



European  
Commission

# Annual Activity Report 2022

EUROPEAN RESEARCH EXECUTIVE AGENCY

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## THE AGENCY IN BRIEF

Mandated by the European Commission to **support the EU's Research and Innovation policy**, the European Research Executive Agency (REA) funds and assists high-quality research and innovation projects that generate knowledge leading to a greener world in which Europe has prosperous, inclusive economies and societies that take full advantage of the digital age.

REA was established in 2007 to implement parts of the 7<sup>th</sup> Framework Programme for Research and Technological Development (FP7) and, from 2014 until 2020, parts of the Horizon 2020 Framework Programme for Research and Innovation. REA manages approximately 18% of the Horizon 2020 budget and is the largest of the six EU executive agencies. Since April 2021 it is implementing several parts of Horizon Europe, the successor to Horizon 2020, which constitute 22% of the programme's budget. REA also implements two other funding programmes: the Research Programme of the Research Fund for Coal and Steel (RFCS) and the programme for Promotion of Agricultural Products (AGRIP).

For the **programmes and programme parts delegated to the Agency**, it publishes calls for proposals, arranges their evaluation by independent experts, and prepares grant agreements. REA then monitors the technical and financial implementation of the funded projects, facilitating the dissemination and take-up of their outputs by policymakers and other stakeholders.

**Figure 1 - Overview of REA programme management**

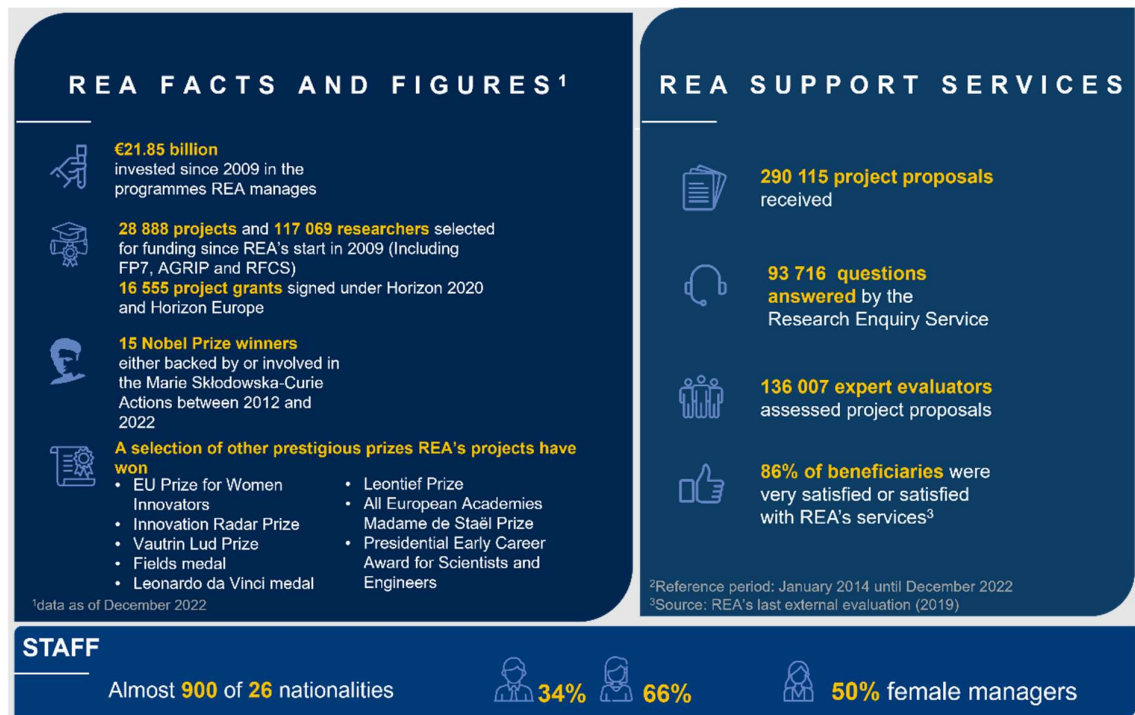


REA also delivers **administrative and logistical support services** to EU bodies implementing Horizon Europe and selected other programmes. These services include:

1. Planning and support for publication of calls for proposals.
2. Logistical support for the proposal evaluations, including the management of the evaluation facility.
3. Contracting and payment of the independent experts who evaluate proposals.
4. Validations of the legal status and financial capacity of participants in grants and procurement activities.
5. The Research Enquiry Service, which answers questions on EU research and innovation funding and on the participant validation services.

Annexes I-VII of the [REA Delegation Act](#) set out in detail the tasks delegated to the Agency.

**Figure 2 - Overview of REA activities: Facts and figures**



In late 2021, REA also began to contribute to the five **EU Missions** launched by the Commission in September 2021. In particular, REA is fully involved in the EU Mission entitled "A Soil Deal for Europe".

Located in Brussels, REA is managed by the Director, a senior official seconded from the Commission, and by its Steering Committee composed of representatives of its parent Directorates-General (DGs).

## EXECUTIVE SUMMARY

**This Annual Activity Report is a management report of the Director of the European Research Executive Agency to the College of Commissioners. Annual Activity Reports are the main instrument of management accountability within the Commission and constitute the basis on which the College takes political responsibility for the decisions it takes as well as for the coordinating, executive and management functions it exercises, as laid down in the Treaties<sup>1</sup>.**

### **A. Key results and progress towards achieving the Commission's general objectives and department's specific objectives**

In 2022, REA's core business remained focused on direct grant management under the research and innovation framework programmes (Horizon 2020 (H2020) and Horizon Europe (HE)), the Research Fund for Coal and Steel (RFCS), and the programme for promotion of agricultural products (AGRIP).

Through its programme implementation tasks, the Agency continued to support the Commission's research and innovation policy objectives by managing important amounts of the EU budget for the programmes mentioned above. By selecting the best projects, ensuring that they deliver on their objectives and that they comply with legality and regularity conditions in place, REA has steered these projects towards maximum impact.

The Agency also assisted the Commission in its policy development and policy monitoring tasks. It did so not only by providing relevant policy content, but also by promoting proper planning and matching of feedback to policy needs with the capacity and knowledge available within the Agency.

The late adoption of the new MFF and consequent late start of Horizon Europe, together with Russia's war of aggression in Ukraine and the ensuing energy crisis that affected many ongoing projects, the late or non-association of several countries to HE, and the lingering effects of the COVID-19 pandemic put a strain on all activities of the Agency, particularly in the second half of the year, which created a high load on structures and staff. The Agency continued to streamline its operations and to search for ways to simplify programme implementation and controls. This is essential to safeguard its capacity to implement its mandate in a context of demands for ever-increasing efficiency gains to be achieved in a context of limited resources.

Even though programme implementation is progressing well and REA has found ways to cope with these complications, their effect is visible in some Key Performance Indicators.

The Agency continued to deliver administrative and logistical support to an increasing number of Commission services and to other Agencies by validating organisations before they can participate in grant and procurement operations. It also planned calls for proposals on behalf

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<sup>1</sup> Article 17(1) of the Treaty on European Union.

of EU entities and managed contracting and payment to experts evaluating proposals and monitoring projects for the R&I programmes. These activities also experienced the high load mentioned earlier.

Despite this, REA managed once again to fully execute the budget entrusted to it. The Agency consolidated its organisational structure and management teams after the changes brought by the new mandate in 2021, and strengthened collaboration with the Commission and with other agencies. It also continued to be a modern and efficient public administration entity with staff who are committed and engaged, as shown by the results of the latest staff survey.

The following sections give the state of play of performance against the key performance indicators, a summary of the activities in programme management and support services, and an analysis of the effectiveness of the internal control system. In addition, results against the targets set in REA's 2022 Annual Work Programme (AWP) can be found in the annexes.

## B. Key performance indicators

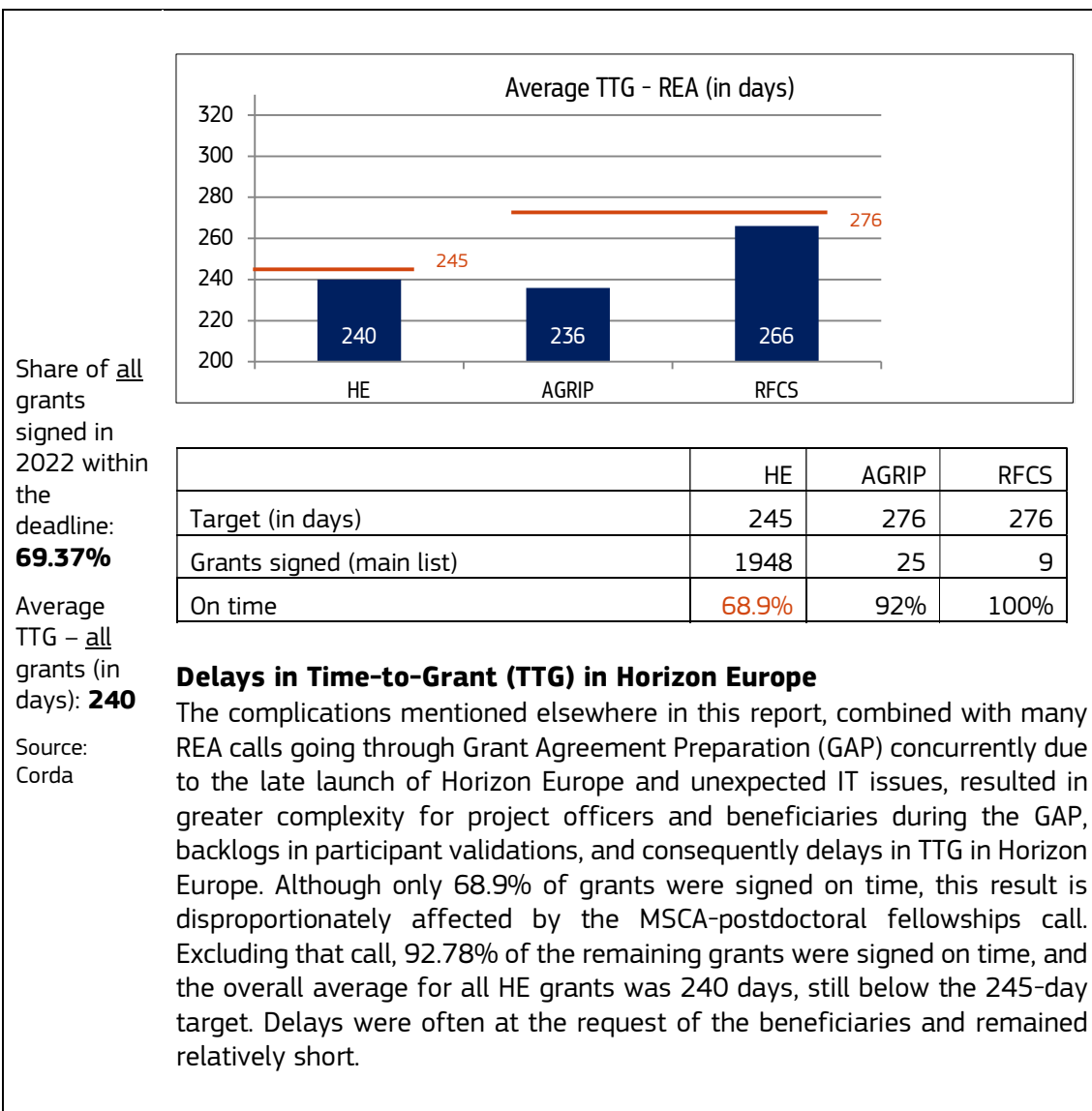
**Figure 3 - KPI 1. Fully implementing the operational budget**

