBLE IN COST CLAIMS	3	14679.47	635	18531833.34			638	18546512.81	913	37,017,120.64	69.88%	50.10%
CREDIT NOTES	2	315153.37					2	315153.37	2	315,153.37	100.00%	100.00%
Sub-Total	5	329832.84	635	18531833.34			640	18861666.18	916	37332894.01	69.87%	50.52%
GRAND TOTAL	7	417149.95	728	25089191.69			735	25506341.64	1435	67039161.65	51.22%	28.09%

TABLE 9: AGEING BALANCE OF RECOVERY ORDERS AT 31/12/2016 FOR REA

	Number at 01/01/2016	Number at 31/12/2016	Evolution	Open Amount (Eur) at 01/01/2016	Open Amount (Eur) at 31/12/2016	Evolution
2013	2		-100.00 %	3,209.78		-100.00 %
2014	5	3	-40.00 %	483,110.87	386,312.84	-20.04 %
2015	53	8	-84.91 %	9,037,723.11	103,640.80	-98.85 %
2016		72			5,344,052.55	
	60	83	38.33 %	9,524,043.76	5,834,006.19	-38.74 %

TABLE 10 : RECOVERY ORDER WAIVERS IN 2016 >= EUR 100.000

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

Total DG	
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Number of RO waivers	
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Justifications:

TABLE 11 : CENSUS OF NEGOTIATED PROCEDURES - REA - 2016

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

No data to be reported

TABLE 12 : SUMMARY OF PROCEDURES OF REA EXCLUDING BUILDING CONTRACTS

Additional comments

No data to be reported

TABLE 13 : BUILDING CONTRACTS

Total number of contracts :

Total amount :

Legal base	Contract Number	Contractor Name	Description	Amount (€)

No data to be reported

TABLE 14 : CONTRACTS DECLARED SECRET

Total Number of Contracts :

Total amount :

Legal base	Contract Number	Contractor Name	Type of contract	Description	Amount (€)

No data to be reported

Annex 3 Financial Reports - REA - Financial Year 2016

Administrative Budget

Table 1 : Commitments

Table 2 : Payments

Table 3 : Commitments to be settled

Table 4 : Balance Sheet

Table 5 : Statement of Financial Performance

Table 5 Bis : Off Balance Sheet

Table 6 : Average Payment Times

Table 7 : Income

Table 8 : Recovery of undue Payments

Table 9 : Ageing Balance of Recovery Orders

Table 10 : Waivers of Recovery Orders

Additional comments

TABLE 1: OUTTURN ON COMMITMENT APPROPRIATIONS IN 2016 (in Mio €)				
Chapter		Commitment appropriations authorised *	Commitments made	%
		1	2	3=2/1
Title 1 STAFF EXPENDITURE				
1111	TEMPORARY AGENTS - REMUNERATION, ALLOW. AND CHARGE	16,09	16,09	99,98 %
1121	CONTRACT AGENTS - REMUNERATION, ALLOW. AND CHARGES	22,69	22,69	99,98 %
1132	INTERIM SUPPORTIVE AGENTS AND TRAINEES	1,55	1,55	100,00 %
1211	SPECIFIC STAFF-RELATED CHARGES AND RECRUIT. EXP.	1,43	1,43	100,00 %
1221	TRAINING COURSES FOR PROF. AND PERS. DEV. OF STAFF	0,58	0,58	99,98 %
1222	MISSIONS FOR PROF. AND PERS. DEV. OF STAFF	0,01	0,01	89,27 %
1223	MEDICAL SERVICE	0,13	0,13	100,00 %
1224	MOBILITY AND OTHER SOCIAL EXPENSES	0,11	0,11	100,00 %
1231	REPRESENTATION EXP. EVENTS AND INTERNAL MEETINGS	0,01	0,01	100,00 %
Total Title 1		42,59	42,59	99,98%
Title 2 INFRASTRUCTURE AND OPERATING EXPENDITURE				
2111	RENT / USUFRUCT INSTALMENTS AND BUILDING CHARGES	6,17	6,17	100,00 %
2211	ICT ENVIRONMENT (INFRA, SYSTEMS AND SERVICES)	2,18	2,18	100,00 %
2221	DATA PROCESSING AND APPLICATION DEVELOPMENT	0,45	0,45	100,00 %
2311	FURNITURE, MATERIALS AND TECHNICAL INSTALLATIONS	0,15	0,15	100,00 %
2321	OFFICE SUPPLIES AND OTHER CURRENT OPERATING EXPEND	0,21	0,21	99,89 %
Total Title 2		9,16	9,16	100,00%
Title 3 PROGRAMME SUPPORT EXPENDITURE				
3111	COMMUN., INFO., PUB., LINGUIST. TRAINING P.M. REL.	0,24	0,23	95,41 %
3112	ICT INFRA., ENVIR. AND SYST. P.M. RELATED	0,28	0,28	100,00 %
3121	EXTERNAL AUDITS	0,93	0,91	98,01 %
3122	MISSIONS AND OTHER P.M. REL. EXP.	0,50	0,49	97,74 %
3211	CSS - BUILDING EXP.	5,37	5,37	100,00 %
3221	CSS - ICT, LOG, INF. COMMUN. AND CURR. OPER. EXP.	0,57	0,56	98,76 %
3231	MEETINGS OF EXPERTS AND ASSOCIATED COSTS	0,15	0,15	100,00 %
Total Title 3		8,05	8,00	99,40%
TOTAL REA		59,80	59,73916631	99,91 %

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

% Outturn on commitment appropriations

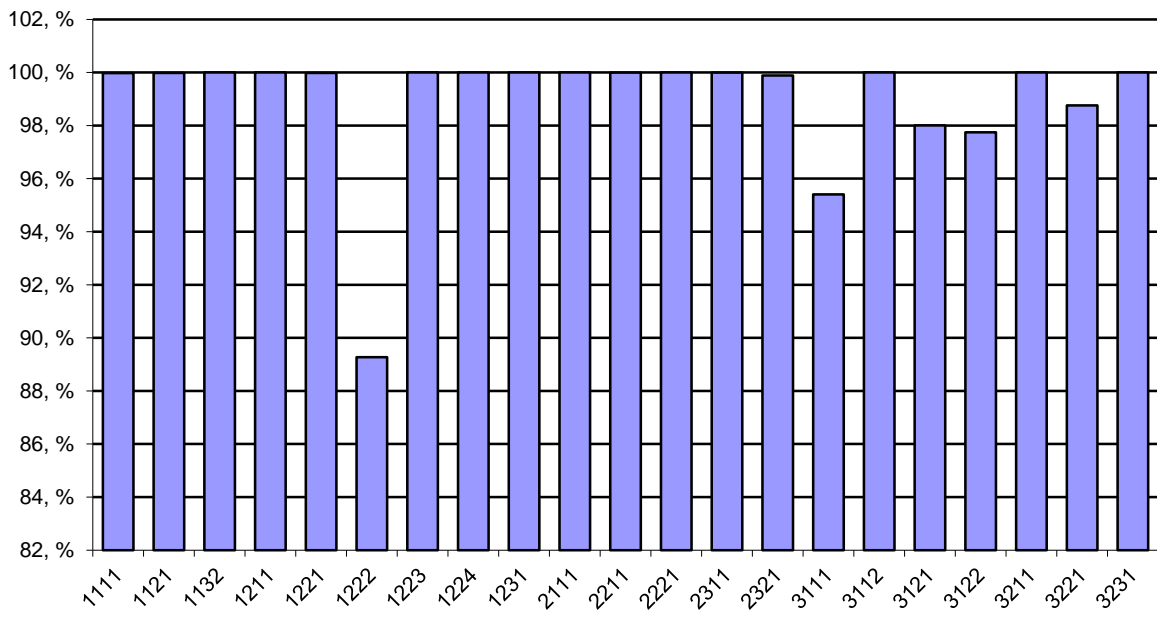


TABLE 2: OUTTURN ON PAYMENT APPROPRIATIONS IN 2016 (in Mio €)				
Chapter		Payment appropriations authorised *	Payments made	%
		1	2	3=2/1
Title 1 STAFF EXPENDITURE				
1111	TEMPORARY AGENTS - REMUNERATION, ALLOW. AND CHARGE	16,09	16,09	99,98 %
1121	CONTRACT AGENTS - REMUNERATION, ALLOW. AND CHARGES	22,69	22,69	99,98 %
1132	INTERIM SUPPORTIVE AGENTS AND TRAINEES	1,78	1,31	73,83 %
1211	SPECIFIC STAFF-RELATED CHARGES AND RECRUIT. EXP.	1,54	1,44	93,51 %
1221	TRAINING COURSES FOR PROF. AND PERS. DEV. OF STAFF	0,74	0,49	66,49 %
1222	MISSIONS FOR PROF. AND PERS. DEV. OF STAFF	0,02	0,01	58,57 %
1223	MEDICAL SERVICE	0,19	0,12	62,19 %
1224	MOBILITY AND OTHER SOCIAL EXPENSES	0,15	0,11	74,45 %
1231	REPRESENTATION EXP. EVENTS AND INTERNAL MEETINGS	0,01	0,01	61,07 %
Total 1		43,21	42,27	97,82%
Title 2 INFRASTRUCTURE AND OPERATING EXPENDITURE				
2111	RENT / USUFRUCT INSTALMENTS AND BUILDING CHARGES	6,71	6,04	89,93 %
2211	ICT ENVIRONMENT (INFRA, SYSTEMS AND SERVICES)	2,65	2,33	88,23 %
2221	DATA PROCESSING AND APPLICATION DEVELOPMENT	0,63	0,25	39,96 %
2311	FURNITURE, MATERIALS AND TECHNICAL INSTALLATIONS	0,22	0,18	78,33 %
2321	OFFICE SUPPLIES AND OTHER CURRENT OPERATING EXPEND	0,28	0,21	75,28 %
Total 2		10,49	9,01	85,88%
Title 3 PROGRAMME SUPPORT EXPENDITURE				
3111	COMMUN., INFO., PUB., LINGUIST. TRAINING P.M. REL.	0,42	0,23	55,12 %
3112	ICT INFRA., ENVIR. AND SYST. P.M. RELATED	0,46	0,24	53,28 %
3121	EXTERNAL AUDITS	1,56	0,92	59,05 %
3122	MISSIONS AND OTHER P.M. REL. EXP.	0,64	0,49	76,85 %
3211	CSS - BUILDING EXP.	5,63	5,44	96,58 %
3221	CSS - ICT, LOG, INF. COMMUN. AND CURR. OPER. EXP.	0,64	0,50	78,21 %
3231	MEETINGS OF EXPERTS AND ASSOCIATED COSTS	0,17	0,12	71,79 %
Total 3		9,52	7,95	83,50%
TOTAL REA		63,22	59,23	93,68 %

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

"% Outturn on payment appropriations"

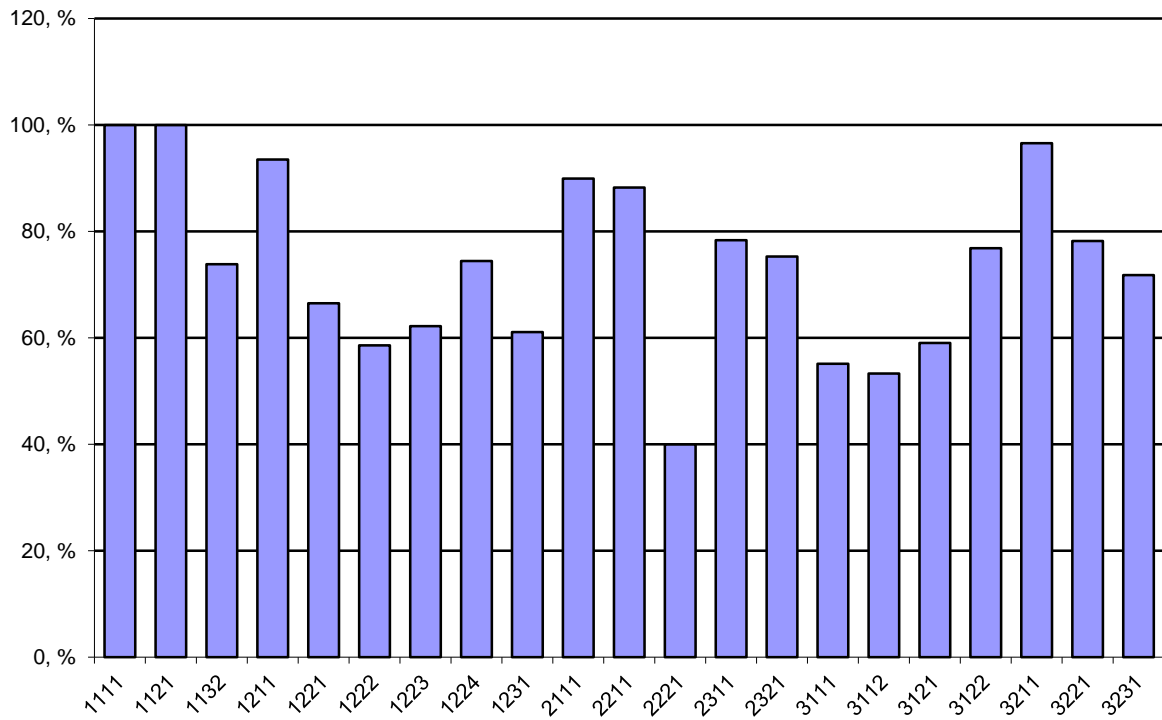


TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2016 (in Mio €)					
Chapter		2016 Commitments to be settled			
		Commitments 2016	Payments 2016	RAL 2016	% to be settled
		1	2	3=1-2	4=1-2//1
Title 1 STAFF EXPENDITURE					
1111	TEMPORARY AGENTS - REMUNERATION, ALLOW. AND CHARGE	16,09	-16,09	0,00	0,00 %
1121	CONTRACT AGENTS - REMUNERATION, ALLOW. AND CHARGES	22,69	-22,69	0,00	0,00 %
1132	INTERIM SUPPORTIVE AGENTS AND TRAINEES	1,55	-1,11	0,44	28,46 %
1211	SPECIFIC STAFF-RELATED CHARGES AND RECRUIT. EXP.	1,43	-1,40	0,03	2,05 %
1221	TRAINING COURSES FOR PROF. AND PERS. DEV. OF STAFF	0,58	-0,34	0,23	40,77 %
1222	MISSIONS FOR PROF. AND PERS. DEV. OF STAFF	0,01	-0,01	0,00	35,78 %
1223	MEDICAL SERVICE	0,13	-0,08	0,05	35,82 %
1224	MOBILITY AND OTHER SOCIAL EXPENSES	0,11	-0,10	0,01	6,46 %
1231	REPRESENTATION EXP. EVENTS AND INTERNAL MEETINGS	0,01	-0,01	0,00	23,68 %
Total 1		42,59	-41,82	0,76	1,79%
Title 2 INFRASTRUCTURE AND OPERATING EXPENDITURE					
2111	RENT / USUFRUCT INSTALMENTS AND BUILDING CHARGES	6,17	-5,61	0,55	8,99 %
2211	ICT ENVIRONMENT (INFRA, SYSTEMS AND SERVICES)	2,18	-1,93	0,25	11,52 %
2221	DATA PROCESSING AND APPLICATION DEVELOPMENT	0,45	-0,11	0,34	75,88 %
2311	FURNITURE, MATERIALS AND TECHNICAL INSTALLATIONS	0,15	-0,12	0,03	20,89 %
2321	OFFICE SUPPLIES AND OTHER CURRENT OPERATING EXPEND	0,21	-0,18	0,03	12,92 %
Total 2		9,16	-7,95	1,21	13,18%
Title 3 PROGRAMME SUPPORT EXPENDITURE					
3111	COMMUN., INFO., PUB., LINGUIST. TRAINING P.M. REL.	0,23	-0,07	0,16	68,66 %
3112	ICT INFRA., ENVIR. AND SYST. P.M. RELATED	0,28	-0,07	0,21	76,33 %
3121	EXTERNAL AUDITS	0,91	-0,46	0,45	49,70 %
3122	MISSIONS AND OTHER P.M. REL. EXP.	0,49	-0,39	0,10	19,94 %
3211	CSS - BUILDING EXP.	5,37	-5,18	0,19	3,59 %
3221	CSS - ICT, LOG, INF. COMMUN. AND CURR. OPER. EXP.	0,56	-0,49	0,07	12,75 %
3231	MEETINGS OF EXPERTS AND ASSOCIATED COSTS	0,15	-0,12	0,04	24,36 %
Total 3		8,00	-6,77	1,23	15,32%
TOTAL		59,73916631	-56,54	3,1962369	5,35 %