2015	2016	2017	2018	2019	2020	2021	2022
100%	100%	100%	100%	100%	100%	100%	100%

Target: 100% implementation of commitment and payment appropriations  
 Source: ABAC

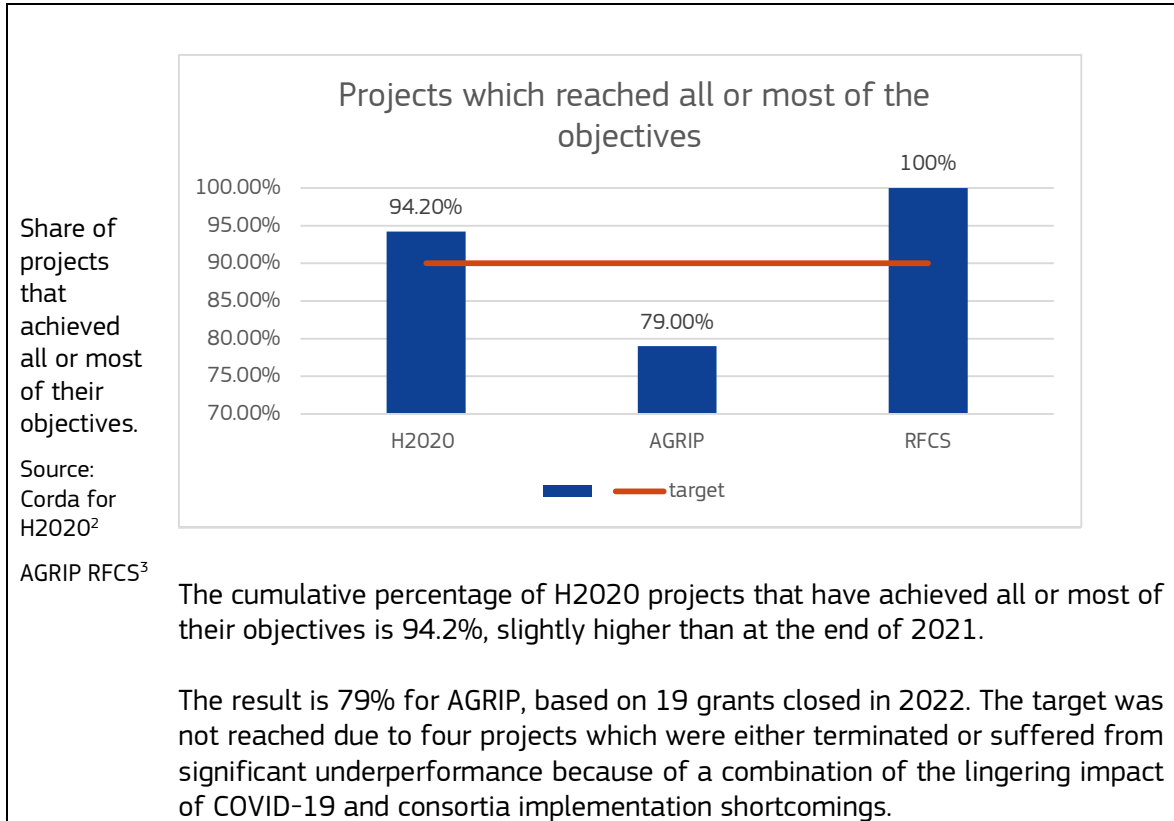
REA maintained its track record of full budget execution in 2022.

**Figure 4 - KPI 2. Rapid conclusion of grant agreements (TTG - 'Time To Grant')**

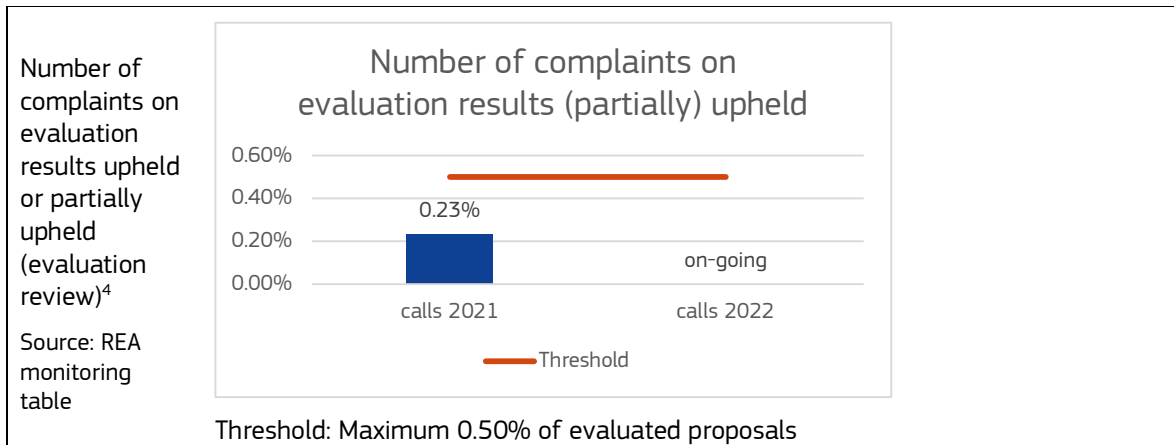




**Figure 5 - KPI 3. High quality of the key procedures for scientific and grant management**



**Figure 6 - KPI 3. Number of complaints on evaluation results (partially) upheld**

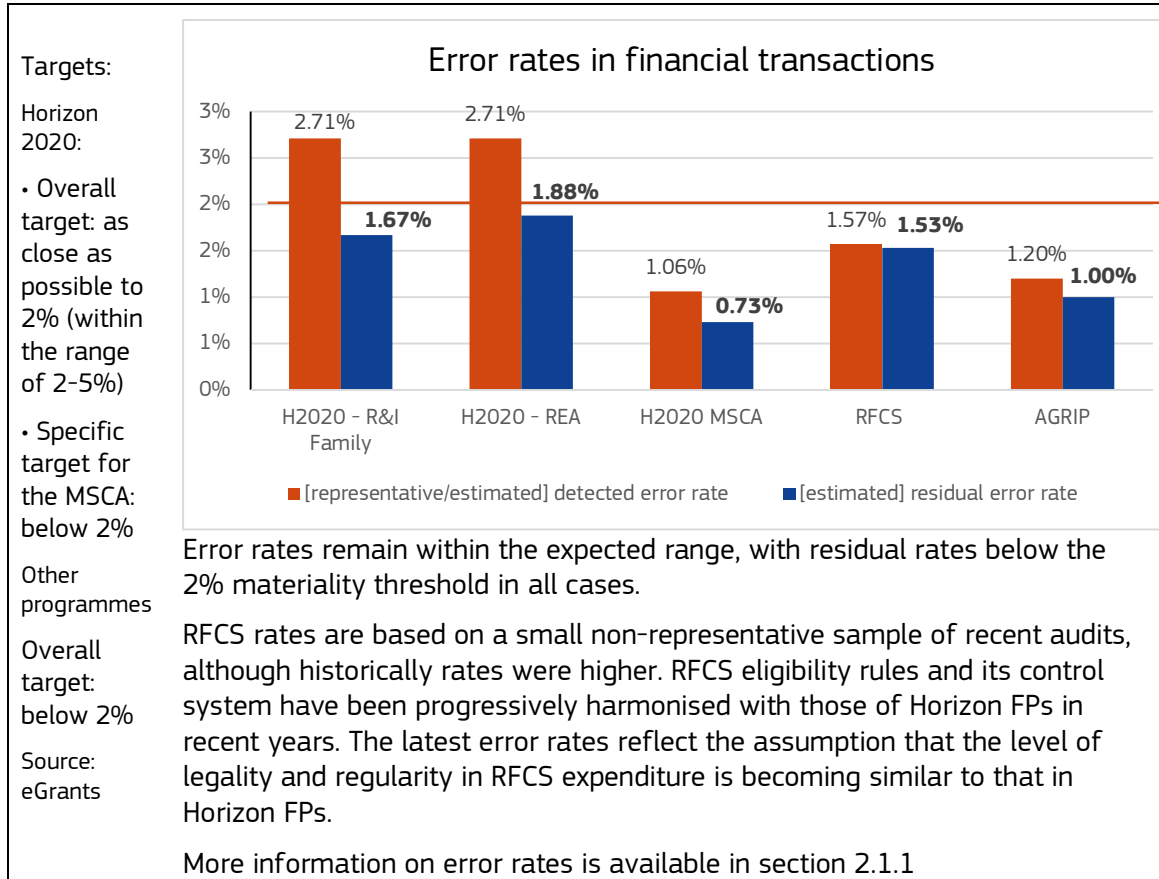


<sup>2</sup> The statistics include all projects signed until the end of 2022 and are based on the assessment of Horizon 2020 project reports. At this moment, data is available only for 53.9% of closed or on-going Horizon 2020 projects managed by REA.

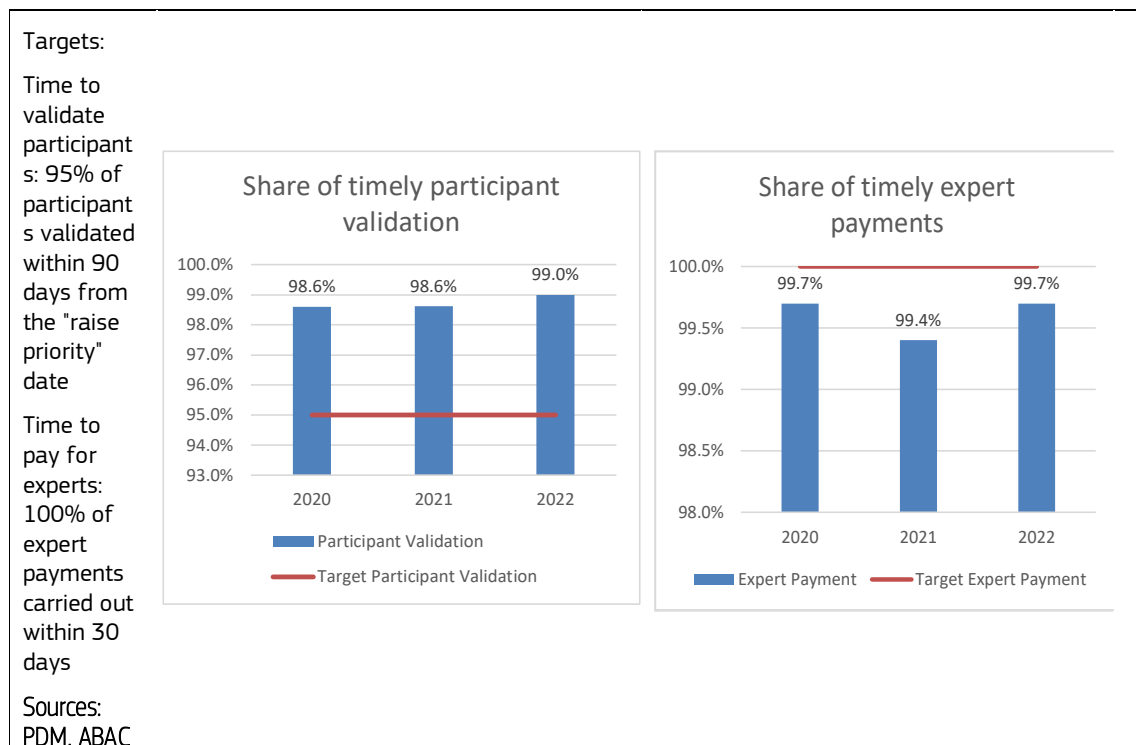
<sup>3</sup> AGRIP and RFCS figures include only grants completed in 2022 and are based on management's best estimate.