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

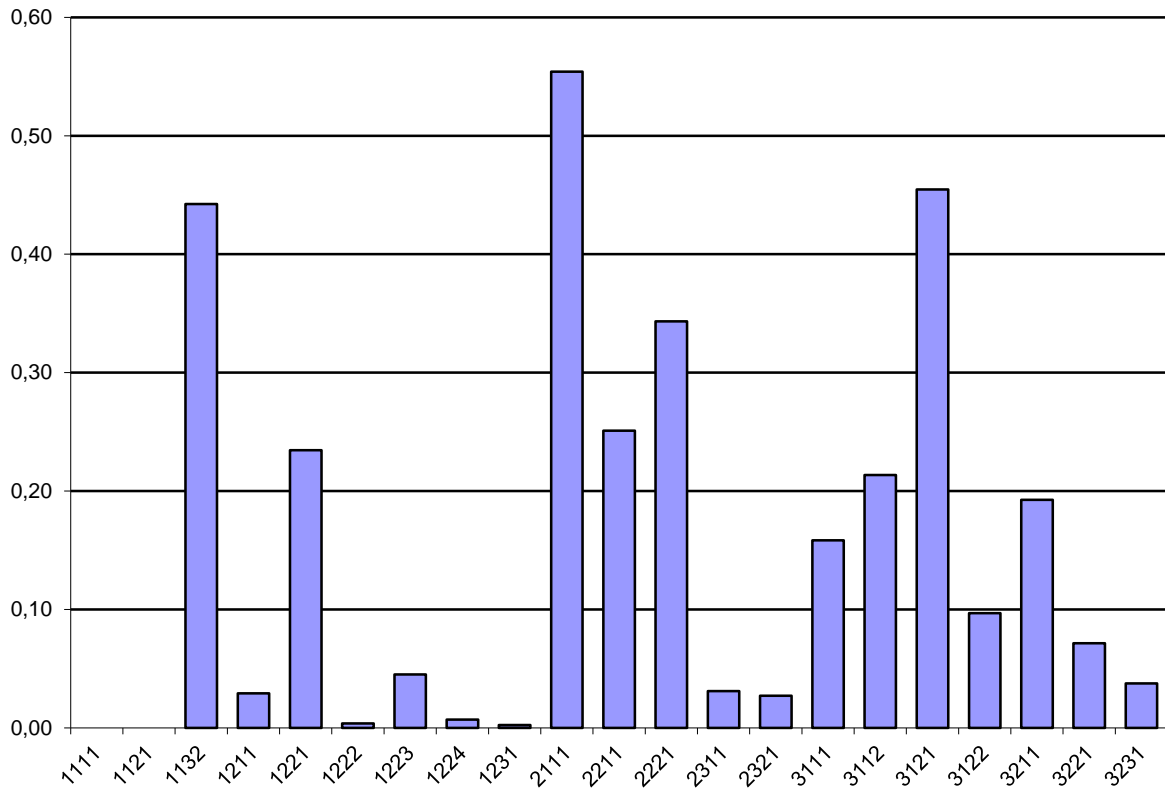


TABLE 4 : BALANCE SHEET		
BALANCE SHEET	2016	2015
A.I. NON CURRENT ASSETS	2273249	4024098
A.I.1. Intangible Assets	241201	1099849
A.I.2. Property, Plant and Equipment	2032048	2924249
A.II. CURRENT ASSETS	11801323,17	10998356,75
A.II.3. Curr Exch Receiv &Non-Ex Recoverables	6536881,01	6461478,93
A.II.6. Cash and Cash Equivalent	5264442,16	4536877,82
ASSETS	14074572,17	15022454,75
P.II. CURRENT LIABILITIES	-4915908,36	-3670085,42
P.II.4. Current Payables	-2305163,61	-1356835,08
P.II.5. Current Accrued Charges &Defrd Income	-2610744,75	-2313250,34
LIABILITIES	-4915908,36	-3670085,42
NET ASSETS (ASSETS less LIABILITIES)	9158663,81	11352369,33
P.III.2. Accumulated Surplus / Deficit	-11352369,33	-
Non-allocated central (surplus)/deficit*	2.193.705,52	1.839.531,46
TOTAL	0	0
<p>It should be noted that the balance sheet and statement of financial performance presented in Annex 3 to this Annual Activity Report, represent only the assets, liabilities, expenses and revenues that are under the control of this Directorate General. Significant amounts such as own resource revenues and cash held in Commission bank accounts are not included in this Directorate General's accounts since they are managed centrally by DG Budget, on whose balance sheet and statement of financial performance they appear. Furthermore, since the accumulated result of the Commission is not split amongst the various Directorates General, it can be seen that the balance sheet presented here is not in equilibrium.</p> <p>Additionally, the figures included in tables 4 and 5 are provisional since they are, at this date, still subject to audit by the Court of Auditors. It is thus possible that amounts included in these tables may have to be adjusted following this audit.</p>		

TABLE 5 : STATEMENT OF FINANCIAL PERFORMANCE		
STATEMENT OF FINANCIAL PERFORMANCE	2016	2015
II.1 REVENUES	-58958921,78	-53413130,07
II.1.1. NON-EXCHANGE REVENUES	-58793898,14	-53237548,7
II.1.1.6. OTHER NON-EXCHANGE REVENUES	-58.793.898,14	-53237548,7
II.1.2. EXCHANGE REVENUES	-165023,64	-175581,37
II.1.2.1. FINANCIAL INCOME	-11.809,16	-45245,15
II.1.2.2. OTHER EXCHANGE REVENUE	-153.214,48	-130336,22
II.2. EXPENSES	61152627,3	55252661,53
II.2. EXPENSES	61152627,3	55252661,53
II.2.10. OTHER EXPENSES	21.671.128,31	20561514,58
II.2.6. STAFF AND PENSION COSTS	39.481.483,10	34691101,86
II.2.8. FINANCE COSTS	15,89	45,09
STATEMENT OF FINANCIAL PERFORMANCE	2193705,52	1839531,46

Explanatory Notes (facultative):

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

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

TABLE 5bis : OFF BALANCE SHEET REA

OFF BALANCE	2016	2015
OB.3.2. Comm against app. not yet consumed	(1,173,196.20)	(1,696,379.00)
OB.3.2. Comm against app. not yet consumed	(1,173,196.20)	(1,696,379.00)
OB.3.2. Comm against app. not yet consumed	(1,173,196.20)	(1,696,379.00)
OB.3.5. Operating lease commitments	(39,879,714.06)	(47,185,155.57)
OB.3.5. Operating lease commitments	(39,879,714.06)	(47,185,155.57)
OB.3.5. Operating lease commitments	(39,879,714.06)	(47,185,155.57)
OB.4. Balancing Accounts	41,052,910.26	48,881,534.57
OB.4. Balancing Accounts	41,052,910.26	48,881,534.57
OB.4. Balancing Accounts	41,052,910.26	48,881,534.57
OFF BALANCE	(0.00)	(0.00)

Explanatory Notes (facultative):

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

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

TABLE 6 : AVERAGE PAYMENT TIMES

Legal Times

Maximum Payment Time (Days)	Total Number of Payments	Nbr of Payments within Time Limit	Percentage	Average Payment Times (Days)	Nbr of Late Payments	Percentage	Average Payment Times (Days)
30	1348	1347	99.93 %	10.57238307	1	0.07 %	32
45	66	63	95.45 %	14.19047619	3	4.55 %	82
60	2	2	100.00 %	17			

Total Number of Payments	1416	1412	99.72 %		4	0.28 %	
Average Net Payment Time	10.9088983			10.74291785			69.5
Average Gross Payment Time	11.3149718			11.148017			70.25

Target Times

Target Payment Time (Days)	Total Number of Payments	Nbr of Payments within Target Time	Percentage	Average Payment Times (Days)	Nbr of Late Payments	Percentage	Average Payment Times (Days)
30	70	63	90.00 %	12.52380952	7	10.00 %	55.71428571

Total Number of Payments	70	67	95.71 %		3	4.29 %	
Average Net Payment Time	16.8428571			12.52380952			55.71428571
Average Gross Payment Time	16.8428571			12.52380952			55.71428571

Suspensions

Average Report Approval Suspension Days	Average Payment Suspension Days	Number of Suspended Payments	% of Total Number	Total Number of Payments	Amount of Suspended Payments	% of Total Amount	Total Paid Amount
0	13	45.	3.18 %	1,416.	541,904.24	1.92 %	28,178,243.09

Late Interest paid in 2016

Agency	GL Account	Description	Amount (Eur)
REA	65010000	Interest expense on late payment of charges	15.89
			15.89

TABLE 7 : SITUATION ON REVENUE AND INCOME IN 2016					
Title	Description	Year of Origin	Revenue and Income recognized	Revenue and Income cashed	Outstanding Balance
2000	EUROPEAN COMMISSION'S SUBSIDY TO THE REA	2016	59.696.794,46	59.696.794,46	0,00
9000	MISCELLANEOUS REVENUE	2015	30.019,66	30.019,66	0,00
9000	MISCELLANEOUS REVENUE	2016	174.373,43	171.873,43	2.500,00
TOTAL REA			59901187,55	59.898.687,55	2.500,00

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

INCOME BUDGET RECOVERY ORDERS ISSUED IN 2016	Total undue payments recovered		Total transactions in recovery context (incl. non-qualified)		% Qualified/Total RC		
	Year of Origin (commitment)	Nbr	RO Amount	Nbr	RO Amount	Nbr	RO Amount
2015			4	1475,3			
2016			2	768,8			
Sub-Total			6	2244,1			

EXPENSES BUDGET	Error		Irregularity		OLAF Notified		Total undue payments recovered		Total transactions in recovery context (incl. non-qualified)		% Qualified/Total RC	
	Nbr	Amount	Nbr	Amount	Nbr	Amount	Nbr	Amount	Nbr	Amount	Nbr	Amount
INCOME LINES IN INVOICES												
NON ELIGIBLE IN COST CLAIMS												
CREDIT NOTES												
Sub-Total												
GRAND TOTAL									6	2244,1		

TABLE 9: AGEING BALANCE OF RECOVERY ORDERS AT 31/12/2016 FOR REA						
Year of Origin	Number at 01/01/2016	Number at 31/12/2016	Evolution	Open Amount (Eur) at 01/01/2016	Open Amount (Eur) at 31/12/2016	Evolution
2015	3	1	-66,67 %	53.159,07	23.139,41	-56,47 %
2016		4			4.857,83	
Totals	3	5	66,67 %	53.159,07	27.997,24	-47,33 %

TABLE 10 : RECOVERY ORDER WAIVERS IN 2016 >= EUR 100.000

	Waiver Central Key	Linked RO Central Key	RO Accepted amount (Eur)	LE Account Group	Commission Decision	Comments
1,						

Total REA		
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Number of RO waivers		
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Justifications:

ANNEX 4: Materiality criteria

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

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

Assessment of the effectiveness of controls

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

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

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

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

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

where:

- ResER%** residual error rate, expressed as a percentage.
- RepER%** representative error rate, or error rate detected in the common representative sample, expressed as a percentage. For FP 7 this rate is the same for all Research services.
- RepERSys%** portion of the RepER% representing (negative) systematic errors, expressed as a percentage. The RepER% is composed of two complementary portions reflecting the proportion of negative systematic and non-systematic errors detected.
- P** total aggregated amount in euros of EC share of funding in the auditable population. In FP7, the population is that of all received cost statements, and the euros amounts those that reflect the EC share included in the costs claimed in each cost statement.
- A** total EC share of all audited amounts, expressed in euro. This will be collected from audit results.
- E** total non-audited amounts of all audited beneficiaries. In FP7, this consists of the total EC share, expressed in euro, excluding those beneficiaries for which an extrapolation is ongoing).

The Common Representative Audit Sample (CRAS) is the starting point for the calculation of the residual error rate. It is representative of the expenditure of each FP as a whole. Nevertheless, the Director-General (or Director for the Executive Agencies) must also take into account other information when considering if the overall residual error rate is a sufficient basis on which to draw a conclusion on assurance (or make a reservation) for

specific segment(s) of FP7/Horizon 2020. This may include the results of other ex-post audits, ex-ante controls, risk assessments, audit reports from external or internal auditors, etc. All this information may be used in assessing the overall impact of a weakness and considering whether to make a reservation or not.

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

In case a calculation of the residual error rate based on a representative sample is not possible for a FP for reasons not involving control deficiencies,⁶ the consequences are to be assessed quantitatively by making a best estimate of the likely exposure for the reporting year based on all available information. The relative impact on the Declaration of Assurance would be then considered by analysing the available information on qualitative grounds and considering evidence from other sources and areas. This should be clearly explained in the AAR.

The Space and Security themes of the Cooperation Programme managed by REA are implemented according to the general FP7 funding rules. As a result, REA considers the CRAS representative error rate as a good basis for calculating the residual error rate for Space and Security research actions managed by the REA.

The Research for the Benefit of SMEs actions of the Capacities Specific Programme and the Marie Curie actions of the People Specific Programme have a different risk profile compared to mainstream FP7 projects.