<sup>4</sup> For most 2022 calls, the handling of evaluation review requests was still ongoing on 31 December 2022.

**Figure 7 - KPI 4. Legality/regularity of financial transactions**



**Figure 8 - KPI 5. Providing efficient support services to the Research DGs and other client services**



Even though these support activities experienced an unprecedented peak in workload during the second half of the year, results for this KPI remained similar to previous years. The reasons are explained further in section 1.4

### **C. Key conclusions on financial management and internal control**

In line with the Commission's Internal Control Framework, REA has assessed its internal control systems during the reporting year and has concluded that it is effective, and the components and principles are present and functioning well overall, but some improvements are needed as minor deficiencies were identified. Please refer to section 2.1.3 for further details.

In addition, REA has systematically examined the available control results and indicators, as well as the observations and recommendations issued by the internal auditor and the European Court of Auditors. These elements have been assessed to determine their impact on management's assurance about the achievement of the control objectives. Please refer to section 2.1 for further details.

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

The Director, in his capacity as Authorising Officer by Delegation for the operational budget and Authorising Officer for the operating budget, has signed the Declaration of Assurance.

### **D. Provision of information to the Commissioner(s)**

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

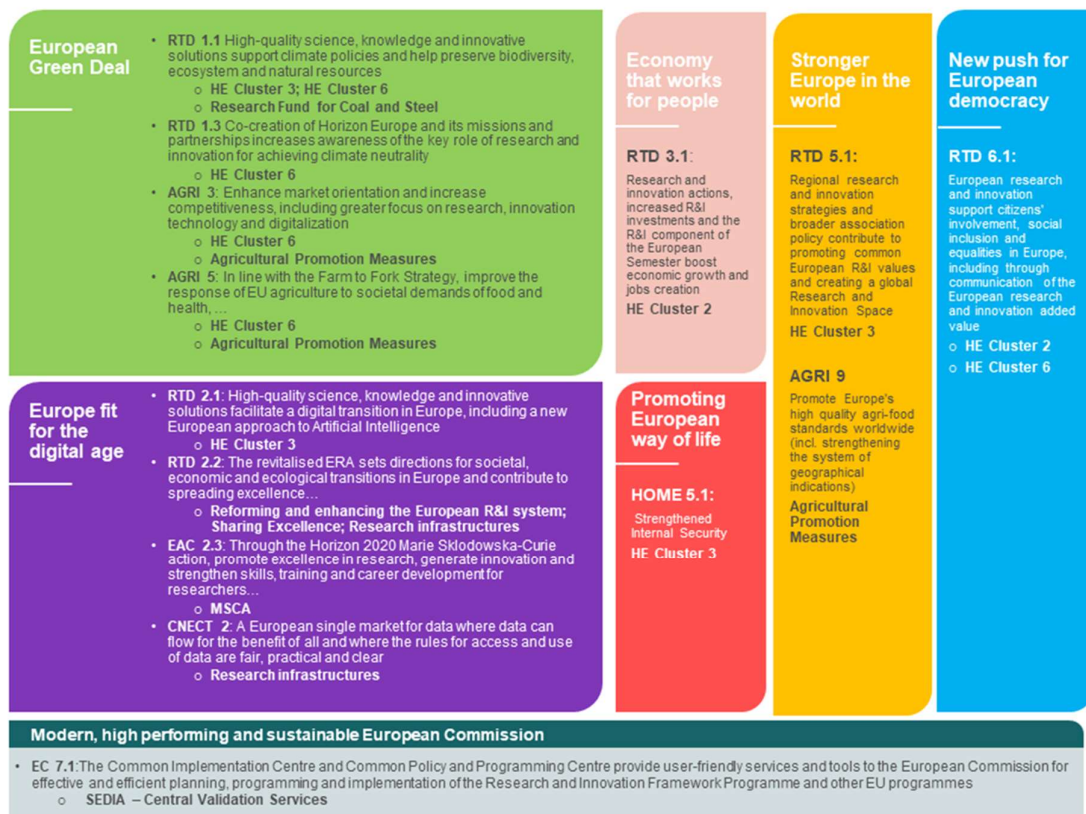
# 1. IMPLEMENTATION OF THE AGENCY'S ANNUAL WORK PROGRAMME - HIGHLIGHTS OF THE YEAR

## 1.1. REA's contribution to achieving the Commission's priorities

REA works in close cooperation with its Steering Committee and parent DGs. The connections between REA-implemented programmes and the **objectives of the Commission**, both annual and multi-annual, are shown in Figure 9 below. The strategic priorities of DGs are structured according to the overall Commission objectives. Each programme part delegated to REA makes a direct contribution to at least one strategic priority of a parent DG for the period 2020-2024.

In addition, the parts of the REA portfolio that support multiple fields of research and innovation, such as widening participation and strengthening the European Research Area or Research Infrastructures, make contributions to other strategic priorities. These indirect contributions are also shown in the performance tables in Annex 2. Furthermore, the Marie Skłodowska-Curie Actions (MSCA), which cover a wide range of science and innovation topics, have the potential to support a variety of the Commission's objectives.

**Figure 9 - REA's contribution to the Commission's priorities**



## Feedback to policy

On top of the direct contribution to achieving the Commission's priorities that projects and activities managed by the Agency make, REA has spent considerable efforts during recent years to establish structures and mechanisms to provide useful and actionable **feedback to policy (F2P)** to the Commission. This continued to be a priority in 2022, in which REA advanced greatly in the implementation of a **Common Framework for Feedback to Policy** designed to maximise the impact of EU-funded projects on policymaking for all DGs in the research and innovation family. The framework strengthens the support provided to this activity in terms of steering, streamlining the methodology and monitoring, and applying expertise to specific requests for data or analysis. Crucially, the framework also helps to shift the focus of policy feedback activities towards a more demand-driven approach based on policy priorities.

Notable examples of F2P activities include:

- The MSCA cluster event on Oceans brought together researchers, experts, and EU policymakers to explore how R&I can help achieve the objectives of the EU Mission "Restore our Ocean and Waters".
- The third edition of the Projects to Policy Seminar involved 45 newly funded projects from the 2020 call for proposals for Cluster 3. Representatives from the consortia encountered policy-makers during the event.
- Analyses of portfolios of projects linked to EU Missions, Urban Innovation, Total Official Support for Sustainable Development (TOSSD), contributions to the CoFE (Conference on the Future of Europe) etc.
- Data mining on REA's project portfolio related to specific legislative initiatives such as the evaluation of the Bathing Water Directive, the preparation of the New Deal for Pollinators and the impact assessment for the upcoming EU Soil Health Law.

More generally, project participants, policy officers and project officers had the opportunity to exchange policy conclusions and insights during many final project events, webinars and joint policy sessions. REA also paid particular attention to **project clustering**, one of the most effective tools for establishing synergies among funded projects and boosting their cooperation.

## Support to shaping the Commission's policy work

REA has been actively contributing to achieving the goals of multiple [EU Missions](#) in several ways.

The Agency has played a key role in the implementation of the joint topics/calls related to Missions. It has also provided valuable input into the development of Mission-related parts of Work Programmes. This was particularly the case for the **EU Mission A soil deal for Europe**, for which two calls were organised in 2022 which received 118 proposals.

In 2022, REA continued to monitor proactively the progress of H2020 and Horizon Europe project portfolios to identify new potential contributions to the EU Missions. The Common

Data and Knowledge Management Service has identified more than fifty projects from REA's portfolio having results and solutions that address one of the objectives of the **EU Mission on Climate-Neutral and Smart Cities**, and more than seven projects addressing the objectives of the **EU Mission on Climate Adaptation**. The coordinators of the projects have been invited to join the Commission in this endeavour and project officers encourage the project consortia to upload their results on the Horizon Results Platform.

REA managed the evaluation of the **European Social Innovation Catalyst Fund** call, which promotes synergies across the activities and constituencies of the Missions. The call aims to select the most promising and successful social innovations and to provide advice and funding for the replication and upscaling of these social innovations in service of the Missions.

REA participated in activities linked to Mission development (e.g. topic drafting, meeting of the Mission Owners Groups, Mission Secretariats, etc.). The Agency was also involved in the selection of new Mission Board members, the evaluations of their applications, and the preparation of the final list of candidates, which took place in February-March.

Finally, REA provided the methodology and data to establish how H2020 widening participation projects are linked to the HE Missions.

## 1.2. Cross-cutting aspects relating to all activities

### Main challenges affecting REA's activities in 2022

The late adoption of the new MFF and consequent late start of Horizon Europe, together with Russia's war of aggression in Ukraine, the late or non-association of several countries to HE, and the lingering effects of the COVID-19 pandemic resulted in an unprecedented peak in all activities of the Agency in 2022, which created a high load on structures and staff. The late adoption of the 2021-2022 HE Work Programme resulted in a high concentration of evaluations and GAPs in the second half of 2022.

Even though **programme implementation is overall progressing well** and REA has found ways to cope with these challenges, their effect is visible in some Key Performance Indicators (see above) and has been felt in various ways across the Agency.

**Grant Agreement Preparation** (GAP) in HE has proven so far more complex and time-consuming than before, both for project officers and for beneficiaries. Although some efficiency gains have been achieved in terms of the ethics workflow and the reduced number of projects with ethics deliverables, this is outweighed by the greater complexity of elements added to the GAP process and innovations in the Work Programme. These include:

- The **two-step procedure** in GAP introduced to cope with delays in the signature of some Association Agreements to Horizon Europe, has brought additional complexity and workload as projects had to re-allocate budget and tasks away from beneficiaries of those countries in case association was not confirmed at the time of signature of the grant agreement.

- the introduction of Gender Equality Plans in the second calls of Horizon Europe, which required raising awareness amongst project participants, and additional checks and follow-up actions.

Changing from actual costs to a **lump sum** has presented some challenges for staff, evaluators and beneficiaries not used to this form of funding. However, the switch has been smooth and has not caused delays. We look forward to its benefits in terms of easier periodic reporting and being able to focus more on the scientific work done rather than financial aspects.

Following the improvement of the epidemiological situation, the **evaluation facility** returned to full working order in time for project reviews in May and evaluations in June. 29 evaluations were held on site in the second half of the year. While the number of experts on site will continue to remain significantly lower than pre-pandemic levels, on-site evaluation activities are expected to resume in greater numbers in 2023. Evaluations and project meetings with consortia continue to be organised based of sound project management and ecological principles, and with emphasis on efficiency while respecting budget restrictions.

Shortly after the beginning of Russia's war of aggression against Ukraine, and following the application of the relevant Council Regulations and Decisions in March and April, REA carried out a comprehensive analysis of its portfolio of projects to identify the involvement of Russian and Belarusian organisations. Sanctions against listed and public entities from these countries were rigorously applied.

REA supported Ukrainian organisations, scientists and researchers at different levels. The Agency demonstrated maximum flexibility in the implementation of rules for (validations, reporting, submission of documents), encouraged projects to launch initiatives that support the Ukrainian R&I system, accommodated requests from Ukrainian researchers in ongoing projects, and implemented targeted support and guidance via MSCA for researchers at risk (e.g., MSCA4Ukraine, [Inspireurope+](#)).

## Communication and outreach

In 2022, REA continued implementing the communication strategy presented to its Steering Committee in October 2021. Specific attention was given to developing guidelines and sharing best practice to organise events (presential, online or hybrid), focusing on measures for more sustainable events in line with the overall approach for 'Greening the European Commission'.

[News content on the REA website](#) and on social media channels routinely links REA's projects to key policy actions or events, such as the European Year of Youth, support for Ukrainian refugees, the Festival of the New European Bauhaus, and the EU Missions.

Other communication activities worth mentioning include a multi-channel communication campaign to attract experts as evaluators, which ran between March and May; a new section of the REA website dedicated to the promotion of agricultural products; an audience analysis for two programmes (Horizon Europe Widening Participation and the Research Fund for Coal and Steel); and a new factsheet with advice to beneficiaries on how to effectively



communicate the aims and results of their projects. The publication of the Horizon Europe work programme for 2023-24 was also widely promoted across all REA's communication channels. These initiatives generated record numbers for engagement. Details can be found in annex 2.

Amongst multiple outreach activities, two deserve special mention:

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**Horizon Europe Young Observers:** REA and DG RTD are inviting young academics to observe Horizon Europe evaluations. 50 young observers have been selected to participate in 13 REA calls of the Work Programme 2022. A second batch of 70 will observe evaluations of the Work Programme 2023. This activity has become a flagship initiative of the European Year of Youth 2022.

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**New European Bauhaus Festival** in June: REA had an active participation, with 29 of its projects showcased. Many more REA-managed projects featured at more than 200 side-events across Europe, focusing on circular economy, reducing waste, advancing public health, and regenerating urban areas.

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## Dissemination and exploitation of project results

A new Knowledge Network was created within REA in November 2021 to streamline Feedback to Policy (F2P) activities, previously dispersed across various task forces and networks. An important element of the work of the Network, closely linked to F2P, is coordinating and monitoring Dissemination & Exploitation (D&E) activities across the Agency. D&E results for 2022 are as follows:

- Peer-reviewed publications: REA-managed projects produced 17 748 publications<sup>5</sup> during the reporting period of which 16,232 were open-access;
- Innovation Radar: 14 projects picked for their high innovative potential had an Innovation Radar review;
- Horizon Results Booster: 77 projects benefitted from specialised services to maximise their impact;
- Horizon Results Platform: 88 projects published their results on the platform;
- Cordis Results Packs: 12 packs were published by the Cordis team over the reporting period, including on topics such as [social innovation](#), [animal health](#), [science communication](#), [citizen science](#) and [gender](#).
- Cordis Results in Brief: 222 REA projects featured in news pieces and 210 results in brief were published in the reporting period.

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<sup>5</sup> MSCA: 5,095; Societal challenges: 1,465; Widening: 708; Research Infrastructures: 623; SwafS: 72.



The RFCS programme made use for the first time in 2022 of the Horizon Results Platform and the Horizons Results Booster provided by DG RTD.

### 1.3. Programme implementation

#### Horizon Europe and legacy of Horizon 2020

This section provides a brief description of notable developments in REA's implementation of Horizon 2020 and Horizon Europe, commenting on progress towards meeting operational targets (detailed data is provided in annex 2), and highlighting any significant challenges to be addressed.

#### *Marie Skłodowska-Curie Actions (MSCA)*

##### Key achievements in 2022



MSCA success rates range between 13%-18% (Doctoral Networks and Postdoctoral Fellowships) and 23%-33% (COFUND and Staff Exchange). Resubmission restrictions have been introduced in Horizon Europe for both the Doctoral Networks and the Postdoctoral Fellowships calls. For the Postdoctoral Fellowships call this has been coupled with a restriction to a maximum of eight years after receiving a PhD. For both actions, the number of proposals submitted diminished in 2022 compared to 2021 by 15% for the Postdoctoral Fellowships and 12% for the Doctoral Networks. Whilst this decrease might be partially linked to the resubmission restrictions, there are other factors that might have decreased the number of applications, such as the lower demand usually observed at the start of each new framework programme.

Following an update of the Work Programme 2021/2022, a new action was introduced to support displaced researchers from Ukraine<sup>6</sup>. Despite a challenging timetable, the resulting grant agreement was signed in record time. In addition, REA reached out to all existing Ukrainian beneficiaries to provide support and guidance on secondments and staff exchanges of Ukrainian staff.

<sup>6</sup> HORIZON-MSCA-2022-Ukraine-ART195-IBA

## Research infrastructures (RI)

### Key achievements in 2022



The availability of state-of-the-art Research Infrastructures (RI) and their services is essential to the excellence and global competitiveness of the European Research Area. European research framework programmes have played an important role in integrating national facilities, fostering the development of common European Research Infrastructures through the **ESFRI Roadmap** and the ERIC legal framework, as well as the provision of access to RI services to researchers across Europe and beyond.

In this wider political context, in 2022 the Research Infrastructures programme part of Horizon Europe continued supporting the strategic development and sustainability of the European Research Infrastructure landscape. Activities targeting transnational users enabled researchers in Europe and beyond to have access to the best tools they need for their own or related fields of research, strengthening Europe's research performance and its ability to react rapidly to present and future challenges.

In 2022, Research Infrastructures contributed to the objectives of Pillar I (Excellent science) of Horizon Europe and to clusters, missions and partnerships in Pillar II, as well as to the innovation dimension of research. A notable example is the development of the **European Open Science Cloud (EOSC)**, one of the key initiatives pursued by the European Commission to enable and mainstream Open Science in Europe.

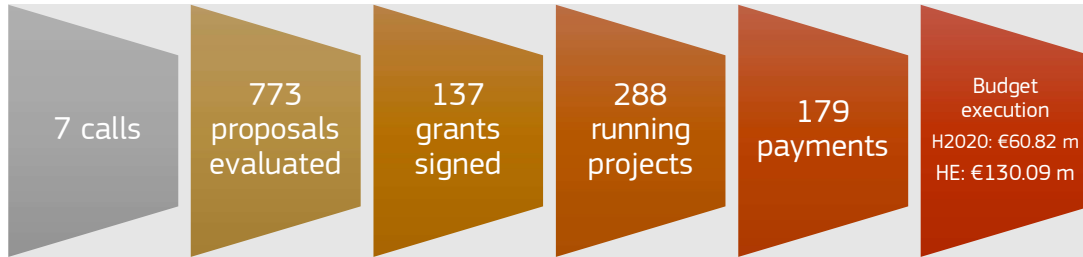
Russia's war of aggression in Ukraine and the impact of high inflation on energy prices affected research infrastructures projects disproportionately compared to other programme parts.

REA terminated the participation of 30 Russian beneficiaries in 11 INFRA projects, including a project which represented a significant European-Russian scientific and technical collaboration in the field of research infrastructures. The project changed its scope and will include a support scheme for Ukrainian researchers ultimately aiming to return to Ukraine.

With regard to increasing energy prices, many projects sought advice on how to cope with the increasing operational costs of high-energy consuming installations. Such an increase in prices has a serious impact on grants, including on Transnational Access costs. As inflation is currently not reflected in the calculations on these costs, infrastructures will end up providing less access to compensate for the increases. While it can be expected that new project proposals reflect the increases of operating costs upfront in their budget estimations, for ongoing grants this situation will lead to successive and multiple requests for amendments.

## Cluster 2: culture, creativity and inclusive society (HE) / Societal Challenge 6 (H2020)

### Key achievements in 2022



REA managed the 2021 and 2022 Cluster 2 Horizon Europe (HE) calls and evaluations, and the subsequent GAPs, as well as three lump sum calls resulting from updates to the 2022 Work Programme (WP). REA also contributed to the preparation of the 2023-24 WPs, including a new activity towards the **European Collaborative Cloud for Cultural Heritage (ECCCH)**.

The number of proposals submitted to the seven 2022 calls was almost double the number in 2021. 137 grant agreements were signed (54 from the 2021 calls, and 83 from the 2022 calls), representing a success rate of 13% for the 2021 call and 11% for the 2022 call.

In the context of the Green Deal, REA is also implementing the **Other Action 9 “Support to the engagement of European Citizens in the transition to the European Green Deal (EGD)”** project in close collaboration with DG RTD and DG CLIMA via a direct service contract. A High-Level Conference took place in April with more than 260 participants, amongst them Commission Vice-President Frans Timmermans and DG RTD’s Director-General. The project ended in December and the final results will be presented and discussed in a workshop in early 2023.

The 288 running projects represent an increase by 55% compared to the end of 2021.

## Cluster 3: civil security for society (HE) / Societal Challenge 7 (H2020)

### Key achievements in 2022



REA supported the implementation of the EU Security Union Strategy among other relevant civil security policies by contracting 37 new projects under five Cluster 3 destinations of Horizon Europe.

The 230 proposals submitted to the five 2021 Horizon Europe calls were evaluated in January and February. Retained proposals were selected and underwent ethical and security scrutiny, which is a key check in this thematic area.

Security of EU classified information was promoted through training for project officers handling classified grants.

Certain work programme topics such as critical infrastructure resilience and disaster resilience have gained high political importance due to the war in Ukraine. Projects related to topics such as the fight against terrorism and border management are also addressing Europe's current internal security demands and policy priorities.

### **Cluster 6: food, bioeconomy, natural resources, agriculture and environment (HE) / Societal Challenges 2 and 5 (H2020)**

#### Key achievements in 2022



The 290 proposals selected for funding represent a 29% success rate.

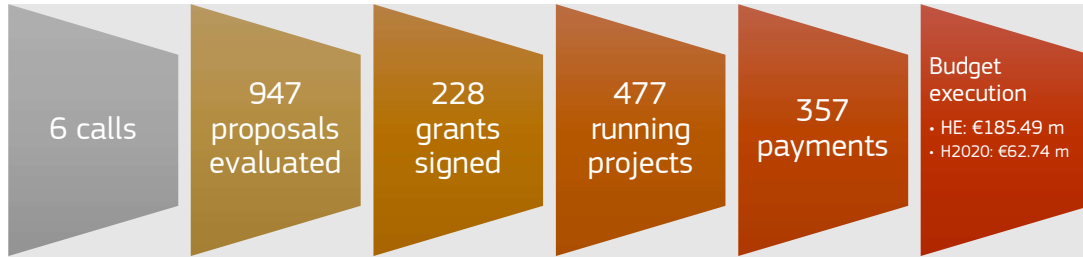
During 2022, the Agency continued to provide input to the R&I agenda and policy development activities for Horizon Europe programming. Feedback to policy efforts were intensified, focusing on areas such as biodiversity and nature-based solutions, circular and bioeconomy, zero pollution, and food security and the resilience of food systems. Project clustering around the topics of wildfire risk, chemicals, water pollution and biodiversity restoration was given special attention.

REA also started to provide qualitative feedback on implementation aspects of the Work Programme, including a compendium of the key lessons learnt from the first calls.

At the end of the year, there are 279 HE and 405 H2020 ongoing projects.

## Widening participation and spreading excellence (HE) / SEWP (H2020)

### Key achievements in 2022



The budget managed by REA for this programme part in HE has more than tripled, and the portfolio has increased from three types of actions in H2020 to nine in HE. This has consequently increased the number of evaluations, and the complexity in preparing evaluations, GAPs and implementing projects.

REA successfully took on new challenges. REA coordinated the evaluations for the **Hop on Facility** call, which promotes the inclusion of entities from widening countries in ongoing HE projects. This call involves four different Executive Agencies and a Commission DG. REA also started preparations for the **Pathways to Synergies** and the **Dissemination and Exploitation Support Facility** calls, which are considerably different from the actions which the Agency has managed in the past.