As a consequence, the representative CRAS error rate cannot be the only element in estimating the risk exposure in terms of legality and regularity errors in the underlying transactions.

The CRAS error rate is used for the Space and Security schemes while, for the Marie Curie and the SME actions, detected error rates are used to support an overall judgement. The detected error rates take into account:

- (1) the audits that were part of the CRAS and were financed from the REA managed programmes,*
- (2) the REA's randomly selected audits launched previously under FP7,*
- (3) audits performed on the strand of top beneficiaries⁷*

Although the size and composition of the sample do not ensure statistical precision, this error rate gives an indication as to the risk exposure in the two populations and represents an important element in the assurance building. The inclusion of top beneficiaries in the calculation does not introduce any significant bias which would render this indicator less relevant and this can be justified as follows.

*The **People** Specific Programme is characterised by a high level of participation from universities, both in high-value network grants and in mono-beneficiary fellowships. Funding modalities have remained largely identical compared to FP6, which implies that most beneficiaries have gained a sufficient understanding of the funding rules,*

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

7 Audits of top beneficiaries (TOP) are audits targeting the beneficiaries participating for significant amounts of EU funding. According to the common FP7 audit strategy 2009-2016, by focusing on 'big spenders' a significant part of the total budget can be cleaned from systematic errors in the cost claims of these top beneficiaries and, after taking account of recoveries and corrections, the residual rate of error for FP7 may further reduce.

However, since the beginning of 2014, the TOP beneficiaries under People, Space and Security actions have not been addressed anymore. Audits on SME grants have, on the contrary, been intensified as a result of the higher risk profile of this action.

independently from their participation frequency. As a result, a differentiation between error rates for incidental and repeat beneficiaries is no longer expected.

*The **SME actions** have many non-repeat beneficiaries and the share of the total budget covered by beneficiaries who have been audited for at least one FP7 project is consequently low. For the SME actions, the audits targeting the top beneficiaries include mostly audits that have been selected as an add-on to a random selection⁸. As such, by excluding audits selected on the basis of a risk identification while including audits under the strand of 'top beneficiaries', there is no significant bias to be expected in the detected error rate.*

The detected error rates are based on 119 and 359 cost statements, for the SME actions and the People Specific Programme (regarding the Marie Curie actions) respectively.

*The methodology for calculating the detected error rates is in line with the conclusions of the "**Limited Review of the Calculation and the Underlying Methodology of the Residual Error Rate for the 2015 Reporting Year**" conducted by the Internal Audit Service. Following this review, the main change brought to the calculation of the detected error rates was the switch from a simple to a weighted average (on the basis of the amount of the funds considered ineligible).*

Multiannual approach

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

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

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

Notwithstanding the multiannual span of their control strategy, the Director-Generals of the Research DGs (and the Directors of ERCEA, REA, and, for Horizon 2020, EASME and INEA) are required to sign a statement of assurance for each financial reporting year. In order to determine whether to qualify this statement of assurance with a reservation, the effectiveness of the control systems in place needs to be assessed not only for the year of reference but also with a multiannual perspective, to determine whether it is possible to reasonably conclude that the control objectives will be met in the future as foreseen.

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

⁸ While one cost-claim is selected, an outsourced ex-post assignment can cover up to three participations, each with up to three cost claims, as part of one assignment for which a flat rate fee is due.

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

Adequacy of the audit scope

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

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

Research Framework programmes – specific aspects

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

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

Seventh Framework programme

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

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

Horizon 2020 Framework Programme

The Commission's proposal for the Regulation establishing H2020 framework programme⁹ states that

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

⁹ COM(2011) 809/3 Proposal for a Regulation of the European Parliament and of the Council establishing Horizon 2020 – the Framework programme for Research and Innovation (2014-2020), see point 2.2, pp 98-102.

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

Further, it explains also that

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

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

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

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

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

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

Grants direct management – FP7 and H2020

Stage 1: Programming, evaluation and selection of proposals

A - Preparation, adoption and publication of the Annual Work Programme and Calls for proposals¹⁰

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

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

¹⁰ The agency notes that this stage of grant management cycle remains largely under the control of the Commission. The agency is taking up duties by publishing calls from the moment the Commission established the relevant work programmes. The common indicator of the Research family is therefore only partly relevant for assessing the REA's own performance.

Main risks It may happen (again) that...	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Control indicators
budget planning, etc.) is not consistent within the Research family and with the 7 years' framework	planning and the monitoring of the H2020's budget implementation	family level.	<p>Costs: costs of the staff involved in Family coordination activities</p> <p>Benefits: Qualitative benefits: Optimised procedures, common approach on multiple issues (audits, fraud, legal aspects, reporting...); better reporting on the whole programme – better management of the programme.¹¹</p>	

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

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

Main risks It may happen (again) that...	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Control indicators
The evaluation, ranking and selection of proposals is not carried out in accordance with the established procedures, the policy objectives, priorities and/or the essential eligibility, or with the selection and award criteria defined in the annual work programme and subsequent calls for proposals.	<p>Selection and appointment of expert evaluators</p> <p>Assessment by independent experts</p> <p>Comprehensive IT system supporting the stage and allowing better monitoring of the process</p>	<p>100% vetting (including selecting) of experts for technical expertise and independence (e.g. conflicts of interests, nationality bias, ex-employer bias, collusion)</p> <p>100% of proposals are evaluated.</p>	<p>Costs: estimation of cost of staff involved in the evaluation and selection of proposals.</p> <p>Cost of the appointment of experts and of the logistics of the evaluation.</p>	<p>% of number of (successful) redress challenges / total number of proposals received</p> <p>Average time to publication of selection results (FR 128.2 and/or Horizon 2020 limits)</p> <p>% of Time-To-Inform on time</p>

¹¹ The mutualisation of the support services represents a quantitative benefit which is certain but not accurately quantifiable in the context of reorganisations, new programme's setting up, and general HR offsetting through the Commission.

Main risks It may happen (again) that...	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Control indicators
	<p>Validation by the AOSD of ranked list of proposals. In addition, if applicable: Opinion of advisory bodies; comitology; inter-service consultation and adoption by the Commission; publication</p> <p>Systematic checks on operational and legal aspects performed before signature of the GA</p> <p>Redress procedure</p>	<p>Coverage: 100% of ranked list of proposals. Supervision of work of evaluators.</p> <p>100% of contested decisions are analysed by redress committee</p>	<p>Benefits:</p> <p>Qualitative benefits Expert evaluators from outside the Commission bring independence, state of the art knowledge in the field and a range of different opinions. This will have an impact on the whole project cycle : better planned, better implemented projects</p>	<p>cost of evaluating + selecting grants / value of grants contracted</p> <p>% of budget "over-subscription" from proposals received</p>

Stage 2: Contracting

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

Main risks It may happen (again) that...	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Control indicators
<p>The description of the action in the grant agreement includes tasks which do not contribute to the achievement of the programme objectives and/or that the budget foreseen overestimates the costs necessary to carry out the action.</p> <p>The beneficiary lacks operational</p>	<p>Project Officers implement evaluators' recommendations. Hierarchical validation of proposed adjustments.</p> <p>Validation of beneficiaries (operational and financial viability).</p> <p>Systematic checks on operational and legal aspects</p>	<p>100% of the selected proposals and beneficiaries are scrutinised.</p> <p>Coverage: 100% of draft grant agreements.</p> <p>Depth may be differentiated; determined after considering the type or nature of the beneficiary (e.g. SMEs, joint-</p>	<p>Costs: estimation of cost of staff involved in the contracting process.</p> <p>Benefits:</p> <p>Qualitative benefits: The whole committed budget checked for quality (prevention of later errors).</p>	<p>Average Time to Sign (FR 128.2)</p> <p>% of Time-to-Sign on time</p> <p>Average time to grant (FR 128.2)</p> <p>% of Time-to-grant on time</p>

Main risks It may happen (again) that...	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Control indicators
<p>and/or financial capacity to carry out the actions.</p> <p>Procedures do not comply with regulatory framework.</p> <p>The evaluation stage hasn't detected a potentially fraudulent proposal/beneficiary.</p>	<p>performed before signature of the GA</p> <p>Ad hoc anti-fraud checks for riskier beneficiaries</p> <p>Signature of the grant agreement by the AO.</p> <p>Financial verification where necessary</p> <p>Participant Guarantee Fund.</p>	<p>ventures) and/or of the modalities (e.g. substantial subcontracting) and/or the total value of the grant.</p> <p>Note that, given the constraints on the time to grant set out in the H2020 legislation, "negotiation" of projects is kept to a minimum, as far as possible the positively evaluated projects are accepted without modification.</p>	<p>This stage should lead to a higher assurance on the achievement of the projects – and policy objectives.</p>	<p>% cost over annual amount contracted</p>

Stage 3: Monitoring the implementation

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

Main risks It may happen (again) that...	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Control indicators
<p>The actions foreseen are not, totally or partially, carried out in accordance with the technical description and requirements foreseen in the grant agreement.</p> <p>The amounts paid exceed what is due in accordance with the applicable contractual and regulatory provisions.</p>	<p>Kick-off meetings and "launch events" involving the beneficiaries in order to avoid project management and reporting errors</p> <p>Effective external communication about guidance to the beneficiaries</p>	<p>100% of the projects are controlled, including only value-adding checks.</p> <p>Riskier operations subject to more in-depth controls.</p> <p>The depth depends on risk criteria. However, as a deliberate policy to reduce administrative burden, and to</p>	<p>Costs: estimation of cost of staff involved in the actual management of running projects and of experts, if any.</p> <p>Benefits: budget value of the costs claimed by the beneficiary, but rejected by</p>	<p>Average number & value of running projects managed 'per' staff FTE</p> <p>Time-to-pay: % of payments made on time</p> <p>Time-to pay: Average no. days net/gross + suspension days</p>

Main risks It may happen (again) that...	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Control indicators
<p>The cost claims are irregular or fraudulent.</p> <p>Lack of harmonised approach within the family with the consequence of unequal treatment of the beneficiaries</p>	<p>Anti-fraud awareness raising training for the project officers</p> <p>Enhanced family approach (anti-fraud cooperation; common legal and audit service; comprehensive and common IT system for all the family)</p> <p>Operational and financial checks in accordance with the financial circuits. Operation authorisation by the AO For riskier operations, more in-depth ex-ante controls</p> <p>Selection and appointment of expert for scientific reviews of intermediate and/or final reporting</p> <p>If needed: application of Suspension/interruption of payments, Penalties or liquidated damages. Referring grant/beneficiary to OLAF</p>	<p>ensure a good balance between trust and control, the level of control at this stage is reduced to a minimum</p> <p>High risk operations identified by risk criteria. Red flags: suspicions raised by staff, audit results, new Early Detection and Exclusion System (EDES), individual or "population" risk assessment Audit certificates required for any beneficiary claiming more than €375,000 (FP7)/€325,000 (H2020).</p>	<p>staff Reductions in error rates identified by audit certificates.</p> <p>Benefits due to operational review of projects and consequent corrective actions imposed on projects</p>	<p>Cost of control from contracting and monitoring the execution up to payment included/ amount paid (%)</p> <p>Average project management cost (staff FTE * standard staff cost) per running* project</p>

Stage 4: Ex-post controls

A - Reviews, audits and monitoring

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

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

B - Implementing results from ex-post audits/controls

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

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

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

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

ANNEX 8: Decentralised agencies (not applicable)

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

ANNEX 10: Specific annexes related to "Financial Management"

As a complement to the information provided in the core of the report, detailed tables are presented below to provide a more detailed overview of the implementation of the control framework in place at the REA for the management of the operational budget (**Section 2.1**). The following tables will give a highlight on the control systems currently in place at stage 3 /4 which relate to ex-ante controls and at stage 4/4, which relates to the ex-post controls and recoveries, to the implementation of the audit strategies and plans. Details on the performance with regard to Time-To-Pay are also provided.

A follow-up on the two reservations 2015 has been included, giving the state of play of the implementation of the action plans related to the reservation on the Space and Security schemes and the reservation on the SME scheme.

Implementation of the control framework for the management of the operational budget

Ex-ante controls

Table 1: Indicator – Share of interim and final payments made with additional assurance from Certificates on Financial Statements (CFS) – FP7

FP7 Specific Programme	Total amount paid in 2016*	Of which covered by a CFS (%)
People	€ 843,815,588	24.38%
Capacities – SME actions	€ 178,387,694	19.52%
Cooperation – Space & Security	€ 206,478,183	30.09%
Total	€ 1,228,681,465	24.63%

* Total amount paid and offset against cost claims

Table 2: Indicator – Share of interim and final payments made with additional assurance from Certificates on Financial Statements (CFS) – H2020

H2020	Total amount paid in 2016*	Of which covered by a CFS (%)
Excellent Science	€ 18,086,117	0.00%
Industrial Leadership	€ 29,666,933	10.68%
Societal Challenges	€ 47,161,965	0.00%
Specific Objectives	€ 14,249,346	0.00%
Total	€ 109,164,361	2.90%

* Total amount paid and offset against cost claims

Ex-post controls

Implementation of the H2020 audit strategies and plans

Implementation of the H2020 is under the remit of the CAS. The Horizon 2020 audit campaign started in the summer 2016 and first results are not available yet.

Implementation of the FP7 audit strategies and plans ¹²

Table 3: Indicator – Number of ex-post audit for the period 2009-2016

No. of audits		No. of audits planned	Audits launched *	of which	
				in draft	finalised
2009-2016					
joint audits with the ECA		2	11	0	10
risk-based		256	247	30	188
random sample **		277	292	9	281
Grand Total		535	550	39	479
2016					
joint audits with the ECA		0	0	0	0
risk-based		35	34	8	4
of which	SME actions	18	17	3	4
	Space	7	3	1	0
	Security		4	0	0
	People Programme	5	10	4	0
	Other	5	0	0	0
random sample		25	26	8	16
Total		60	60	16	20

* Based on the announcement letters sent to the auditees.

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

¹² To make sure to avoid counting audits twice or three times across actions, the REA fractions the number of audits across the action as follows. The calculation at the REA splits the same audit since it can be conducted on several cost claims presented under different programmes. Therefore, if one audit is conducted on different programmes, only a share (based on the number of cost claims) will be considered for each programme (for example, if one audit has been conducted in two different programmes for 2 cost claims each, the audit will be considered only 0.5 for each programme).