The Commission has delegated to REA the responsibility for managing the Framework Partnership Agreement (FPA) and Specific Grant Agreement (SGA) for the implementation of the COST (European Co-operation in Science and Technology) actions in HE. This is a complex task, due to a large budget (EUR 153 million) and the specificities of COST.

At the end of the year, there are 212 HE and 265 H2020 ongoing projects.

## Reforming and enhancing the European R&I system (HE) / SwafS (H2020)

### Key achievements in 2022



The three HE calls for this programme part with a deadline in 2022 attracted 98 proposals, of which 47 have been selected for funding (49% success rate).

The new ERA Policy Agenda, annexed to the Council conclusions on the ERA governance, sets out 20 concrete ERA actions for the period 2022-2024 to contribute to the priority areas defined in the Pact for Research and Innovation. The projects funded through ERA calls for proposals contribute directly to this policy agenda, which aims to prioritise investments and reforms in research and innovation, to boost the market uptake of research and innovation results and to strengthen the mobility of researchers and the free flow of knowledge and technology.

REA launched a new **EU prize for Gender Equality Champions** in R&I and academia. This new prize encourages inclusive gender equality plans and policies in the European Research Area (ERA). It complements the requirement to have Gender Equality Plans as an eligibility criterion for higher education and research organisations applying to Horizon Europe.

REA continued to manage the **Horizon Standardisation Booster** project, which aims at increasing the extent of standardisation between Horizon 2020 and Horizon Europe projects and strengthening European competitiveness as a result.

A Citizen Science Results Pack entitled [Inspiring examples of societal engagement for Horizon Europe](#), showcasing 12 Science with and for Society (SwafS) projects, was published on the CORDIS website. A Science Communication Results Pack called [Empowering citizens in the public discussion of science](#), showcasing eight SwafS funded projects, was also published on the CORDIS website in November.

## Research programme of the Research Fund for Coal and Steel (RFCS)

### Key achievements in 2022



During the reporting period, REA organised and implemented three calls for proposals, including the first-ever 'Big Tickets' call with specific impact targets from the RFCS Work Programme for 2022 and focusing on the transition of the coal regions towards a carbon-neutral Europe in 2050 (in line with the Just Transition Mechanism), the Clean Steel Partnership (CSP), and the European Green Deal. For CSP, REA contributed to the creation of the CSP Monitoring Group, who will, among other, analyse the advancement of the partnership and provide recommendations.

To ensure successful implementation of the programme and to promote funding opportunities, 12 events were organised, of which the most significant was the two-day RFCS Summit in March, celebrating 20 years of the programme.

Following the RFCS new legal basis adopted in 2021, the scope of the RFCS Technical Groups (TG) was redefined with a new focus on portfolio analysis and communication and outreach. In 2022, their membership was renewed, and seven meetings of the revamped TGs were held. Their previous role in monitoring the progress of individual projects has been transferred to external expert monitors contracted by REA for that specific purpose.

REA supported the work of the RFCS advisory groups and organised four meetings during the year. Another novelty in the programme was a transition to project monitoring by experts instead of TGs.

## Promotion of agricultural products (AGRIP)

### Key achievements in 2022

#### Grants



#### Procurement



During 2022, the management of AGRIP grants was challenging due to COVID-19 continuing to affect face-to-face activities in some target countries, notably in China, which in turn generated a high number of amendment requests and an unstable environment for projects. Russia's war of aggression in Ukraine affected several projects implemented in Russia, Belarus, and Ukraine.

Two calls for proposals were closed and evaluated in 2022: one for SIMPLE and another one for the MULTI sub-programme<sup>7</sup>. A total of 157 proposals were evaluated, with 23 grants signed. By the end of 2022, REA manages a stock of 114 ongoing AGRIP grants.

In relation to procurement, the main achievement of 2022 was the signature of an inter-institutional framework contract for the organisation of promotion events, campaigns and market intelligence in third countries, which will be used for the bulk of procurement activities in the period 2022-2026. Three procurement lots were evaluated and signed by the end of the year.

REA organised a high-level mission to Singapore and Vietnam. In addition, ten promotional events (trade fairs, sanitary and phytosanitary promotional seminars, exposition in Dubai, EU Day in Canberra), ten communication campaigns, and three market research reports (incl. market entry handbooks) were completed.

REA kept regular contact with DG AGRI concerning politically sensitive projects such as meat campaigns in the context of an evolving policy environment.

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<sup>7</sup> MULTI-beneficiary grant agreements are managed directly by REA. SIMPLE calls result in grants managed by Member States: REA is responsible for organising the call and the evaluation of proposals. The evaluation results are then sent to Member States.



## EU added value

There are many success stories amongst the projects managed by REA. The following selection illustrates the wide-ranging relevance of these projects for the Commission's main political priorities.

## A EUROPEAN GREEN DEAL



### Improving food and nutrition security in Africa - InnovAfrica

Managed by REA and featuring at [COP 27](#), the project tackles food and nutritional security through a combination of institutional knowledge and [sustainable agricultural intensification systems](#) and services. It contributes to smallholder productivity, profitability and reduced outreach associated to the [European Green Deal](#).

### A new centre of excellence in Cyprus to drive a sustainable blue economy – CMMI-MaRITeC-X

One of 29 REA managed projects that participated in the [New European Bauhaus Festival](#), the new Cyprus Marine and Maritime Institute (CMMI) drives sustainable [blue growth](#) through world-class research, technology development and innovation in the marine and maritime sectors. The [CMMI](#) has set up ten research and innovation centres in areas such as marine robotics, marine and coastal ecosystems, marine cultural heritage, and underwater and seabed technologies.



## A EUROPE FIT FOR THE DIGITAL AGE

### Former MSCA supervisors awarded the 2022 Nobel Prize in Physics – QuanPhoChip, SIBESQ, OAMGHZ, BEC COHERENCE

The [Nobel Prize in Physics 2022](#) was awarded to Alain Aspect and Anton Zeilinger, whom took part in the MSCA as supervisors, and to John F. Clauser. Their pioneering groundwork paves the way for quantum computers to carry out complex calculations and for quantum encryption that could allow secure communications.

### Bird's eye view makes sense of land management - LANDSUPPORT

Featured in the new [virtual R&I exhibition](#), LANDSUPPORT is one of many REA-managed projects that contributed to the [2022 R&I Days](#). It created a [free to use web map system](#) from satellites and ground surveys to support sustainable agriculture and forestry to evaluate trade-offs between land uses. The project thus helps restore healthy soils in line with the [EU Mission "A soil deal for Europe"](#).





## AN ECONOMY THAT WORKS FOR PEOPLE

### Long battery life smart devices to harvest ambient energy for the Internet of Things (IoT) – EnABLES

The project has assembled an IoT community of interdisciplinary collaborators to [advance the life span of batteries](#) in wireless (partially autonomous) sensors used in smart devices and infrastructure. It is an important step towards the circular economy, dramatically reducing the number of batteries and associated electronic waste that are consumed by businesses involved with IoT. The project is a key example of how to synergise energy demand load with accelerating the roll-out of resilient and renewable power, in accordance with the [RePowerEU](#) energy efficiency targets.



## A STRONGER EUROPE IN THE WORLD

### Young MSCA researchers building a brighter future for generations to come – COUPLED, IGNITE

2022 was the [European Year of Youth](#) and an opportunity to highlight how the [MSCA empowers young researchers in Europe and beyond](#). Ramón, for example, from Puerto Rico, studied the genomics (whole DNA) of invertebrates as part of the [IGNITE project](#). Claudia from Peru researched changes in land-use, and the effect on both society and the environment as part of the [COUPLED](#) project.



## PROMOTING OUR EUROPEAN WAY OF LIFE

### Co-creating sustainable and greener cities - URBINAT

Popular amongst adults and children during the [EU Open Doors Day](#), the project encourages citizens' participation in the urban regeneration and design of [human habitats co-inspired by nature](#). Contributing to the [EU Mission "Climate-neutral and Smart Cities"](#), URBINAT was featured at various events in 2022 including the EU Week of Regions and Cities and COP27.



## A NEW PUSH FOR EUROPEAN DEMOCRACY

### The fight for truth: EU-funded research tackles online misinformation – TRESCA

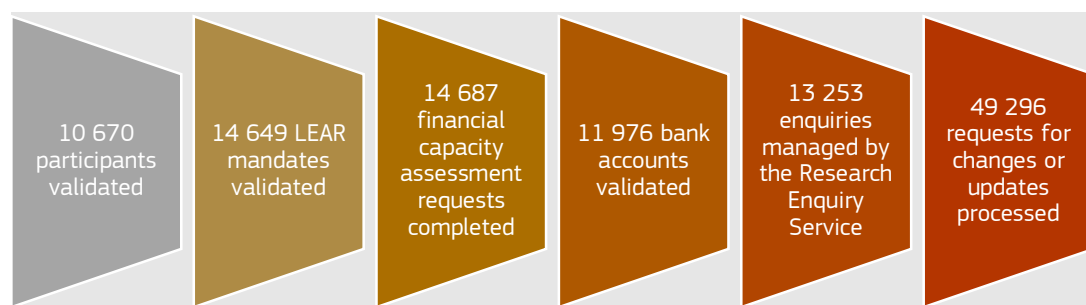
The project focuses on understanding how [science communication](#) can re-build public trust in facts by identifying misinformation through large scale, experimental survey research and digital tools. Fighting disinformation is key in defending the founding pillars of all European democracies: [Informed citizens, transparency and the rule of law](#).

## 1.4. Support tasks delegated to the Agency

REA provides support to an increasing number of Commission services and to other Agencies according to Annex VIII of the Delegation Act<sup>8</sup>. The following sections report the highlights from the provision of these services in 2022. Detailed tables showing progress towards meeting operational targets are given in Annex 2.

In 2022, the support activities of the Agency were significantly affected by an unprecedented peak in workload due to the late start of HE and the resulting overlapping calls.

### Participant management for grants/tenders and management of the Research Enquiry Service



REA has been tasked with the **assessment of ownership and/or control of applicants** if they participate in selected programmes/calls where EU strategic interests are involved and safeguards are required against foreign interference.

The **peak in workload** impacted all participant management tasks. Compared to forecasts, the volume of financial capacity assessments was more than double the expected number, the ownership control assessments (“OCAs”) were 40% higher, the bank account validations 20%, the LEAR validations 17%, the maintenance actions 17%, and the legal entity validations 7% higher. The calls requiring OCAs had an adverse effect on REA operations because all requests arrived before summer, not allowing to spread the workload throughout the year as originally planned.

To cope with these increases, it was necessary to temporarily recruit additional interim staff and to revisit the intensity of some checks in the last quarter of the year. Thanks to these measures, it was possible to achieve similar results to previous years for KPI 5.

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<sup>8</sup> C(2021) 952.

## Evaluation Support, Call Planning and Expert Management

REA provides expert management and other support services to EU bodies implementing Horizon Europe and other programmes. In 2022, REA extended its support services to **eight new clients**<sup>9</sup>.



In terms of **call planning**, three new clients took up the use of the call planning and publication systems<sup>10</sup>.

Indicators for **expert management** were on target, reaching 98.7% for contracts signed within 10 days and 99.7% for payments made within 30 days. The validation of experts within 25 days of the approval of pools was 87.4%, comparable to 2021.

The delayed entry into force of Horizon Europe caused a delay in Marie Skłodowska–Curie Post-Doctoral Fellowships (MSCA-PF) evaluations from December 2021 to January 2022. As a result, REA processed more evaluator payments in the first half of 2022 than in the entirety of 2021. This pace was maintained during the second semester: REA processed a record 28,472 payments in 2022, with an average time-to-pay of under eight days.

The contracting of the Soil Mission Board Members was delegated to REA in July. The Agency worked closely with the other Executive Agencies managing the other four Mission Boards to harmonise processes and procedures.

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<sup>9</sup> Clean Aviation Joint Undertaking (AJU), Smart Networks and Services Joint Undertaking (SNSJU), the European and Developing countries Clinical Trials Programme (EDCTP3), European Climate Infrastructure and Environment Executive Agency (CINEA), European Cybersecurity Competence Centre and Network (ECCC), Research Fund Coal and Steel (FRCS), Information Measures for the EU Cohesion Policy (IMREG) and Just Transition Mechanism (JTM).

<sup>10</sup> The EU Bodies and Agencies programme (EUBA), the Information Measures for the EU Cohesion policy (IMREG) and the Just Transition Mechanism (JTM).

## 2. MODERN AND EFFICIENT ADMINISTRATION AND INTERNAL CONTROL

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

The first subsection reports the control results and other relevant information that supports management's assurance on the achievement of the financial management and internal control objectives<sup>11</sup>.

The second subsection reports REA's efforts in 2022 to become an even more modern and efficient public administration.

### 2.1. Financial management and control results

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

This examination is carried out by management, who monitors the functioning of the internal control systems on a continuous basis, and by internal and external auditors. The results are explicitly documented and reported to the Director. The following reports have been considered:

- the biannual reports submitted by the Heads of Unit in their capacity as Authorising Officer by Sub-Delegation (AOSD), also endorsed by their Head of Department;
- the opinion of REA's officer responsible for Risk Management and Internal Control (RMIC) on the state of controls;
- the report on REA's risk assessment exercise;
- the register of recorded exceptions, non-compliance events and internal control weaknesses;
- the outcome of ex-post audits and fraud prevention measures on grant beneficiaries;
- the limited conclusion on the state of control and the observations and recommendations reported by the Internal Audit Service (IAS);
- the observations and recommendations reported by the European Court of Auditors;
- the reports on financial performance and accounting quality;

The systematic analysis of the available evidence provides sufficient guarantees as to the completeness and reliability of the information reported and results in the full coverage of

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<sup>11</sup> Art 36.2 FR: a) effectiveness, efficiency and economy of operations; b) reliability of reporting; c) safeguarding of assets and information; d) prevention, detection, correction and follow-up of fraud and irregularities; and e) adequate management of risks relating to the legality and regularity of underlying transactions.

the budget delegated to the Director of REA. This section covers the control results and other relevant elements that support management’s assurance.

### 2.1.1. Control results

This section reports and assesses the elements identified by management which support the assurance on the achievement of the financial management and internal control objectives (ICO)<sup>12</sup>. The Agency’s assurance building and materiality criteria are outlined in annex 5. Annex 6 outlines the main risks together with the control processes to mitigate them and the indicators used to measure the performance of the relevant control systems.

**Figure 10 - REA activities in 2022 managed under the various control systems**



Controls are implemented for direct grant management, for expert management, and for the validation of participants in EC funding programmes. The latter is part of the Commission’s corporate control environment and does not relate to any operational expenditure implemented by REA. In 2022, a small share of the operational budget was also spent via public procurement.

The control environment for direct grant management in which REA operates is largely a corporate one. The results reported in the following sections are the outcome of controls designed primarily by the Common Implementation Centre (CIC) in charge of control system for the R&I framework programmes. REA actively participates in the various governance structures put in place by the CIC and contributes to the development and continuous improvements of the common legal framework, the business processes and IT tools.

<sup>12</sup> 1) Effectiveness, efficiency and economy of operations; 2) reliability of reporting; 3) safeguarding of assets and information; 4) prevention, detection, correction and follow-up of fraud and irregularities; and 5) adequate management of the risks relating to the legality and regularity of the underlying transactions, taking into account the multiannual character of programmes as well as the nature of the payments (FR Art 36.2). The 2nd and/or 3rd Internal Control Objective(s) (ICO) only when applicable, given the DG’s activities.

Moreover, REA integrated into its control environment the RFCS and AGRIP initiatives transferred to REA in 2021.

Certain control activities carried out in REA cannot be fully captured by quantitative indicators, while they significantly contribute to the overall benefits of the programme implementation or the centralised support services delivered to the Commission services. These activities include feedback for policy making, process improvements, information and communication, dissemination and exploitation of the project results, etc.

In 2022, REA implemented an **overall budget of EUR 2,970.17 million**<sup>13</sup> consisting of the operational budget of EUR 2,869.84 million and the administrative budget of EUR 100.32 million.

#### Additional reporting requirements resulting from the 2018 Financial Regulation:

In line with the 2018 Financial Regulation, REA's responses for 2022 to the new reporting requirements is as follows:

- REA had no cases of **“confirmation of instructions”** (new FR art 92.3)
- There are no **cases of financing not linked to costs** (new FR art 125.3)
- REA had no **Financial Framework Partnerships with a duration of more than 4 years (new FR art 130.4)** that entered into force in 2022.
- Notwithstanding specific provisions for the financing of indirect costs under the programme specific rules for Horizon, there were no **cases of flat rates for indirect costs >7%** <sup>14</sup>.
- In Horizon Europe, two grant agreements signed in 2022 **derogated from the principle of non-retroactivity pursuant to Article 193.2 FR**. In each case, the project start date preceded the grant signature date, which is compliant with the Horizon programme's legal framework. No granted project started prior to the submission date of the proposal.

#### **Effectiveness of controls**

The effectiveness of the control systems is demonstrated by results regarding the: (i) legality and regularity of the operations; (ii) fraud prevention, detection and correction; and (iii) other

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<sup>13</sup> Expressed in payments made.

<sup>14</sup> FR Article 181.6. According to the Horizon 2020 and Horizon Europe Rules for Participation, eligible indirect costs of grants are determined by applying a flat rate of 25% of the total eligible direct costs. However, in some cases, the 25% is directly embedded within a unit cost. In other cases, the indirect costs are included within a larger unit cost or lump sum and the percentage of indirect costs cannot be determined separately (e.g., the unit costs for the institutional cost under Marie Skłodowska-Curie actions).



control objectives – in particular the safeguarding of assets. The most pertinent results are the error rates detected by ex-post audits covering the main expenditure items (i.e. KPI4).

The benefits of the controls are summarised for the direct grant management and for the support services.

### Legality and regularity of the transactions

REA uses internal control processes to ensure the adequate management of the risks relating to the legality and regularity of the underlying transactions it is responsible for, taking into account the multiannual character of programmes and the nature of the payments concerned.

The results of the controls implemented are measured through ex-post audits and ex-post controls carried out on transactions of the REA's **operational expenditure**, which in 2022 represent 95.48% of the total relevant expenditure<sup>15</sup>. In addition, REA's **administrative expenditure** amounts to 4.52% of the total relevant expenditure in 2022. Control results are detailed below for the programmes implemented in REA and for expert-related spending.

#### *EX-POST CONTROL RESULTS FOR GRANT MANAGEMENT*

Since 2007, the Research and Innovation services have adopted a common audit strategy (through ex-post controls) to ensure the legality and regularity of expenditure on a multi-annual basis, including detection and correction of systematic errors.

For Horizon 2020, the Common Audit Service of the Common Implementation Centre carries out all audits, including those concerning grants concluded by the Executive Agencies and the Joint Undertakings. This is a major step towards ensuring a harmonised approach, legal certainty, equality of treatment and minimising the audit burden on beneficiaries.

The **main indicators** on legality and regularity<sup>16</sup> of EU Framework Programmes for Research and Innovation are:

- **Cumulative representative error rate**, based on errors detected by ex-post audits on common representative samples of cost claims across the Research and Innovation services.
- **Cumulative residual error rate**, which is the extrapolated level of error after corrective measures have been implemented by the Research and Innovation services following the audits, accumulated on a multi-annual basis. This rate also includes the corrective impact of the extension of audit findings on systematic errors to non-audited participations of audited participants.

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<sup>15</sup> The relevant expenditure is the total payments minus the difference between new prefinancing and prefinancing cleared in 2022

<sup>16</sup> These indicators are described in point 1.1 of annex 5.



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

- for **Horizon 2020**, to ensure that the cumulative residual error rate remains within a **range of 2-5%**, aiming to be as close as possible to 2%.

Progress against Horizon 2020 targets is assessed annually based on the results of the implementation of the ex-post audit strategy and taking into account the frequency and importance of the detected errors together with cost-benefit considerations regarding the effort and resources needed to detect and correct the errors.

- for **FP7** and **Horizon Europe**, to ensure that the cumulative residual error rate does not exceed **2%**.

It should be noted, however, that due to its multiannual nature, the effectiveness of the control strategy of the R&I Family can only be measured and assessed fully in the final stages of the EU Framework Programmes, once the ex-post control strategy has been fully implemented and errors, including those of a systematic nature, have been detected and corrected.

Despite restrictions and other challenges due to the COVID-19 pandemic, the planned audit target was achieved. The Common Audit Service managed to close audits on 633 participations, which is 103.6% of the planned 2022 target.

#### *RESULTS OF THE SEVENTH FRAMEWORK PROGRAMME (FP7) EX-POST AUDITS*

The audit strategy for FP7 was already considered to be fully implemented in 2020. As was the case last year, a quantified reservation is not required for FP7 because of the 'de minimis' threshold for financial reservations introduced in 2019<sup>17</sup>.

#### *RESULTS OF THE HORIZON 2020 EX-POST AUDITS*

The methodology for calculating the Horizon 2020 error rates is described in annex 5. Error rates for Horizon 2020<sup>18</sup> on 31 December 2022 are:

- cumulative representative error rate: **2.71%**<sup>19</sup>
- cumulative residual error rate for REA of **1.88%** (cumulative residual error rate for all

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<sup>17</sup> Agreement of the Corporate Management Board of 30/04/2019: a 'de minimis' threshold for financial reservations was introduced stipulating that quantified Annual Activity Report reservations related to residual error rates above the 2% materiality threshold are deemed not substantial for segments representing less than 5% of a DG's total payments and with a financial impact below EUR 5 million.

<sup>18</sup> The Horizon 2020 audit campaign started in 2016. At this stage, four Common Representative Samples with a total of 628 expected results have been selected. By the end of 2022, cost claims amounting to EUR 40.8 billion have been submitted by the beneficiaries. The audit coverage for Horizon 2020 is presented in annex 7. In addition to the Common Representative Samples, Common Risk Samples and Additional Samples have also been selected. The audits of 4,060 participations were finalised by 31/12/2022 (of which 633 in 2022).

<sup>19</sup> Based on the 479 representative results out of the 628 expected in the four Common Representative Samples.

Research and Innovation services: 1.67%).

These figures reflect the 'first layer' sample covering all Research and Innovation services and presenting the results relevant for non-MSCA. In addition, REA takes into account the outcome of audits on a **“second-layer” audit strand focusing on participations to MSCA** as this programme part is characterised by a lower risk profile. As a result, MSCA-specific error rates are reported for this part of Horizon 2020:

- MSCA detected error rate: **1.06%**<sup>20</sup>.
- MSCA residual error rate: **0.73%**

Detailed information relating to the ex-post audit work that provided the above results and to the state of play of the implementation of the audit findings, including the extension of systematic errors, can be found in annex 7.