Table 4: Indicator – Number of projects by programme/theme/action covered by ex-post audits for the period 2009-2016

Distribution of launched audits 2009-2016	Number of projects	of which	
		in draft	finalised
People Programme (DG EAC)			
joint audits with the ECA	4	0	4
risk-based	97	11	73
random sample	325	4	321
Total	426	15	398
SME actions (DG RTD)			
joint audits with the ECA	2	0	1
risk-based	177	31	122
random sample	87	2	85
Total	266	33	208
Space (DG GROW)			
joint audits with the ECA	3	0	3
risk-based	68	3	59
random sample	104	4	99
Total	175	7	161
Security (DG HOME)			
joint audits with the ECA	2	0	2
risk-based	65	4	57
random sample	85	2	82
Total	152	6	141
REA TOTAL			
joint audits with the ECA	11	0	10
risk-based	407	49	311
random sample	601	12	587
Grand TOTAL	1,019	61	908

Table 5: Indicator – direct and indirect coverage provided by the ex-post audits performed¹³

Programme/theme/action	Direct coverage - % of total population*	Indirect coverage - % of total population**	% of total population
People Programme	2.7%	69.9%	72.6%
Capacities – SME actions	2.7%	6.0%	8.7%
Cooperation – Space	8.1%	51.4%	59.5%
Cooperation – Security	4.9%	43.9%	48.8%
REA Total	3.5%	52.1%	55.6%

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

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

Time-To-Pay (TTP)

Table 6: Indicator – Share of payments made on time

Breakdown of payments per type of expenditure:		2015					2016				
		Nb. of payments	Average time to pay (calendar days)*		Nb. of payments made on time	Share of payments made on time	Nb. of payments	Average time to pay (calendar days)		Nb. of payments made on time	Share of payments made on time
			Net	Gross				Net	Gross		
FP7	Research grants – pre-financing payments (target = 30 days)	219	9.6	24.5	212	96.8%	12	23.1	139.5	11	91.7%
	Research grants – interim and final payments (target = 90 days)	2,851	61.4	95.4	2,689	94.3%	2,819	65.1	107.5	2,642	93.7%
H2020	Research grants – pre-financing payments (target = 30 days)	1,574	9.6	24.5	1,562	99.2%	1,768	11.3	11.3	1,747	98.8%
	Research grants – interim and final payments (target = 90 days)	52	61.4	95.4	48	92.3%	202	62.7	86.1	181	89.6%
Subtotal operational expenditures linked to grant management		4,696	n/a	n/a	4,511	96.1%	4,801	45.1	71.2	4,581	95.4%
Administrative expenditures (target = 30 days)		1,479	15.2	16.3	1,460	98.7%	1,416	10.7	11.1	1,412	99.7%
Experts H2020 (target = 30 days)		18,787	15.0	15.7	18,058	96.1%	20,977	11.0	11.6	20,898	99.6%
Total payments processed by the REA		29,658	-	-	28,540	96.2%	31,995	-	-	31,472	98.4%

* For operational expenditures 2015, detailed information on the average time-to-pay per programme was not available, therefore a similar average number of days was reported for H2020 and FP7.

¹³ These percentages are estimations based on the period requested contributions by beneficiaries.

Reservations: REA 2015 FP7 reservations and their follow-up

Reserve	Action Plan	Actions	Impact and likely evolution
<p>1- The rate of the residual errors with regard to the accuracy of cost claims impacting on granted EU funding for Space and Security themes of the Cooperation Specific Programme in the 7th FP grants</p>	<p>As reported in the 2015 AAR, the intrinsic risk of the Space and Security themes is similar to other themes of the Cooperation Specific Programme. In consequence, the CRaS error rate is fully representative for these themes since the error rate predominantly reflects the errors encountered in the mainstream Cooperation Specific Programme projects. As a consequence, the action plan and the impact are the same as for the rest of the Research family. Therefore, the REA fully endorses the Research family action plan.</p> <p>The possibilities to simplify the FP7 rules have been exhausted. The remaining scope to reduce errors will be addressed in particular through the following actions:</p> <ul style="list-style-type: none"> - continuing its ongoing efforts to give guidance and feedback to the participants and to the certifying auditors to prevent errors occurring; - continuing with its control and audit work in order to further reduce the FP7 residual error rate. 	<p>On top of the actions mentioned by DG RTD in their follow-up of the 2015 FP7 reservations, which are relevant for the whole Research family, it is worth to note that the REA has developed its own actions:</p> <ul style="list-style-type: none"> - The REA fully contributed to the constant improvement of the ex-ante controls and further developed dedicated trainings for the staff dealing with FP7 payments, to better instruct them on the controls that must be performed. In 2016, a dedicated training for the new financial officers (FOs) taking function in the REA focusing on ex-ante controls has been developed and launched. - The REA continued its implementation of controls and audits. In 2016, the REA launched 60 audits, out of which 7 risk-based and 10 CRaS covered Space and Security. - The REA has participated in providing the guidance to beneficiaries and certifying auditors in events and coordinators days organised by DG RTD. Even if guidance has been improved, the main improvements will come from the framework programme design of Horizon 2020, as underlined by DG RTD. 	<p>The REA fully endorses the conclusion of DG RTD for the Research family.</p> <p>It is also the REA's opinion, based on its own experience, that the residual error rate will remain above 2% and that it would not be effective in terms of costs and image to launch audit campaigns to bring it below the 2%.</p> <p>Therefore the REA will continue to maintain a reserve as long as there is significant FP7 expenditure.</p> <p>It is expected that, as regards H2020, the residual error rate will remain in the range of 2-5%, as indicated in the financial statements accompanying the Horizon 2020 proposal. One may anticipate a residual error rate as close as possible to the threshold of 2%, but not necessarily below the 2%.</p>

Reserve	Action Plan	Actions	Impact and likely evolution
<p>2- The rate of the residual errors with regard to the accuracy of cost claims impacting on granted EU funding for Research for the benefit of SMEs actions of the Capacities Specific Programme in the FP7 grants</p>	<p>As explained in the AAR 2015, the reasons for the reservation is the intrinsic risk of the SME scheme: results obtained in the context of ex-post control targeting the SME actions specifically indicate an error rate which is above the materiality criterion and a risk exposure higher than the FP7 average, which is mainly due to the complexity of the FP7 rules that may be difficult to apprehend for small companies and the fact that the majority of the SME's are one time participants.</p> <p>The possibilities to simplify the FP7 rules have been exhausted. The remaining scope to reduce errors will be addressed in particular through the following actions:</p> <ul style="list-style-type: none"> – continuing its on-going efforts to give guidance and feedback to the participants and certifying auditors to prevent errors occurring; – continuing with its control and audit work in order to further reduce the FP7 residual error rate. 	<p>The REA continues its on-going efforts to give guidance and feedback to the participants and certifying auditors to prevent errors occurring.</p> <p>It also continues efforts with its control and audit work to further reduce the residual error rate. In 2016, 17 risk-based audits have been performed by the REA on SMEs. This 2016 audit campaign confirms the higher error rate of the SME scheme.</p>	<p>The error rate is linked to the eligibility of the SME costs, as the REA implements systematic ex-ante controls for checking the recording of the costs for sub-contracting to RTD performers before proceeding to any final payment.</p> <p>Taking into account the need to balance legality/regularity with other objectives, such as attractiveness and success of the EU research policy, the wish to encourage participation of SMEs and the cost of controls, the REA is of the opinion that additional ex-ante controls cannot be added and that ex-post controls cannot be increased significantly.</p> <p>Therefore, it is not expected that the residual error rate will be below the materiality threshold and the REA will continue to maintain a reserve as long as there are significant expenditures for the SME specific programme under FP7.</p>

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

ANNEX 12: Performance tables

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

Relevant general objective: PARENT DG EAC								
Under the overarching Commission objective 1 "A New Boost for Jobs, Growth and Investment", EU level intervention aims at competitiveness through education, innovation, youth, culture and sport.								
Specific objective: PARENT DG EAC								
Specific objective 1.7: Excellent science – Marie Skłodowska-Curie actions – to ensure optimum development and dynamic use of Europe's intellectual capital of researchers in order to generate new skills and innovation and, thus, to realise its full potential across all sectors and regions.								
Main outputs in 2016:								
EXPENDITURE-RELATED OUTPUTS						INPUTS: Operational expenditure		Latest known results/ Achieved/Non achieved
Description/ Responsible Unit	Milestones			Nb. of out-puts (calls)	Topics delegated to REA	Budget line	Indicative budget 2016 from the H2020 WP 2016-17¹⁴ (CA, million €)	
	Call/ Responsible Unit	Call ID	Call deadline					
Management of H2020								
Management of the calls and contracting procedures of the WP 2016-2017¹⁵ – Marie Skłodowska-Curie Actions	Innovative Training Networks (Unit A1)	MSCA-ITN-2016	12.01.2016	1	All	See 4.2.3. of AWP 2016	375.00	Call implemented
	Individual Fellowships (Units A2 and A4)	MSCA-IF-2016	14.09.2016	1	All	See 4.2.3. of AWP 2016	218.71	Call implemented
	Research and Innovation Staff Exchange (Unit A3)	MSCA-RISE-2016	28.04.2016	1	All	See 4.2.3. of AWP 2016	80.00	Call implemented
	COFUND (Unit A4)	MSCA-COFUND-2016	29.09.2016	1	All	See 4.2.3. of AWP 2016	80.00	Call implemented
	NIGHT ¹⁶ (Unit A4)	NIGHT-2016 (CSA)	13.01.2016	1	All	See 4.2.3. of AWP 2016	8.00	Call implemented
	TOTAL				5			761.71

¹⁴ Indicative budget updated following the revision of the WP 2016-2017 (15 July 2016)

¹⁵ Commission Decision C(2015)6776 of 13 October 2015 updated by Commission Decision C(2016)4614 of 25 July 2016.

¹⁶ Only 1 call covering a 2-year period.

Management of FP7				
Management of FP7 grant agreements (FP7 People Programme)	Continuous (see detailed actions below)			
	<ul style="list-style-type: none"> Initial Training Networks (ITN) (Unit A1) Industry and Academia Partnerships and Pathways (IAPP) (Unit A1) Intra-European Fellowships (IEF) (Unit A2) International Research Staff Exchange Scheme (IRSES) (Unit A3) International Outgoing Fellowships (IOF) (Unit A4) International Incoming Fellowships (IIF) (Unit A4) Re-integration Grants and Career Integration Grants (CIG) (Unit A4) Co-funding of Regional, National and International Programmes (COFUND) (Unit A4) Researchers' NIGHT (Unit A4) 	n/a	n/a	implemented
KEY ACTIONS				
Description	FP7	H2020	FP7	H2020
	AWP 2016 Estimated Number	AWP 2016 Estimated Number	Final	Final
Promotion of the programme	n/a	27	n/a	24
Calls for proposals		5		5
Evaluation sessions		5		5
Number of individual proposals evaluated		13,800		10,986
Grant finalisation ¹⁷		1,500		1,483
Procedures for selection by the Commission (where necessary)		13		16
Pre-financing payments		1,500		1,468
Interim payments / progress reports	750	5	731	7
Final payments / final reports	1,400	60	1,685	56

¹⁷ Number of grants signed in 2016 (for 2015 and 2016 calls).

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

Relevant general objective: PARENT DG CNECT									
DG CNECT aims at contributing to general objective 1 "A New Boost for Jobs, Growth and Investment".									
Specific objective: PARENT DG CNECT									
Europe's research finds investment opportunities for potential technology breakthroughs and flagships, in particular through the Horizon 2020 programme and using Private Public Partnerships.									
Main outputs in 2016:									
EXPENDITURE-RELATED OUTPUTS					INPUTS: Operational expenditure				
Description/ Responsible Unit	Milestones			Nb. of out- puts (calls)	Topics dele- gated to REA	Budget line	Indicative budget 2016 from the H2020 WP 2016-17 (CA, million €)	Latest known results/ Achieved/Non achieved	
	Call/ Responsible Unit	Call ID	Call deadline						
Management of H2020									
Management of the calls and contracting of the WP 2016-2017 ¹⁸_ FUTURE AND EMERGING TECHNOLOGIES	FET-Open – Novel ideas for radically new technologies (Unit A5)								
	FET-Open research and innovation actions (RIA)	FET- OPEN- 01- 2016- 2017	11.05.2016 ¹⁹	1	1 (3 cut- off dates)	See 4.2.3. of AWP 2016	84.00	Call implemented	
	FET-Open Coordinatio n and Support Actions (CSA)	FET- OPEN- 02- 2016	11.05.2016		1	1	See 4.2.3. of AWP 2016	3.00	Call implemented
	FET Innovation Launchpad	FET- OPEN- 04- 2016- 2017	29.09.2016 ²⁰		1	1 (2 cut off dates)	See 4.2.3. of AWP 2016	1.20	Call implemented
TOTAL			1	3		88.20	CA: €91.71 m		

¹⁸ Commission Decision C(2015)6776 of 13 October 2015 updated by Commission Decision C(2016)4614 of 25 July 2016.

¹⁹ A single call with three cut-off dates: 1 in 2016 as indicated and 2 in 2017 (17.01.2017 and 27.09.2017).

²⁰ A single call with two cut-off dates: 1 in 2016 as indicated and 1 in 2017 (27.09.2017).

KEY ACTIONS		
Description	H2020	
	AWP 2016 Estimated Number	Final Number
Promotion of the programme	5	2
Calls for proposals	3	3
Evaluation sessions	3	3
Number of individual proposals evaluated	1,000	641
Grant finalisation ²¹	15	37
Procedures for selection by the Commission (where necessary)	6	2
Pre-financing payments	25	45
Interim payments / progress reports	20	19
Final payments / final reports	0	0

²¹ Number of grants signed in 2016 (for 2015 and 2016 calls).

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

Relevant general objective: PARENT DG GROW								
DG GROW aims at contributing to general objective 1 "A New Boost for Jobs, Growth and Investment".								
Specific objective: PARENT DG GROW								
Specific objective 1.2: To maintain and build global leadership through research and innovation in enabling technologies and space								
Main outputs in 2016:								
EXPENDITURE-RELATED OUTPUTS						INPUTS: Operational expenditure		
Description	Milestones			Nb. of outputs (calls)	Topics delegated to REA	Budget line	Indicative budget 2016 from the H2020 WP 2016-17 (CA, million €)	Latest known results/ Achieved/Non achieved
	Call/ Responsible Unit	Call ID	Call deadline					
Management of H2020								
Management of the calls and contracting procedures of the WP 2016-2017 – Industrial Leadership²²	Earth Observation (Unit B1)	EO-2016	03/03/2016	1	All	See 4.2.3. of AWP 2016	23.03	Call implemented
	Competitiveness of the European Space Sector: Technology and Science (Unit B1)	COMP ET-2016	03/03/2016	1	All	See 4.2.3. of AWP 2016	65.85	Call implemented
	Ad-hoc calls: (Grants to named beneficiaries) FPA on Space surveillance and tracking (SST) Support Framework						pm	Call implemented
	Space surveillance and tracking (RIA) Improving		n/a			See 4.2.3. of AWP 2016	1.20 8.00	

²² Commission Decision C(2015)6776 of 13 October 2015 updated by Commission Decision C(2016)4614 of 25 July 2016

	the Performanc e of the SST at European Level (RIA) (Unit B1)							
TOTAL			2			98.08	CA: €102.81 m	
Management of FP7								
Management of FP7 grant agreements (FP7 Cooperation Programme, Space theme)	Continuous (see detailed actions below)		n/a			n/a	Implemented	
KEY ACTIONS								
Description	FP7		H2020			FP7	H2020	
	AWP 2016 - Estimated Number		AWP 2016 - Estimated Number			Final Number	Final Number	
Promotion of the programme	n/a		5			n/a	0 ²³	
Calls for proposals			2				2	
Evaluation sessions			2				2	
Number of individual proposals evaluated			300				160	
Grant finalisation ²⁴			50				35	
Procedures for selection by the Commission (where necessary)			1-2				1	
Pre-financing payments			40				45	
Interim payments / progress reports	26		30			25	26	
Final payments / final reports	45		5			42	2	

²³ REA does not organise info sessions of the H2020 Space programme, however it has supported the parent DG in the context of numerous Info Days across Europe.