The error rates presented above should be treated with caution. Since not all audit results are available yet, the error rate is not fully representative of the expenditure under control. Since Horizon 2020 is a multi-annual programme, the error rates, and the residual error rate in particular, should be considered within a time perspective. Specifically, the cleaning effect of ex-post audits will tend to increase the difference between the cumulative representative error rate and the cumulative residual error rate, the latter finishing at a lower value.

In line with the Financial Statement<sup>21</sup> accompanying the Commission's proposal for the Horizon 2020 regulation, a reservation is not necessary for the related expenditure if the cumulative residual error rate for the programme falls within the target range of 2-5%. By the end of 2022, the REA cumulative residual error rate for Horizon 2020 – calculated at 1.88% – more than fulfils this condition and is below the materiality threshold. Despite the absence of reservation, the root causes of errors have been identified and targeted actions taken to address any identified weaknesses.

Given the results of the audit campaign up until the end of 2022, and the observations made by the European Court of Auditors (ECA) in its Annual Reports, the Common Implementation Centre, in close cooperation with central Commission services, is defining actions aimed at significantly simplifying the rules, and paving the way for a significant reduction of the error rate in Horizon Europe. Actions include further simplification, increased use of simplified forms of funding (including lump sums and unit costs), focused communication campaigns

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<sup>20</sup> This figure can be broken down into currently four sample intervals 2018/19 (17.2%, 1.06%), 2020 (18.2%, 0.78%), 2021 (36.1%, 2.05% and 2022 (28.6%, 0%) with 182, 38, 42 and 15 closed audits respectively. The 1.06% error rate is the arithmetic average of the four intervals.

<sup>21</sup> The legislative financial statement accompanying the Commission's proposal for the Horizon 2020 regulation states: "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 projects. The ultimate aim for the residual level of error at the closure of the programmes after the financial impact of all audits, corrections and recovery measures will have been taken into account is to achieve a level as close as possible to 2%."

towards more 'error-prone' types of beneficiaries with higher-than-average error rates (e.g. SMEs and newcomers), and enhanced training to external audit firms performing audits on behalf of the Commission. The last three measures also target H2020 grants and beneficiaries.

In addition, the ECA recommended certain improvements related to the quality of the audit process. The Commission has taken action to remedy the risks identified by the ECA. The ECA has acknowledged these efforts to improve the quality of audits and considers its recommendation to be fully implemented.

### *HORIZON EUROPE*

2022 was the second year of implementation of the Horizon Europe framework programme. No representative error rate for Horizon Europe is yet available as the ex-post audit campaign for the programme is planned to be launched by the end of 2023 at the earliest, once a meaningful number of payments can be audited. Consequently, without elements allowing an assessment of the level of errors and taking into account the simplifications introduced for Horizon Europe that aim to reduce the error rate compared to its predecessor programme, the detected and residual error rate will be estimated at **2%** for REA.

### *RESULTS OF THE RESEARCH FUND FOR COAL AND STEEL EX-POST AUDITS*

The RFCS programme was transferred to REA on 1 April 2021 and is implemented under a control system similar to Horizon programmes, with ex-post audits performed by the CAS. Error rates for audits conducted as part of the current RFCS ex-post audit strategy (2018-2024) as of 31 December 2022 are:

- RFCS detected error rate: **1.57%**<sup>22</sup>
- RFCS residual error rate: **1.53%**.

Considering the low number of audit results available these results are considered to be a relevant but preliminary estimate. Based on the assumption that the risk profile for RFCS is comparable to H2020, the same cumulative detected error rate (2.71%) and residual error rate (1.88%) will be used for the calculation of the amount at risk. As the number of audits increases, a more accurate estimate will be given.

### *RESULTS OF THE PROMOTION OF AGRICULTURAL PRODUCTS (AGRIP) EX-POST AUDITS*

Based on the audit results reported by CHAFEA in 2020 and the preliminary results of five ex-post audits performed in 2021 and 2022, REA estimates that the detected error rate is **1.20%** and the residual error rate **1.00%**. This result needs to be considered with caution.

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<sup>22</sup> Based on 20 audited participations, corresponding to eight audits. Total audit coverage to date is 3.26%.

As explained in the section on fraud prevention and detection, REA reports an elevated risk that results from the design of the AGRIP scheme; this remains under close monitoring.

#### *SUPPORT SERVICES (EXPERT MANAGEMENT)*

Of REA's support services, only expert management includes spending; the central validation services are part of the Commission's corporate control system for budget implementation, supporting spending operations that remain under the control of the Commission's various AODs.

The contracting and payment of experts uses a fully decentralised circuit with no counterweight. This is the most appropriate circuit due to the very high volume of transactions, the relatively low complexity in financial management, the low value of the payments, and the short time limit to pay. The yearly ex-post verification campaign performed by the finance unit did not identify financial errors in the selected sample covering 2022. Therefore, REA has opted to retain a conservative estimated error rate of **0.5%** for the purpose of the calculation of risk at closure.

#### *OTHER ADMINISTRATIVE EXPENDITURE*

Considering the European Court of Auditors' clean opinion on REA revenues and payments underlying the accounts for 2021, REA retains for this segment an error rate of **0.5%**, as a conservative estimate.

#### *CONCLUSION ON THE LEGALITY AND REGULARITY OF THE FINANCIAL TRANSACTIONS*

REA's portfolio consists of expenditure segments with **low residual error rates** below the materiality threshold<sup>23</sup>. The inherent risk profile of the programmes and their beneficiaries, the performance of the related control systems, and the substantial and continuous efforts made to reduce errors in a proportionate and cost-efficient manner are contributing to these findings and support this conclusion.

REA has in place effective ex-ante and ex-post controls for preventing and correcting errors, including recoveries and financial corrections. During the reporting year, the executed corrective capacity amounted in total to EUR 18.82 million. The corrections following ex-ante controls amount to EUR 14.86 million, whilst recoveries and financial corrections following the results of ex-post controls amounted to EUR 3.96 million (for more details, see table 8 in annex 3).

**Table 1: Preventive and corrective measures results**

	Preventive Measures (m EUR)	Corrective measures (m EUR)
<b>Implemented by the Commission</b>	14.86 million	3.96 million

<sup>23</sup> With the exception of FP7, for which the negligible relevant expenditure renders the amounts at risk immaterial.

	Preventive Measures (m EUR)	Corrective measures (m EUR)
<b>REA total</b>	<b>18.82 million</b>	

Table 2 shows an estimation of the risk at payment and risk at closure for the expenditure managed during the reporting year. Even if no expenditure segments are affected by error rates at closure (i.e. residual error rates) above 2% and therefore no reservations are needed, REA continues to take targeted remedial actions to address any identified weaknesses and to reduce error rates further.

**Table 2: Estimated risk at payment and at closure**

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

REA	Payments made	Relevant expenditure	Estimated risk (error rate %) at payment		Estimated future corrections and deductions		Estimated risk (error rate %) at closure	
	m EUR	m EUR	m EUR	%	m EUR	%	m EUR	%
<b>Operational budget:</b>								
Horizon Europe	1 859.69	1.20	0.02	2.00%	0.00	0.00%	0.02	2.00%
H2020 MSCA	282.35	748.26	7.93	1.06%	2.47	0.33%	5.46	0.73%
H2020 – (excl. MSCA)	563.90	1 295.14	35.10	2.71%	10.75	0.83%	24.35	1.88%
FP7 – People	-	0.09	0.00	1.73%	0.00	0.19%	0.00	1.54%
FP7 – SME actions	0.01	0.01	0.00	6.12%	0.00	0.37%	0.00	5.75%
RFC5	24.17	36.07	0.98	2.71%	0.30	0.83%	0.68	1.88%
AGRIP	71.91	72.80	0.87	1.20%	0.15	0.20%	0.73	1.00%
Expert management	67.81	67.81	0.34	0.50%	0.00	0.00%	0.34	0.50%
<b>Sub-total</b>	<b>2 869.84</b>	<b>2 221.39</b>	<b>45.25</b>	<b>2.04%</b>	<b>13.66</b>	<b>0.62%</b>	<b>31.58</b>	<b>1.42%</b>
<b>Administrative budget</b>	<i>100.33</i>	<i>100.33</i>	<i>0.50</i>	<i>0.50%</i>	<i>0.00</i>	<i>0.00%</i>	<i>0.50</i>	<i>0.50%</i>
<b>Total EA</b>	<b>2 970.17</b>	<b>2 321.72</b>	<b>45.75</b>	<b>1.97%</b>	<b>13.66</b>	<b>0.59%</b>	<b>32.08</b>	<b>1.38%</b>

The estimated overall risk at payment for 2022 expenditure amounts to **EUR 45.75 million**, representing 1.97% of REA's total relevant expenditure for 2022. This is the AOD's best, conservative estimate of the amount of relevant expenditure during the year not in conformity with the contractual and regulatory provisions applicable at the time the payment was made. This expenditure will subsequently be subject to ex-post controls, and a proportion

of the underlying errors will be detected and corrected in subsequent years. The conservatively estimated future corrections for 2022 expenditure amount to **EUR 13.66 million**.

The difference between those two amounts results in an estimated overall risk at closure<sup>24</sup> of **EUR 32.08 million**, representing 1.38% of the REA's total relevant expenditure for 2022. This is an increase of 0.17% compared to 2021, mainly due to the slightly higher error rates observed in Horizon 2020 expenditure. Further details can be found in annex 9.

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

### Fraud prevention, detection and correction

REA's anti-fraud strategy, first developed in 2013, was last updated in October 2019. Its implementation is being monitored and reported to the management in quarterly and biannual reports. All foreseen actions have been implemented. REA's antifraud approach will be updated in Q1 2023 to adjust it to the Horizon Europe context.

Awareness raising remains the main fraud preventive measure. REA delivered in 2022 an updated version of the common antifraud training material for the R&I family and held four training sessions (compulsory within 1 year from entering the service), in cooperation with OLAF. All sessions were open to all services managing the R&I framework programmes. Four further training sessions were devoted to the EDES and to bankruptcy issues. As a result of these efforts, 94% of concerned REA staff is trained on fraud prevention and detection measures.

REA has followed up 77.8% of OLAF's financial recommendations in the 48 OLAF reports with financial recommendations addressed to REA since 2009. Recoveries to date amount to EUR 21 million out of EUR 27 million. These figures include the recommendations in the seven OLAF reports addressed to REA in 2022.

The reasons for not (yet) implementing a recommendation are either cost-effectiveness considerations or the outcome of the analysis of the impact of the OLAF findings or the additional evidence provided by entities within the relevant contradictory procedures. In a few instances, recommendations were addressed to, or implemented by, other services. OLAF recommendations still to be implemented include pending decisions on amounts to be recovered, and recoveries pending the closure of contradictory procedures.

On the basis of the available information, REA has reasonable assurance that the anti-fraud measures in place are effective.

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<sup>24</sup> This is the AOD's best, conservative estimate of the expenditure authorised during the year that would remain not in conformity of applicable regulatory and contractual provisions by the end of the implementation of the programmes.

The Agency highlights an intrinsic risk linked to the design of the AGRIP grants scheme which could result in potential conflicts of interest in the selection of subcontractors. Beneficiaries are selected through the evaluation process, but 80-90% of the money is spent by subcontractors, generally communication companies, who undertake the promotion activities on a “for profit” basis. At the same time there is a relatively high success rate for applicants, so relatively low competition.