²⁴ Number of grants signed in 2016 (for 2015 and 2016 calls).

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

Relevant general objectives:								
PARENT DG RTD								
DG RTD aims at contributing to general objective 1 "A New Boost for Jobs, Growth and Investment".								
PARENT DG AGRI								
DG AGRI aims at contributing in particular to the following 4 general objectives: "A New Boost for Jobs, Growth and Investment" (no.1), "A Connected Digital Single Market" (no.2), "A Resilient Energy Union with a Forward-Looking Climate Change Policy" (no.3), "A Reasonable and Balanced Free Trade Agreement with the U.S" (no.6).								
Societal Challenge 2 contributes to all 3 Common Agricultural Policy (CAP) objectives that all contribute to the general objectives selected by DG AGRI; as well as to H2020 general objective "To build an economy based on knowledge and innovation across the whole Union, while contributing to sustainable development."								
Specific objectives:								
PARENT DG RTD								
Specific objective 1.3: To ensure an effective and efficient implementation of Horizon 2020 and other RTD programmes and maximise synergies.								
PARENT DG AGRI								
Societal challenges - to secure sufficient supplies of safe and high quality food and other bio-based products, by developing productive and resource-efficient primary production systems, fostering related ecosystem services and the recovery of biological diversity, alongside competitive and low carbon supply, processing and marketing chains.								
Main outputs in 2016:								
EXPENDITURE-RELATED OUTPUTS						INPUTS: Operational expenditure		
Description/ Responsible Unit	Milestones			Nb. of outputs (calls)	Topics dele- gated to REA	Budget line	Indicative budget 2016 from the H2020 WP 2016-17 (CA, million €)	Latest known results/ Achieved/Non achieved
	Call/ Responsible Unit	Call ID	Call deadline					
Management of H2020								
Managemen t of the calls and contracting procedures of the WP 2016-2017²⁵ – Societal Challenge 2	Sustainable Food Security (Unit B2)	SFS- 2016	Stage 1: 17.02.2016 Stage 2: 13.09.2016 ²⁶	RIA, topics 1, 2, 3, 6, 7, 11, 14, 15, 21, 23, 26, 31, 33, 37, 38, 42, 44, 45	See 4.2.3. of AWP 2016	141.50	Call implemented	
		SFS- 2016	17.02.2016					CSA, topic 12 ERA-NET-Cofund, topics 19 and 41 RIA, topic 9
		Subtotal SFS- 2016			1	All, except topics 24 and 25		
	Blue Growth (Unit B2)	BG-2016	Stage 1: 17.02.2016	1	Topics 1 and	See 4.2.3. of	30.00	Call implemented

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

²⁶ Submission and evaluation of proposals for this call will take place in two stages. REA is responsible for coordinating the call with DG RTD, DG AGRI, EASME and INEA.

			Stage 2: 13.09.2016		12	AWP 2016		
Rural Renaissance (Unit B2)	RUR-2016		Stage 1: 17.02.2016, Stage 2: 13.09.2016	RIA, topics 1,4,6,7 and 14		See 4.2.3. of AWP 2016	42.00	Call implemented
	RUR-8-2016		17.02.2016	IA		See 4.2.3. of AWP 2016	12.00	Call implemented
	RUR-2016		17.02.2016	CSA, topics 10 and 11		See 4.2.3. of AWP 2016	12.00	Call implemented
	Subtotal RUR-2016			1			66.00	Call implemented
European Bioeconomy (Unit B2)	BB-1-2016		Stage 1: 17.02.2016, Stage 2: 13.09.2016	RIA, topic 1		See 4.2.3. of AWP 2016	5.00	Call implemented
	BB-4-2016		17.02.2016	IA, topic 4		See 4.2.3. of AWP 2016	6.00	Call implemented
	BB-6-2016		17.02.2016	CSA, topic 6		See 4.2.3. of AWP 2016	1.00	Call implemented
	Subtotal BB-2016			1			12.00	Call implemented
Contribution to other calls²⁷				1			3.00	Call implemented
TOTAL				4			287.50	CA: €298.32 m

KEY ACTIONS

Description	H2020	
	AWP 2016 - Estimated Number	Final Number
Promotion of the programme	2	2
Calls for proposals	4	4
Evaluation sessions	12	13
Number of individual proposals evaluated	600	362
Grant finalisation ²⁸	40	51
Procedures for selection by the Commission (where necessary)	10	33 ²⁹
Pre-financing payments	40	49
Interim payments / progress reports	10	12
Final payments / final reports	0	0

²⁷ Contribution to call 'Circular Economy (RTD) - CIRC-05-2016: Unlocking the potential of urban organic waste'.

²⁸ Number of grants signed in 2016 (for 2015 and 2016 calls).

²⁹ The deviation concerning the selection procedures by the Commission is due to the fact that the selection procedures of the 2015 calls (SC-2 second stage and Waste & Water calls) were not correctly anticipated in the AWP 2016. The breakdown is actually: 10 procedures for 2016 single stage + 23 procedures for 2015 second stage and Waste & Water calls.

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

Relevant general objectives: PARENT DGs RTD and CNECT DGs RTD and CNECT both aim at contributing to general objective 1 "A New Boost for Jobs, Growth and Investment".								
Specific objectives: PARENT DG RTD Specific objective 1.3: To ensure an effective and efficient implementation of Horizon 2020 and other RTD programmes and maximise synergies. PARENT DG CNECT Europe's research finds investment opportunities for potential technology breakthroughs and flagships, in particular through the Horizon 2020 programme and using Private Public Partnerships.								
Main outputs in 2016:								
EXPENDITURE-RELATED OUTPUTS						INPUTS: Operational expenditure		
Description	Milestones			Nb. of outputs (calls)	Topics delegated to REA	Budget line	Indicative budget 2016 from the H2020 WP 2016-17 (CA, million €)	Latest known results/ Achieved/Non achieved
	Call/ Responsible Unit	Call ID	Call deadline					
Management of H2020								
Management of the calls and contracting procedures of the WP 2016-2017³⁰ – Societal Challenge 6	Co-Creation for Growth and Inclusion (Unit B3)	CO-CREATION -2-2016 (CSA)	15.11.2016		2	See 4.2.3. of AWP 2016	4.00	Call implemented
		CO-CREATION -3-2016 (IA)			3	See 4.2.3. of AWP 2016	5.00	Call implemented
		CO-CREATION -8-2016/2017 (RIA)	04.02.2016		8	See 4.2.3. of AWP 2016	3.50	Call implemented
		CO-CREATION -9-2016 (CSA)			9	See 4.2.3. of AWP 2016	2.00	Call implemented
		CO-CREATION -5-2016 (IA)	24.05.2016		5	See 4.2.3. of AWP 2016	8.00	Call implemented
		Subtotal CO-CREATION -2016			1	2, 3, 8, 9 and 5		22.50
	Reversing	REV-	04.02.2016	1	1, 2, 4, 5,	See	37.50	Call

³⁰ Commission Decision C(2015)6776 of 13 October 2015 updated by Commission Decision C(2016)4614 of 25 July 2016.

	Inequalities and Promoting Fairness (Unit B3)	INEQUAL - 2016			6, 7 and 8 (RIA)	4.2.3. of AWP 2016		implemented
	Promoting the European Public and Cultural Space (Unit B3)	CULT-COOP-8-2016 (RIA)	04.02.2016		8 (RIA)	See 4.2.3. of AWP 2016	10.00	Call implemented
CULT-COOP-11-2016 (RIA)				11 (RIA)	See 4.2.3. of AWP 2016	8.00	Call implemented	
Subtotal CULT-COOP-2016				1	8 and 11 (RIA)	See 4.2.3. of AWP 2016	18.00	Call implemented
TOTAL				3	14		78.00	CA: €80.82 m

KEY ACTIONS

Description	H2020	
	AWP 2016 - Estimated Number	Final Number
Promotion of the programme	2	2 ³¹
Calls for proposals	3	3
Evaluation sessions	3	3
Number of individual proposals evaluated	1,300	247
Grant finalisation ³²	50	52
Procedures for selection by the Commission (where necessary)	6-9	8 ³³
Pre-financing payments	50	51
Interim payments / progress reports	40	34
Final payments / final reports	0	0

³¹ REA does not organise info sessions of the H2020 SC6 programme, however it has supported the parent DG by participating to events, giving expertise and presentations, notably during the SSH presidency conference in Bratislava in November 2016 or the ICT day in Budapest.

³² Number of grants signed in 2016 (for 2015 and 2016 calls).

³³ Batches for the calls 2016. In addition, 15 batches on the 2015 calls have been launched as well in 2016.

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

<p>Relevant general objectives: PARENT DG HOME DG HOME aims at contributing to general objectives 7 "An Area of Justice and Fundamental Rights based on Mutual Trust" and 8 "Towards a New Policy on Migration"</p> <p>PARENT DG CNECT DG CNECT aims at contributing to general objective 1 "A New Boost for Jobs, Growth and Investment".</p>								
<p>Specific objectives: PARENT DG HOME Specific objectives under general objective 7:</p> <ul style="list-style-type: none"> - A strong EU response to tackling terrorism and preventing radicalisation; - Disrupt serious and organised cross border crime - Fighting cybercrime <p>Specific objective under general objective 8: Border management: Save lives and secure EU external border</p> <p>PARENT DG CNECT Europe's research finds investment opportunities for potential technology breakthroughs and flagships, in particular through the Horizon 2020 programme and using Private Public Partnerships.</p>								
Main outputs in 2016:								
EXPENDITURE-RELATED OUTPUTS						INPUTS: Operational expenditure³⁴		
Description	Milestones			Nb. of outputs (calls)	Topics delegated to REA	Budget line	Indicative budget 2016 from the H2020 WP 2016-17 (CA, million €)	Latest known results/ Achieved/Non achieved
	Call/ Responsible Unit	Call ID	Call deadline					
Management of H2020								
Management of the calls and contracting procedures of the WP 2016-2017³⁵ – Societal Challenge 7	Critical Infrastructure Protection (Unit B4)	CIP-01-2016-2017 (IA)	25.08.2016	1	n/a	See 4.2.3. of AWP 2016	20.00	Call implemented
	Security (Unit B4)	SEC-DRS-2016	25.08.2016	1 and 2 (IA), 3 and 5 (CSA)		See 4.2.3. of AWP 2016	19.50	Call implemented
		SEC-FCT-2016		6, 7, 8, 11 and 12 (RIA)		See 4.2.3. of AWP 2016	44.25	Call implemented
		SEC-BES-2016		14 (RIA), 19 and 20 (IA)		See 4.2.3. of AWP 2016	34.00	Call implemented
		SEC-21-GM-2016-2017		n/a (CSA)		See 4.2.3. of AWP 2016	15.50	Call implemented
	Subtotal			1			113.25	Call

³⁴ For the calls delegated by DG CNECT, the REA manages 100% of the call budget; for the calls delegated by DG HOME, the REA manages two-thirds of the call budget (only unclassified projects).

³⁵ Commission Decision C(2015)6776 of 13 October 2015 updated by Commission Decision C(2016)4614 of 25 July 2016

		SEC-2016						implemented
	Digital Security Focus Areas (Unit B4)	DS-2016	25.08.2016	1	2 (IA) and 4 (RIA)	See 4.2.3. of AWP 2016	26.00	Call implemented
	TOTAL			3			159.25	CA: €80.20 m
Management of FP7								
Management of FP7 grant agreements (Cooperation Programme, Security theme)	Continuous (see detailed actions below) (Unit B4)			n/a				Implemented
KEY ACTIONS								
Description	FP7	H2020	FP7	H2020				
	AWP 2016 - Estimated Number	AWP 2016 - Estimated Number	Final	Final				
Promotion of the programme	n/a	5	n / a	3				
Calls for proposals		3		3				
Evaluation sessions		3		3				
Number of individual proposals evaluated		360		277				
Grant finalisation		30		29 ³⁶				
Procedures for selection by the Commission (where necessary)		8		11				
Pre-financing payments		30		52				
Interim payments / progress reports	50	20	62	17				
Final payments / final reports	43	0	41	0				

³⁶ Number of grants signed in 2016 (2015 calls only).

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

Relevant general objective: PARENT DG RTD								
DG RTD aims at contributing to general objective 1 "A New Boost for Jobs, Growth and Investment".								
Specific objective: PARENT DG RTD								
Specific objective 1.3: To ensure an effective and efficient implementation of Horizon 2020 and other RTD programmes and maximise synergies.								
Main outputs in 2016:								
EXPENDITURE-RELATED OUTPUTS						INPUTS: Operational expenditure		
Description	Milestones			Nb. of outputs (calls)	Topics delegated to REA	Budget line	Indicative budget 2016 from the H2020 WP 2016-17 (CA, million €)	Latest known results/ Achieved/N on achieved
	Call/ Responsible Unit	Call ID	Call deadline					
Management of H2020								
Management of the calls and contracting procedures of the WP 2016-2017³⁷ – Spreading Excellence and Widening Participation (SEWP)	WIDESPREAD-01 Teaming Phase 2 (Unit B5)	WIDESPREAD-01-2016-2017: Teaming Phase 2 (SGA - CSA)	23.06.2016	1	n/a	See 4.2.3. of AWP 2016	89.53	Call implemented
	WIDESPREAD-04 Teaming Phase 1 (Unit B5)	WIDESPREAD-4-2017 Teaming Phase 1 (CSA)	15.11.2016	1	n/a	See 4.2.3. of AWP 2016	0 ³⁸	n/a (2017 call)
	TOTAL			2			89.53	CA: €94.02 m
KEY ACTIONS								
Description	H2020							
	AWP 2016 - Estimated Number	Final						
Promotion of the programme	2	1						
Calls for proposals	2	2						
Evaluation sessions	2 ³⁹	1						
Number of individual proposals evaluated	30	30						
Grant finalisation ⁴⁰	0 ⁴¹	2 ⁴²						
Procedures for selection by the Commission (where necessary)	2	2						
Pre-financing payments	0	32						
Interim payments / progress reports	0	0						
Final payments / final reports	30	30						

³⁷ Commission Decision C(2015)6776 of 13 October 2015 Commission Decision C(2016)4614 of 25 July 2016.

³⁸ Indicative budget for 2017: €12.00 million.

³⁹ Two evaluation sessions, one for Teaming 2 (2016-17 WP) and one for Teaming 1 (2016-17 WP) (the latter split between December 2016 and February 2017).

⁴⁰ Number of grants signed in 2016 (for 2015 and 2016 calls)

⁴¹ Estimated number of projects funded was 9, but they were expected to be finalised in 2017 only.

⁴² 2 grants signed in 2016 (for 2015 calls).

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

Relevant general objective: PARENT DG RTD									
DG RTD aims at contributing to general objective 1 "A New Boost for Jobs, Growth and Investment".									
Specific objective: PARENT DG RTD									
Specific objective 1.3: To ensure an effective and efficient implementation of Horizon 2020 and other RTD programmes and maximise synergies.									
Main outputs in 2016:									
EXPENDITURE-RELATED OUTPUTS						INPUTS: Operational expenditure			
Description/ Responsible Unit	Milestones			Nb. of outputs (calls)	Topics dele- gated to REA	Budge t line	Indicative budget 2016 from the H2020 WP 2016-17 (CA, million €)	Latest known results/ Achieved/Non achieved	
	Call/ Responsible Unit	Call ID	Call deadline						
Management of H2020									
Management of the calls and contracting procedures of the WP 2016- 2017⁴³ – Science with and for Society (SwafS)	SwafS - Science with and for Society (Unit B5)	SwafS -2016- 17	See below	1	All	See 4.2.3.	44.02	Call implemented	
	1. Institutional Change to Support Responsible Research and Innovation in Research Performing and Funding Organisations								
		SwafS- 01-2016 (RIA)				1 (RIA)	See 4.2.3. of AWP 2016	3.00	Call implemented
		SwafS- 02-2016 (ERA- NET Cofund)				2 (ERA- NET Cofund)	See 4.2.3. of AWP 2016	5.00	Call implemented
		SwafS- 03-2016 (CSA)		30.08.2016		3 (CSA)	See 4.2.3. of AWP 2016	3.90	Call implemented
		SwafS- 04-2016 (CSA)				4 (CSA)	See 4.2.3. of AWP 2016	6.70	Call implemented
		SwafS- 07-2016 (CSA)				7 (CSA)	See 4.2.3. of AWP 2016	0.90	Call implemented
	Subtotal				5		19.50	Call implemented	

⁴³ Commission Decision C(2015)6776 of 13 October 2015 updated by Commission Decision C(2016)4614 of 25 July 2016.

2. Embedding Responsible Research and Innovation in Horizon 2020 Research & Innovation							
	SwafS-09-2016 (CSA)	30.08.2016		9 (CSA)	See 4.2.3. of AWP 2016	6.80	Call implemented
4. Developing Inclusive, Anticipatory Governance for Research & Innovation							
	SwafS-15-2016 (CSA)	30.08.2016		15 (CSA)	See 4.2.3 of AWP 2016.	3.00	Call implemented
	SwafS-16-2016 (CSA)	30.08.2016		16 (CSA)	See 4.2.3 of AWP 2016.	3.80	Call implemented
	SwafS-17-2016 (CSA)	30.08.2016		17 (CSA)	See 4.2.3. of AWP 2016	3.80	Call implemented
	SwafS-18-2016 (CSA)	30.08.2016		18 (CSA)	See 4.2.3. of AWP 2016	3.80	Call implemented
	SwafS-19-2016 (CSA)	30.08.2016		19 (CSA)	See 4.2.3. of AWP 2016	1.95	Call implemented
	SwafS-20-2016 (CSA)	30.08.2016		20 (CSA)	See 4.2.3. of AWP 2016	0.87	Call implemented
	SwafS-25-2016 (CSA)	23.01.2016		25 (CSA)	See 4.2.3. of AWP 2016	0.50	Call implemented
	Subtotal			7		17.72	Call implemented
	TOTAL		1	13		44.02	CA: €41.04 m

KEY ACTIONS

Description	H2020	
	AWP 2016 - Estimated Number	Final
Promotion of the programme	1	0
Calls for proposals	1	1
Evaluation sessions	2	2
Number of individual proposals evaluated	500	136
Grant finalisation	1	24 ⁴⁴
Procedures for selection by the Commission (where necessary)	0	9
Pre-financing payments	1	26
Interim payments / progress reports	5	4
Final payments / final reports	0	0

⁴⁴ 24 SwafS-grants were signed by the REA in 2016, one for the SwafS-2016-topic 25 which had an advanced call deadline and 23 for the 2015 calls.

9. Management of FP 7 Legacy – SME actions

Relevant general objective: PARENT DG RTD n/a								
Specific objective: PARENT DG RTD FP7 research for the benefit of SMEs Action (No specific objective in the management plan 2016 of DG RTD)								
Main outputs in 2016:								
EXPENDITURE-RELATED OUTPUTS						INPUTS: Operational expenditure		
Description	Milestones			Nb. of outputs (calls)	Topics delegated to REA	Budget line	Indicative budget 2016 from the H2020 WP 2016-17 (CA, million €)	Latest known results/ Achieved/Non achieved
	Call/ Responsible Unit	Call ID	Call deadline					
Management of FP7								
Management of FP7 grant agreements (FP7 research for the benefit of SMEs Actions)	Continuous (see detailed actions below) (Units B3, B2, A5)			n/a		n/a		Implemented
KEY ACTIONS								
Description						FP7		
						AWP 2016 - Estimated Number	Final	
Interim payments / progress reports						20	28	
Final payments / final reports						180	217	

10. Administrative and logistical support services

Expert management

The REA's quantitative activity performance as regards expert management in 2016 was as follows:

KEY ACTIONS				
Description	Estimated Number	Estimated Budget (million €)	Final Number	Final amount (million €)
<u>Tasks related to contracting and payment of experts⁴⁵</u>				
Number of expert contracts signed – expert evaluators	16,000		12,070	-
Number of expert contracts signed – expert monitors (only for actions managed by the REA) ⁴⁶	2,500		1,037	-
Number of payments	21,000	54.7	21,003	42.6
Number of LE/BA validations for experts	13,500		14,800	-
Number of Pool approvals	250		255	-

There is a discrepancy between the initial forecast of contracts to sign with expert evaluators and monitors in 2016, and the final number of contracts signed. This is explained by the fact that experts for three large calls which take place early in the year (SME Instrument, MSCA-ITN and FET-Open) are usually contracted at the end of the previous year. This was not done in 2016 for the 2017 calls, as the H2020 Expert Model Contract was revised in 2016 with a scheduled entry into force date of 1 January 2017. Since the revised Model Contract significantly changes the way in which payment for remote evaluation work is calculated, contracting for these calls was postponed to January 2017.

In addition to the KPIs selected, REA also pays a particular attention to the following indicator:

Indicator	Target	Baseline
Time-to-contract for experts	100% of experts' Legal Entity Files validated within 25 working days (after approval of the pool of experts by the evaluating service)	96% (31 December 2016)

⁴⁵ There is one single budget line for expert evaluator payments, whereas expert monitors are included in the individual budget lines for each activity.

⁴⁶ Expert monitors are included in the budget line for each activity.

Participant validation and support

KEY ACTIONS				
Description	Estimated Number	Estimated Budget (million €)	Final Number	Final amount (million €)
<u>Tasks related to support of call publication</u>				
Number of calls set up	160		199	
<u>Tasks related to the evaluation support</u>				
Number of evaluation sessions set-up	116		226	
Number of proposals evaluated	36,000		36,887	
Number of experts supported (remote)	6,000		N/A ⁴⁷	
Number of experts supported (on-site)	10,000		6,733	
<u>Tasks related to the Research Enquiry Service back-office</u>				
Total number of answers given by the RES (EDCC and EC helpdesks)	14,000		10,792	
- Number of answers given directly by the service provider (EDCC)	10,000		5,022	
- Number of answers given by the EC helpdesks	4,000		5,770	
<u>Frequently asked Questions</u>				
Number of questions approved and published	750		964	
<u>Tasks related to participant validation – legal validation</u>				
Number of participants validated (for H2020 and other programmes)	6,200		7,328	
Number of LEAR Extended Mandates validated (only for H2020)	10,000		7,724	
<u>Tasks related to participant validation – SME validation</u>				
Number of ex-post checks on self-declared SMEs ⁴⁸	120		290	
<u>Tasks related to participant validation – financial viability</u>				
Number of financial viability checks performed	1,600		1,853	

With regards to **tasks related to support of call publication**, during the spring update of the H2020 work programme, 23 calls were impacted and one extra call was published. A subsequent update in July impacted 79 sub-calls (or deadline models), and an extra six sub-calls were created. All of these changes were correctly implemented and were all transferred to the IT system on time. Negotiation on the planning for the 2018-2020 calls of the H2020 work programme is ongoing and will be finalised by the end of June 2017. The 2018-2020 calls should be published by the end of October 2017.

For **validation services**, in total, more than 7,300 entities had their legal status validated by the REA Validation Services. In addition, the Legal Entity Authorised Representative (LEAR) of all participants involved in on-going grant preparation phases under H2020 have been validated according to the requirements of the H2020 procedure. In total, the REA's Validation Services validated more than 7,700 LEAR extended mandates. The team established in early 2016 to handle the LEAR change requests which are introduced via Participant Portal by the LEARs has systematically processed the LEAR

⁴⁷ The figures for experts evaluating remotely are no longer included as they cannot be accurately calculated by SEP as yet.

⁴⁸ Including SME ex-post checks. These figures are based on the assumption that for 5% of the SMEs going through the wizard a full validation is performed.

requests arrived since the second quarter 2016. At the end of 2016, all requests introduced by Participants since October 2015 have been followed up and further processing continues on the backlog remaining.

With regard to the number of **ex-post checks on self-assessed SMEs**, there is an increase of validations compared to the initial forecast. Taken into account these results for 2016, the forecast of SME validations for 2017 has been adjusted accordingly.

With regard to the to the Research Enquiry Service back-office, the delay in agreeing the format of the reports between contractors operating the EDCC/DG COMM has impacted the ability of RES to provide timely reports on the exact numbers of enquiries received and on the service provided. This has not impacted on the service provided to the clients but only the reporting of final numbers of enquiries received. The reports from Q1/2016 and Q2/2016 are finalised and the figures for Q3/2016 and Q4/2016 are based on the draft reports from the contractor which are currently being verified by the RES.

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

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

Table 1: Implementation of calls charged to the 2016 commitment budget

Action - AWP 2016	Call deadline	Number of proposals							TTG			EU Contribution € million	Of which pre-financing paid € million	
		Proposals submitted ¹	Proposals evaluated ² (a)	Proposals evaluated at 2nd stage (a)	Main list Total (c)	Main list REA	Reserve list	Success rate (c)/(a)	Main listed - signed by 31/12/2016	Within 245 days	Max. TTG			
H2020 – Excellent Science														
<i>Strengthening research in FET</i>														
Parent DG CNECT														
H2020-FETOPEN-01-2016-2017-RIA ³	1st cut-off	11/05/2016	547	544		22	22	1	4.0%	20	n/a	n/a	78.08	64.84
H2020-FETOPEN-02-2016-CSA		11/05/2016	10	10		3	3	0	30.0%	3	100%	210	1.67	1.33
H2020-FETOPEN-04-2016-2017 (FET Innovation Launchpad)		29/09/2016	89	88		16	16	8	18.2%	n/a	n/a	n/a	n/a	n/a
TOTAL FET-OPEN			646	642		41	41	9	6.4%	23	n/a	n/a	79.74	66.17
<i>Marie Skłodowska-Curie Actions</i>														
Parent DG EAC														
H2020-MSCA-IF-2016		14/09/2016	8,912	8,829		1,188	1,188	360	13.5%	n/a	n/a	n/a	n/a	n/a
H2020-MSCA-ITN-2016		12/01/2016	1,607	1,567		109	109	32	7.0%	107	100%	244	396.96	332.72
H2020-MSCA-RISE-2016		28/04/2016	366	366		84	84	24	23.0%	83	100%	235	73.85	48.01
H2020-MSCA-NIGHT-2016		13/01/2016	113	113		42	42	0	37.2%	42	100%	212	7.98	4.01
H2020-MSCA-COFUND-2016		29/09/2016	123	111		33	33	9	29.7%	n/a	n/a	n/a	n/a	n/a
TOTAL MSCA			11,121	10,986		1,456	1,456	425	13.3%	232	n/a	n/a	478.79	384.73
TOTAL Excellent Science			11,767	11,628		1,497	1,497	434	12.9%	255	n/a	n/a	558.53	450.90
H2020 - Industrial Leadership														
Parent DG GROW														
<i>LEIT - Space</i>														
H2020-EO-2016		3/03/2016	60	60		11	11	4	18.3%	11	100%	240	22.10	16.92
H2020-COMPET-2016		3/03/2016	101	100		19	19	11	19.0%	18	95%	n/a	66.02	43.83
TOTAL Industrial Leadership			161	160		30	30	15	18.8%	29	97%	n/a	88.12	60.75
H2020 – Societal Challenges														
<i>Societal Challenge 2 – Securing sufficient supplies of safe and high quality food and other bio-based products, improving food security, developing sustainable agriculture and forestry, marine and maritime and inland water research, and the bioeconomy</i>														
Parent DG AGRI														
Single stage calls														
H2020-RUR-2016-1 (topics 8, 10, 11)		17/02/2016	31	31		9	9	5	29.0%	9	100%	244	21.87	15.38
H2020-SFS-2016-1 (topic 12)		17/02/2016	1	1		1	1	0	100.0%	1	100%	237	3.00	1.20
H2020-SFS-2016-3 (topic 9)		17/02/2016	4	4		1	1	2	25.0%	1	100%	237	6.90	3.68
Two stage calls⁴														
H2020-RUR-2016-2 (topics 1, 4, 6, 7, 14)		13/09/2016	47	47	11	7	7	4	63.6%	n/a	n/a	n/a	n/a	n/a
H2020-SFS-2016-2 (topics 1, 2, 3, 6, 7, 11, 14, 15, 26, 31, 33, 42, 44, 45)		13/09/2016	204	203	49	20	20	21	40.8%	n/a	n/a	n/a	n/a	n/a
Parent DG RTD														
Single stage calls														
H2020-BB-2016-1 (topics 4 and 6)		17/02/2016	16	16		4	4	5	25.0%	4	100%	243	6.85	5.48
H2020-BG-2016-1 (topic 1)		17/02/2016	17	17		2	2	4	11.8%	2	100%	239	19.73	10.52
H2020-SFS-2016-1 (topics 19, 41)		17/02/2016	6	4		4	4	0	100.0%	3	75%	n/a	13.50	12.15
Two stage calls⁴														
H2020-BB-2016-2 (topic 1)		13/09/2016	6	6	3	1	1	2	33.3%	n/a	n/a	n/a	n/a	n/a
H2020-BG-2016-2 (topic 12)		13/09/2016	4	4	2	1	1	1	50.0%	n/a	n/a	n/a	n/a	n/a
H2020-SFS-2016-2 (topics 21, 23, 37, 38)		13/09/2016	30	29	10	5	5	4	50.0%	n/a	n/a	n/a	n/a	n/a
TOTAL SC 2			366	362	75	55	55	48	37.2%	20	n/a	n/a	71.86	48.42

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

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

³ Call with multiple cut-off dates.

⁴ Submission and evaluation of proposals for these calls take place in **two stages**. The indicated call deadline is the closing date for the second stage.

⁵ The received and eligible proposals include all proposals, irrespective of the future implementation.

⁶ Call on the security of critical infrastructures (CIP) co-funded by both DG HOME and DG CNECT with equal share.

⁷ The difference between the number of grants signed and the number of main listed proposals may be explained by withdrawals during the GAP. All remaining main listed proposals have been signed with the 8-months deadline and TTG is therefore at 100%.

⁸ This success rate relates to all 2016 calls. As concerns 2-stage calls, the success rate takes only into account the eligible proposals for the second stage (proposals evaluated at 2nd stage).

Action - AWP 2016	Call deadline	Number of proposals							TTG			EU Contribution € million	Of which pre-financing paid € million
		Proposals submitted ¹	Proposals evaluated ² (a)	Proposals evaluated at 2nd stage (a)	Main list Total (c)	Main list REA	Reserve list	Success rate (c)/(a)	Main listed - signed by 31/12/2016	Within 245 days	Max. TTG		
Societal Challenge 6 – Fostering inclusive, innovative and reflective European societies.													
Parent DG RTD													
H2020-SC6-CO-CREATION-2016-1 (topics 8, 9)	4/02/2016	11	11		3	3	3	27.3%	2	67%	n/a	3.50	2.80
H2020-SC6-CO-CREATION-2016-1 (topics 2, 3)	15/11/2016	35	35		3	3	3	8.6%	n/a	n/a	n/a	n/a	n/a
H2020-SC6-REV-INEQUAL-2016 (topics 1, 2, 4, 5, 6, 7, 8)	4/02/2016	103	102		9	9	8	8.8%	8	89%	n/a	31.74	26.85
Parent DG CNECT													
H2020-SC6-CO-CREATION-5-2016-IA	24/05/2016	1	1		1	1	0	100.0%	1	100%	209	8.00	6.40
H2020-SC6-CULT-COOP-2016 (topics 8 and 11)	4/02/2016	97	97		5	5	3	5.2%	5	100%	216	13.38	13.24
TOTAL SC 6		247	246		21	21	17	8.5%	16	n/a	n/a	56.62	49.29
Societal Challenge 7 – Fostering secure societies. ⁵													
Parent DG CNECT/HOME ⁶													
H2020-CIP-01-2016-2017	25/08/2016	36	34		3		3	8.8%	n/a	n/a	n/a	n/a	n/a
Parent DG HOME													
H2020-SEC-DRS-2016 (topics 1, 2, 3, 5) / H2020-SEC-FCT-2016 (topics 6, 7, 8, 11, 12) / H2020-SEC-BES-2016 (topics 14, 19, 20) / H2020-SEC-21-GM-2016-2017	25/08/2016	183	165		25	11	11	15.2%	n/a	n/a	n/a	n/a	n/a
Parent DG CNECT													
H2020-DS-2016 (topics 2, 4, 5)	25/08/2016	78	78		11	8	7	14.1%	n/a	n/a	n/a	n/a	n/a
TOTAL SC 7		297	277		39	19	21	14.1%	0	n/a	n/a	128.48	n/a
TOTAL Societal Challenges		910	885	75	115	95	86	17.1%	36	n/a	n/a	128.48	97.71
H2020 - Specific Objectives													
Specific Objective: Spreading Excellence and Widening Participation (SEWP)													
Parent DG RTD													
H2020-WIDESPREAD-01-2016-2017- Teaming Phase 2 (first wave)	23/06/2016	30	30		10	10	1	33.3%	n/a	n/a	n/a	n/a	n/a
TOTAL SEWP		30	30		10	10	1	n/a	0	n/a	n/a	0.00	0.00
Specific Objective: Science with and for society – Building effective cooperation between science and society (SwafS)													
Parent DG RTD													
H2020-SwafS-2016-1 (topics 1, 3, 4, 7, 9, 15, 16, 17, 18, 19, 20)	30/08/2016	130	128		21	21	8	16.4%	n/a	n/a	n/a	n/a	n/a
H2020-SwafS-25-2016	26/01/2016	8	8		1	1	1	12.5%	1	100%	157	0.50	0.27
TOTAL SWAFS		138	136		22	22	9	16.2%	1	n/a	n/a	0.50	0.27
TOTAL Specific Objectives		168	166		32	32	10	n/a	1	n/a	n/a	0.50	0.27
GRAND TOTAL		13,006	12,839	75	1,674	1,654	545	13.3% ⁹	321	n/a	n/a	775.63	609.63

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

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

³ Call with multiple cut-off dates.

⁴ Submission and evaluation of proposals for these calls take place in **two stages**. The indicated call deadline is the closing date for the second stage.

⁵ The received and eligible proposals include all proposals, irrespective of the future implementation.

⁶ Call on the security of critical infrastructures (CIP) co-funded by both DG HOME and DG CNECT with equal share.

⁷ The difference between the number of grants signed and the number of main listed proposals may be explained by withdrawals during the GAP. All remaining main listed proposals have been signed with the 8-months deadline and TTG is therefore at 100%.

⁸ This success rate relates to all 2016 calls. As concerns 2-stage calls, the success rate takes only into account the eligible proposals for the second stage (proposals evaluated at 2nd stage).

b) Implementation of the H2020 calls financed under the 2015 commitment budget

Table 2: Implementation of calls charged to the 2015 commitment budget

Action	Call deadline	Number of proposals							TTG			EU Contribution € million	Of which pre-financing paid € million
		Proposals submitted ¹	Proposals evaluated ² (a)	Proposals evaluated at 2nd stage (a)	Main list Total (c)	Main list REA	Reserve list	Success rate (c)/(a)	Main listed - signed by 31/12/2016	Within 245 days	Max. TTG		
H2020 –Excellent Science													
<i>Strengthening research in FET</i>													
Parent DG CNECT													
H2020-FETOPEN-2014-2015-RIA³													
2nd cut-off	31/03/2015	664	664		11	11	0	1.7%	11	91%	408	40.97	19.21
3rd cut-off	30/09/2015	804	800		11	11	3	1.4%	11	100%	240	37.79	18.89
H2020-FETOPEN-CSA-2015³													
2nd cut-off	31/03/2015	19	18		3	3	0	16.7%	3	100%	236	1.51	0.83
3rd cut-off	30/09/2015	13	12		2	2	0	16.7%	2	100%	225	1.39	0.76
TOTAL FET-OPEN		1,500	1,494		27	27	3	1.8%	27	96%	408	81.66	39.70
<i>Marie Skłodowska-Curie Actions</i>													
Parent DG EAC													
H2020-MSCA-ITN-2015	15/01/2015	1,566	1,562		105	105	46	6.7%	103	100% ⁵	217	425.07	276.29
H2020-MSCA-IF-2015¹⁰	10/09/2015	8,474	8,380		1,163	1,163	317	13.9%	1,136	100% ⁵	461	222.81	156.38
H2020-MSCA-RISE-2015	28/04/2015	362	361		89	89	21	24.7%	89	100%	238	79.58	51.77
H2020-MSCA-COFUND-2015	1/10/2015	129	117		29	29	8	24.8%	29	97%	258	80.01	44.01
TOTAL MSCA		10,531	10,420		1,386	1,386	392	13.3%	1,357	100%	461	807.47	528.44
TOTAL Excellent Science		12,031	11,914		1,413	1,413	395	11.9%	1,384	100%	461	889.13	568.14
H2020 - Industrial Leadership													
<i>LEIT - Space</i>													
Parent DG GROW													
H2020-EO-2015	8/04/2015	66	66		9	9	8	13.6%	9	100%	238	24.17	15.70
H2020-PROTEC-2015	8/04/2015	11	11		2	2	2	18.2%	2	100%	233	6.07	3.95
H2020-COMPET-2015	8/04/2015	158	154		18	18	14	11.7%	18	94%	363	34.71	23.16
H2020-Adhoc-2015-Space													
Space Surveillance and Tracking⁵													
	2/05/2016	1	1		1	1	0	100%	1	100%	60	9.00	5.85
H2020-Adhoc-2015-Space													
Improving the Performance of the SST at European Level⁶													
	2/05/2016	1	1		1	1	0	100%	1	100%	60	3.20	2.08
TOTAL Industrial Leadership		237	233		31	31	24	12.6% ⁵	31	97%	363	77.15	50.73
H2020 – Societal Challenges													
<i>Societal Challenge 2 – Securing sufficient supplies of safe and high quality food and other bio-based products, improving food security, developing sustainable agriculture and forestry, marine and maritime and inland water research, and the bioeconomy</i>													
Parent DG AGRI													
Single stage calls													
H2020-SFS-2015-1 (topic 14b)	11/06/2015	10	9	n/a	1	1	1	11.1%	1	100%	239	0.50	0.32
H2020-ISIB-2015-1 (topic 2)	11/06/2015	36	35	n/a	6	6	2	17.1%	6	100%	243	11.96	7.77
Two stage calls ⁴													
H2020-SFS-2015-2 (topics 1c, 5, 7b, 13, 18, 20)													
	11/06/2015	240	226	85	11	11	11	12.9%	11	100%	245	63.92	26.20
H2020-ISIB-2015-2 (topic 3)	11/06/2015	45	41	16	1	1	2	6.3%	1	100%	239	5.58	2.42
Parent DG RTD													
Two stage calls ⁴													
H2020-ISIB-2015-2 (topics 4b and 6)													
	11/06/2015	50	49	22	2	2	4	9.1%	2	100%	238	9.43	4.09
H2020-BG-2015-2 (topic 2)	11/06/2015	16	16	8	2	2	1	25.0%	2	100%	245	10.59	4.59
H2020-SFS-2015-2 (topics 2b, 10b, 11b, 16)													
	11/06/2015	110	109	40	4	4	6	10.0%	4	100%	243	25.34	9.47
TOTAL SC 2		507	485	171	27	27	27	12.6%	27	100%	245	127.30	54.86
<i>Contribution to Societal Challenge 5 - Climate action, environment, resource efficiency and raw materials (action managed by FASME)</i>													
Parent DG AGRI													
H2020-WATER-2015 - topic 4b (topic managed by REA)													
	21/04/2015	12	12		1	1	1	8.3%	1	100%	233	3.00	1.50
H2020-WASTE-2014-2015⁴ - topic 7 (topic managed by REA)													
	8/09/2015	183	183	39	2	2	1	5.1%	2	100%	239	13.85	7.51
TOTAL SC 5		195	195	39	3	3	2	5.9%	3	100%	239	16.85	9.01

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

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

³ Call with multiple cut-off dates.

⁴ Submission and evaluation of proposals for this call take place in **two stages**. The indicated call deadline is the closing date for the second stage. The indicated success rate is the success rate of the second stage.

⁵ Grant to a named beneficiary.

⁶ This success rate does not include the grants to named beneficiaries.

⁷ The received and eligible proposals include all proposals, irrespective of the future implementation.

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

⁹ This success rate for all 2015 calls does not include grants to named beneficiaries and for two-stage calls it takes only into account the eligible proposals for the second stage ('proposals evaluated at 2nd stage').

¹⁰ TTG was reached 100% within 245 days with one main list proposal rejected. Subsequently an Article 22 complaint was launched for the rejected proposal. The Commission Decision results were received on 18 October 2016. The outcome was in favour of the applicants and REA reintroduced the GAP. This special case explains the max TTG of 461 days.

Action - AWP 2016	Call deadline	Number of proposals							TTG			EU Contribution € million	Of which pre-financing paid € million
		Proposals submitted ¹	Proposals evaluated ² (a)	Proposals evaluated at 2nd stage (a)	Main list Total (c)	Main list REA	Reserve list	Success rate (c)/(a)	Main listed - signed by 31/12/2016	Within 245 days	Max. TTG		
Societal Challenge 6 – Fostering inclusive, innovative and reflective European societies													
Parent DG RTD													
H2020-YOUNG-SOCIETY-2015 (topics 3 and 4)	28/05/2015	140	140		3	3	3	2.1%	3	67%	313	10.00	6.50
H2020-REFLECTIVE-SOCIETY-2015 (topics 2 to 5)	28/05/2015	268	267		5	5	5	1.9%	5	100%	244	17.22	10.65
H2020-INT-SOCIETY-2015 (topics 3 to 12)	28/05/2015	204	198		10	10	3	5.1%	10	100%	245	26.95	15.37
H2020-INSO-2015-4 (topic 4)	28/05/2015	45	44		3	3	3	6.8%	3	100%	245	9.82	6.38
H2020-INSO-2015-5 (topic 5)	28/05/2015	40	40		1	1	2	2.5%	1	100%	202	2.99	1.94
Parent DG CNECT													
H2020-EURO-6-2015	28/05/2015	58	57		3	3	3	5.3%	3	100%	238	10.61	6.90
H2020-REFLECTIVE-6-2015	28/05/2015	133	132		3	3	3	2.3%	3	100%	245	12.71	8.26
H2020-INSO-2015-CNECT (topic 1)	28/05/2015	57	57		3	3	3	5.3%	3	100%	242	10.59	6.88
TOTAL SC 6		945	935		31	31	25	3.3%	31	97%	313	100.90	62.89
Societal Challenge 7 – Fostering secure societies⁷													
Parent DG HOME													
H2020-DRS-2015 (topics 1, 3, 6, 12, 13, 14, 15, 18, 22)	27/08/2015	134	133		9	8	1	6.8%	8	88%	286	53.78	33.50
H2020-FCT-2015 (topics 1 to 4, 6, 9, 15, 16)	27/08/2015	135	135		9	3	1	6.7%	3	67%	300	9.14	7.31
H2020-BES-2015 (topics 1 to 8, 10, 11, 13)	27/08/2015	92	92		10	6	1	10.9%	6	100%	236	18.12	14.50
Parent DG CNECT													
H2020-DS-2015 (topics 3, 4, 5, 7)	27/08/2015	105	102		10	9	4	9.8%	9	100%	239	41.89	31.82
TOTAL SC 7		466	462		38	26	7	8.2%	26	92%	300	122.93	87.13
TOTAL Societal Challenges		2,113	2,077	210	99	87	61	6.0%	87	96%	313	367.98	213.89
H2020 Specific Objectives													
H2020 – Specific Objective: Spreading excellence and widening participation – Exploiting the potential of Europe's talent pool													
Parent DG RTD													
H2020-TWINN-2015	7/05/2015	552	546		65	65	17	11.9%	65	100%	229	65.23	22.63
TOTAL SEWP		552	546		65	65	17	11.9%	65	100%	229	65.23	22.63
H2020 – Specific Objective: Science with and for society – Building effective cooperation between science and society													
Parent DG RTD													
H2020-SEAC-2015	16/09/2015	204	204		6	6	2	2.9%	6	100%	219	11.93	7.76
H2020-GERI-2015	16/09/2015	46	46		4	4	3	8.7%	4	100%	240	8.36	4.95
H2020-ISSI-2015	16/09/2015	106	99		7	7	6	7.1%	7	100%	240	23.32	14.40
H2020-GARRI-2015	16/09/2015	31	31		6	6	4	19.4%	6	100%	240	9.17	5.96
TOTAL SWAFS		387	380		23	23	15	6.1%	23	100%	240	52.78	33.07
TOTAL SEWP & SWAFS		939	926		88	88	32	9.5%	88	100%	240	118.01	55.70
GRAND TOTAL		15,320	15,150	210	1,631	1,619	512	11.1% ⁹	1,590	100%	461	1,452.27	888.46

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

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

³ Call with multiple cut-off dates.

⁴ Submission and evaluation of proposals for this call take place in **two stages**. The indicated call deadline is the closing date for the second stage. The indicated success rate is the success rate of the second stage.

⁵ Grant to a named beneficiary.

⁶ This success rate does not include the grants to named beneficiaries.

⁷ The received and eligible proposals include all proposals, irrespective of the future implementation.

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

⁹ This success rate for all 2015 calls does not include grants to named beneficiaries and for two-stage calls it takes only into account the eligible proposals for the second stage ('proposals evaluated at 2nd stage').

¹⁰ TTG was reached 100% within 245 days with one main list proposal rejected. Subsequently an Article 22 complaint was launched for the rejected proposal. The Commission Decision results were received on 18 October 2016. The outcome was in favour of the applicants and REA reintroduced the GAP. This special case explains the max TTG of 461 days.

c) Grant portfolio

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

H2020 Activities		Running projects as of 01/01/2016		Negotiations finalised/grants signed in 2016		Payments made in 2016		Projects closed in 2016/ De-commitments		Running projects as of 31/12/2016	
		Nb.	Open balance ⁴⁹ - € million	Nb.	Contr. Amount-€ million	Nb.	€ million	Nb.	€ million	Nb.	Open balance ⁵⁰ - € million
Excellent Science	Marie Skłodowska-Curie Actions	1,836	616.51	1,251	379.56	1,353	-323.03	75	-5.38	3,012	667.67
	Strengthening Research in FET	39	77.03	14	43.10	41	-45.71	0	0.00	53	74.42
Industrial Leadership	Leadership in Space	68	83.74	6	19.85	43	-44.79	1	0.00	73	58.80
Societal Challenges	Societal Challenge 2	52	150.78	31	141.15	42	-70.20	0	0.00	83	221.73
	Societal Challenge 6	38	55.78	36	97.90	69	-83.50	0	0.00	74	70.18
	Societal Challenge 7	39	73.77	29	126.39	46	-107.35	0	0.00	68	92.81
Specific Objectives	Spreading Excellence & Widening Participation	110	68.22	2	1.05	62	-22.50	24	-0.37	88	46.40
	Science with and for Society	20	23.56	23	52.78	29	-35.80	0	0.00	43	40.54
TOTAL		2,202	1,149.39	1,392	861.79	1,685	-732.88	100	-5.75	3,494	1,272.56

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

FP7 Specific Programme	Running projects as of 01/01/2016		Payments made in 2016		Projects closed in 2016		Running projects as of 31/12/2016	
	Nb.	Open balance € million	Nb.	€ million	Nb.	€ million	Nb.	Open balance € million
People	4,176	694.77	2,369	-292.87	1,685	-36.81	2,491	365.15
Capacities – SME actions	414	73.21	222	-34.42	217	-5.31	197	33.48
Cooperation – Security	127	156.40	91	-60.52	41	-5.53	86	90.34
Cooperation - Space	113	40.10	66	-18.22	44	-1.75	69	20.13
Total	4,830	964.48	2,748	-406.04	1,987	-49.41	2,843	509.09

⁴⁹ (Com L2 Accepted).

⁵⁰ (Com L2 Accepted).

d) Number of evaluation review cases upheld (H2020)

Table 5: Indicator – number of evaluation review cases upheld – H2020

Evaluation review for H2020 calls	WP 2015						WP 2016*					
	Eligible	No. of evaluation review cases				% upheld/eligible	Eligible	No. of evaluation review cases				% upheld/eligible
		filed	upheld	re-evaluated	Funded after re-evaluation			filed	upheld	re-evaluated	Funded after re-evaluation	
Excellent Science	11,914	169	53	27	1	0.44%	11,628	44	11	3	0	n/a
Industrial Leadership	231	3	3	2	0	1.30%	160	4	1	0	0	0.63%
Societal Challenges	2,053	47	11	7	0	0.54%	960**	10	1	0	0	n/a
Specific Objectives	926	18	2	1	1	0.22%	166	2	0	0	0	n/a
TOTAL	15,124	237	69	37	2	0.46%	12,914	60	13	3	0	n/a

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

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

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

Evaluation review for H2020 calls	WP 2015						WP 2016**					
	Eligible	No. of evaluation review cases				% upheld/ eligible	Eligible	No. of evaluation review cases				% upheld/ eligible
		filed	upheld	re-evaluated	Funded after re-evaluation			filed	upheld	re- evaluated	Funded after re-evaluation	
H2020 – Excellent Science												
<i>Strengthening research in FET</i>												
FETOPEN1-RIA*												
1st cut-off												
2nd cut-off	664	3	3	1	0	0.45%	544	9	n/a	n/a	n/a	n/a
3rd cut-off	800	9	3	1	0	0.38%						
FETOPEN2-CSA*												
1st cut-off							10	0	0	0	0	0.00%
2nd cut-off	18	1	0	0	0	0.00%						
FETOPEN-4 Innovation Launchpad	12	0	0	0	0	0.00%	88	n/a	n/a	n/a	n/a	n/a
Total FETOPEN	1,494	13	6	2	0	0.40%	642	9	0	0	n/a	n/a
<i>Marie Skłodowska-Curie Actions</i>												
NIGHT							113	7	0	0	0	0.00%
IF	8,380	132	44	23	1	0.53%	8,829	n/a	n/a	n/a	n/a	n/a
ITN	1,562	19	3	2	0	0.19%	1,567	23	11	3	0	0.70%
RISE	361	5	0	0	0	0.00%	366	5	n/a	n/a	n/a	n/a
COFUND	117	0	0	0	0	0.00%	111	n/a	n/a	n/a	n/a	n/a
Total MSCA	10,420	156	47	25	1	0.45%	10,986	35	11	3	0	n/a
TOTAL Excellent Science	11,914	169	53	27	1	0.44%	11,628	44	11	3	0	n/a
H2020 – Industrial Leadership												
EO	66	1	1	1	0	1.52%	60	0	0	0	0	0.00%
PROTEC	11	0	0	0	0	0.00%						
COMPET	154	2	2	1	0	1.30%	100	4	1	0	0	1.00%
TOTAL Industrial Leadership	231	3	3	2	0	1.30%	160	4	1	0	0	0.63%
H2020 – Societal Challenges												
<i>Societal Challenge 2</i>												
SFS-1 (single stage)	9	0	0	0	0	0.00%	5	0	0	0	0	0.00%
SFS-2 - stage 1 (two stage)	335	17	4	4	0	1.19%	232	5	1	0	0	0.43%
SFS-2 - stage 2 (two stage)	125	1	0	0	0	0.00%	59	n/a	n/a	n/a	n/a	n/a
SFS-3 (single stage)							4	1	0	0	0	0.00%
RUR-1 (single stage)							31	1	0	0	0	0.00%
RUR-2 stage 1 (two stage)							47	1	0	0	0	0.00%
RUR-2 stage 2 (two stage)							11	n/a	n/a	n/a	n/a	n/a
BB-1 (single stage)							16	0	0	0	0	0.00%
BB-2 stage 1 (two stage)							6	0	0	0	0	0.00%
BB-2 stage 2 (two stage)							3	n/a	n/a	n/a	n/a	n/a
BG-1 (single stage)							17	0	0	0	0	0.00%
BG-2 stage 1 (two stage)	16	2	0	0	0	0.00%	4	0	0	0	0	0.00%
BG-2 stage 2 (two stage)	8	2	2	1	0	25.00%	2	n/a	n/a	n/a	n/a	n/a
ISIB-1 (single stage)	35	0	0	0	0	0.00%						
ISIB-2 stage 1 (two stage)	90	1	0	0	0	0.00%						
ISIB-2 stage 2 (two stage)	38	0	0	0	0	0.00%						
Total SC2	656	23	6	5	0	0.91%	437	8	1	0	0	n/a
<i>Societal Challenge 6</i>												
CO-CREATION -1 (topics 8 & 9)							11	0	0	0	0	0.00%
CO-CREATION -1 (topics 2 & 3)							35	n/a	n/a	n/a	n/a	n/a
CO-CREATION -5-2016-IA							1	0	0	0	0	0.00%
REV-INEQUAL (topics 1, 2, 4, 5, 6, 7, 8)							102	1	0	0	0	0.00%
CULT-COOP (topics 8 & 11)							97	1	0	0	0	0.00%
EURO-6	57	0	0	0	0	0.00%						
YOUNG-SOCIETY (topics 3 & 4)	140	3	0	0	0	0.00%						
REFLECTIVE	399	7	2	0	0	0.50%						
INSO-2015 (topic 5)	40	1	1	1	0	2.50%						
INSO-2015 (topics 1 & 4)	101	2	1	0	0	0.99%						
INT-SOCIETY (topics 3 to 12)	198	4	0	0	0	0.00%						
Total SC6	935	17	4	1	0	0.43%	246	2	0	0	0	n/a
<i>Societal Challenge 7</i>												
CIP							34	n/a	n/a	n/a	n/a	n/a
SEC							165	n/a	n/a	n/a	n/a	n/a
DS	102	2	0	0	0	0.00%	78	n/a	n/a	n/a	n/a	n/a
DRS	133	1	1	1	0	0.75%						
FCT	135	4	0	0	0	0.00%						
BES	92	0	0	0	0	0.00%						
Total SC7	462	7	1	1	0	0.22%	277	n/a	n/a	n/a	n/a	n/a
TOTAL Societal Challenges	2,053	47	11	7	0	0.54%	960	10	1	0	0	n/a
Specific Objectives												
<i>H2020 – Specific Objective: Spreading excellence and widening participation</i>												
WIDESPREAD-01-2016-2017-Teaming 2							30	2	n/a	n/a	n/a	n/a
TWINN	546	13	1	1	1	0.18%						
Total SEWP	546	13	1	1	1	0.18%	30	2	0	n/a	n/a	n/a
<i>H2020 – Specific Objective: Science with and for society</i>												
SwaFS-25-2016							8	0	0	0	0	0.00%
SwaFS-2016-1							128	n/a	n/a	n/a	n/a	n/a
SEAC	204	2	0	0	0	0.00%						
GERI	46	1	0	0	0	0.00%						
ISSI	99	2	1	0	0	1.01%						
GARRI	31	0	0	0	0	0.00%						
Total SWAFS	380	5	1	0	0	0.26%	136	0	0	0	0	n/a
TOTAL Specific Objectives	926	18	2	1	1	0.22%	166	2	0	0	0	n/a
GRAND TOTAL	15,124	237	69	37	2	0.46%	12,914	60	13	3	0	n/a

* Call with multiple cut-off dates.

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

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

Table 7: H2020 - Amendment requests handled during 2016

H2020 Activities	Outstanding (ongoing) amendments at the beginning of 2016	Amendment requests received during 2016	Amendments implemented during 2016	Amendments outstanding (ongoing) at the end of 2016
Marie Sklodowska-Curie Actions	12	472	463	21
Strengthening research in FET	0	19	17	2
LEIT - Space	0	30	30	0
Societal Challenge 2	0	39	36	3
Societal Challenge 6	0	26	25	1
Societal Challenge 7	3	32	35	0
Specific Objectives	0	39	39	0
Total REA - All H2020 activities	15	657	645	27

Table 8: FP7 - Amendment requests handled during 2016

FP7 Specific Programme	Outstanding (ongoing) amendments at the beginning of 2016	Amendment requests received during 2016	Amendments implemented during 2016	Amendments outstanding (ongoing) at the end of 2016
People Programme	67	507	515	59
Capacities – SME actions	25	79	96	8
Cooperation – Space	2	3	4	1
Cooperation – Security	4	52	51	5
Total REA – all FP7 activities	98	641	666	73

As in 2015, the number of amendments to FP7 grant agreements implemented during 2016 (666) is higher than the number of requests received (641). This demonstrates that the REA continues to process FP7 amendment requests effectively and efficiently. It should be noted that, in comparison with 2015, the number of FP7 amendment requests in 2016 continued decreasing significantly: while in 2015 the REA received still over 800 amendment requests, the agency received about 140 fewer requests in 2016. This can be explained by the fact that the REA was dealing with proportionally fewer FP7 projects in 2016.

With regards to H2020 however, there was a relatively high number of amendment requests for grant agreements in comparison with last year: 657 have been received during this year, against 146 in 2015. This can be explained by the fact that REA managed a considerably higher number of H2020 projects on 2016.

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

Table 9: Indicator - H2020 – Average Time-to-Amend⁵¹ (days)

H2020 activities	Amendments implemented in 2016	Time to validate request	Net TTA	Gross TTA
Marie Sklodowska-Curie Actions	463	5	13	18
FET Open	17	1	15	16
LEIT - Space	30	5	13	18
Societal Challenge 2	36	9	25	34
Societal Challenge 6	25	11	13	24
Societal Challenge 7	35	10	9	18
Specific Objectives	39	3	9	11
Total REA - All H2020 activities	645	5	13	19

Table 7: Indicator - FP7 – Average Time-to-Amend (days)⁵¹

FP7 Specific Programme	Amendments implemented 2016	Time to validate request	Net TTA	Gross TTA
People Programme	515	17	32	49
Capacities – SME actions	96	49	40	89
Cooperation – Space	4	47	23	70
Cooperation – Security	51	37	19	55
Total REA – all FP7 activities	666	24	32	55

⁵¹ **Time to validate amendment requests:** this phase is triggered by the amendment request receipt date and lasts until the request becomes valid. It is frequently the case that amendment requests are incomplete or are not accompanied by all the necessary supporting documents. This requires a sometimes time-consuming interaction process with the beneficiaries, where the processing time is mostly outside the control of REA.

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

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