The result has been that some subcontractors appear to be driving the design and application of projects. A few communication companies are involved in several projects. Prices may be high, and quality low. The sub-contractors must be selected on a “best-value” basis, without conflict of interest. However, public tendering rules generally do not apply. This provides an inherent limitation on the control possibilities available to REA. The potential problem has materialised in one group of projects with one particular communication company. OLAF and the EPPO have been involved, and recoveries for EUR 7.3 million and/or project terminations will be undertaken in consequence. These recoveries relate to 5 projects spread across 4 call years (2018-2021). EUR 6.3 million relates to call years 2018 and 2019; the amounts for 2020 and 2021 are much lower because preventive action meant that most payments had already been suspended.

REA has adapted its AGRIP control strategy in consequence, with reinforced ex ante checks, and increased review and control missions. These actions should mitigate the risk. However, it is inherent to the programme and difficult to identify and prevent. It is the subject of regular discussions between the policy DG and the AOD. At the moment, and beyond the isolated case identified and reported above and for which corrections are being implemented, the risk is not yet demonstrated to be materialising on a systematic basis with a detrimental impact on quality and regularity of spending; therefore, no reserve is formulated in the declaration of assurance. However, it is an important point to note which will be closely monitored.

#### [Other control objectives: safeguarding of assets and information, reliability of reporting](#)

REA provides participant validation and expert management services to an increasing number of Commission services and to other Agencies. REA is consequently business owner of the corporate IT systems used to provide those services.

With respect to REA’s participant validation services, following a 2020 IAS audit on the implementation of SEDIA (Single Electronic Data Interchange Area), REA has implemented all very important recommendations. No major issues have been identified in relation to the corporate IT systems for which REA is responsible, although some risks have been identified concerning their future integration with the Commission’s new financial management system.

REA’s IT Infrastructure was onboarded to the corporate IT Security Asset Inventory and Vulnerability Management Service.

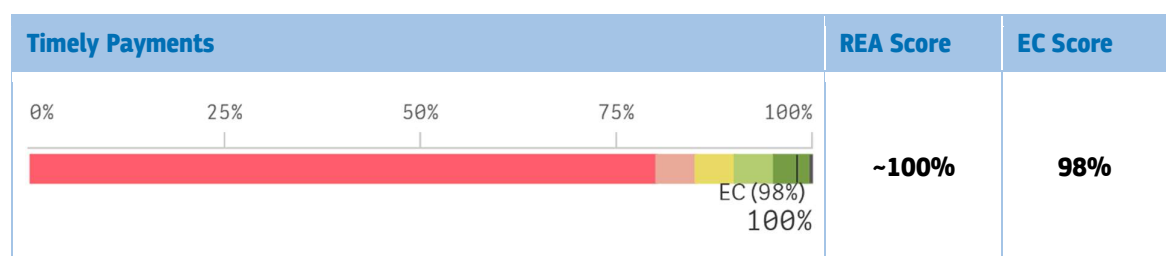
The Accounting Quality controls for 2022 have been executed, were well documented, and corrections are being followed up. A set of dashboards developed by DG BUDG has been used to establish additional controls on data quality that complement the controls already in place.

Based on the results of the controls performed, it can be concluded that the **reliability of reporting and accounting** was maintained at a good level and no major issues were detected.

### Efficiency of controls

The overall efficiency of the operations that REA performed in 2022 is demonstrated through a series of indicators. The main one is time-to-pay, for which REA's result was close to 100% in 2022.

**Figure 11 Timely payments indicator for operational budget**



In 2022, REA continued to ensure efficient processing of payments within the legal deadlines through regular and close monitoring. REA made 33 103 payments totalling EUR 2.87 billion. 2 088 pre-financing payments and 2 575 interim / final payments were made for grants and procurements. Additionally, REA managed 28 440 payments related to experts, of which 99.7% were paid on time, in 8 days on average. 572 payments charged to the administrative budget were also performed, of which 99.6% were made on time.

**Figure 12 Summary of the efficiency indicators**

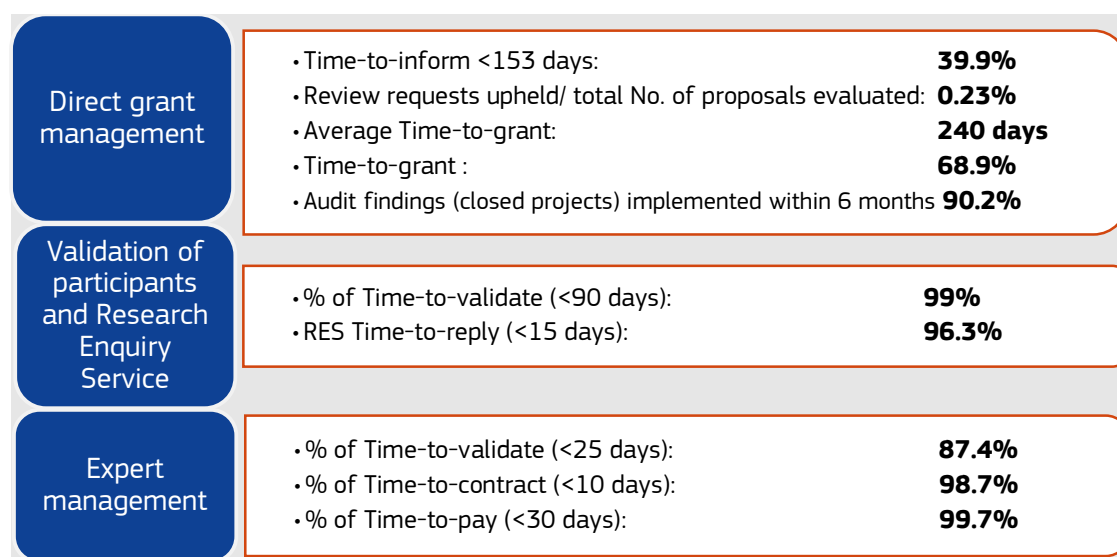


Figure 12 shows results for the other efficiency indicators. REA maintained good performance for most of them, despite the challenging circumstances described in part 1. The results



showing a noticeable decrease in performance are time-to-grant (KPI2) and time-to-inform. The complications mentioned elsewhere in this report, combined with many REA calls going through Grant Agreement Preparation (GAP) concurrently due to the late launch of Horizon Europe and unexpected IT issues, resulted in greater complexity for project officers and beneficiaries during the GAP, backlogs in participant validations, and consequently delays in TTG in Horizon Europe. Although only 68.9% of grants were signed on time, this result is disproportionately affected by the MSCA-postdoctoral fellowships call. Excluding that call, 92.78% of the remaining grants were signed on time, and the overall average for all HE grants was 240 days, still below the 245-day target. Delays were often at the request of the beneficiaries and remained relatively short.

As for time-to-inform, the average was 144 days, well below the 153 days threshold. However, out of a total 13 863 proposals evaluated in 2022, 8 247 (i.e. 59.5%) under the same MSCA-postdoctoral fellowships call were informed seven days past the limit following a request from DG EAC to thoroughly check the nationality of applicants in the immediate aftermath of the Russian invasion.

Following a recommendation from the IAS and coordination across research and innovation services, a new indicator measuring the implementation of ex-post audit results has been introduced. In 2022, 90% were implemented within six months.

### ***Economy of controls***

This section assesses the costs of the internal control system in accordance with the Commission central services' guidance<sup>25</sup>. The controls assessed can be divided into three main categories:

- *Economy of administrative and logistical support services provided by REA*

The support services provided by REA (see section 1.4) contribute to the control systems of all the organisations to whom these services are provided. The significant costs incurred for the participant validation are considered control costs for the European Commission as a whole. The costs of proposal evaluation support and expert management are part of the controls of all Research and Innovation services<sup>26</sup>.

In 2022, the costs of participant validation amounted to EUR 10.86 million for participant validation<sup>27</sup>. As planned in the Specific Financial Statement of the Agency's current mandate, this service is increasing in volume every year, and so do the related costs.

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<sup>25</sup> Guidance on the estimation, assessment and reporting on the cost-effectiveness of controls, September 2018.

<sup>26</sup> Excluding ERCEA, which contracts and manages its own experts and proposal evaluation.

<sup>27</sup> The costs of the participant validation services, financed under REA's administrative budget, contribute to the Commission's overall control system and are consequently not calculated as a percentage but presented in absolute figures.

The support provided for proposal evaluation and expert management cost EUR 79.51 million in 2022: EUR 6.55 million were for staff costs, EUR 64.05 million to pay evaluation experts, and EUR 8.91 million to cover logistical costs for the evaluation facility. These costs represent 0.91% of the total H2020 and HE grant payments in 2022 for all Research and Innovation services<sup>28</sup>. The costs of this activity show a marked increase compared to 2021, which is mainly due to the evaluation activities postponed from 2021 to 2022 because of the delayed start of Horizon Europe in 2021.

- *Economy of services provided by the Common Implementation Centre (DG RTD)*

In addition to the costs above, an important part of the controls for the programmes implemented by REA is delivered by the Common Implementation Centre on behalf of the Research and Innovation family, mainly in the form of ex-post audits and ex-ante controls through common IT systems. Details of the estimated cost of these controls are reported in the annual activity report of DG RTD and amount to 0.64%.

- *Economy of direct grant management controls*

The cost of controls in direct grant management is calculated by adding the costs of the different control stages (ex-ante and ex-post) and dividing the total by the total amount paid in the year for grants.

The overall cost of the controls in grant management is estimated at EUR 70.02 million, i.e. 2.5% of REA's total grant payments in 2022 (2.74% in 2021). Considering all the controls implemented in REA and in DG RTD for direct grant management, **the overall cost of controls represents 4.05% of the related expenditure**. A detailed calculation is provided in Annex 7.

### ***Conclusion on the cost-effectiveness of controls***

**Based on the most relevant key indicators and control results, REA has assessed the effectiveness, efficiency and economy of its control system and reached a positive conclusion on the cost-effectiveness of the controls for which it is responsible.**

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<sup>28</sup> Excluding ERCEA payments.

### 2.1.2. Audit observations and recommendations

This section sets out the observations, opinions and conclusions reported by auditors, including the limited conclusion of the Internal Auditor on the state of internal control. Summaries of the management measures taken in response to the audit recommendations are also included, together with an assessment of the likely material impact of the findings on the achievement of the internal control objectives, and therefore on management's assurance.

#### **Internal Audit Service (IAS)**

During 2022, the Internal Audit Service completed two multi-DG audits that included REA among the auditees:

- **Multi-DG audit on protection of personal data:** among the strengths recognised by the auditors are the efforts made by REA to achieve compliance with the EUDPR, and cooperation with the DPOs of the other Executive Agencies and with the CIC. In the audit major **findings**, IAS concludes that REA, supported by the CIC, has put in place a control system for the protection of personal data to comply with the key provisions of Regulation 2018/1725. While the audit did not result in the identification of critical or very important deficiencies, the auditors made six recommendations that REA accepted, upon which REA developed an action plan. Out of the six recommendations, three were already implemented in 2022. The three other recommendations are due in 2023.
- **Multi-DG limited review of the corrective capacity:** the audit targeted both the corporate level (DG BUDG's reporting in the Commission's AMPR) and a sample of Directorates-General/Services in which REA was included. The scope of the limited review focused on the financial reporting in 2021. The audit issued **one important recommendation** to REA, which was accepted. REA completed the subsequent implementing action by the end of 2022.

In 2022, REA **finalised the implementation of all pending actions** for audits on the implementation of audit results in H2020, the management of experts in H2020 grants, the implementation of anti-fraud actions in the research area, and H2020 grant management. Follow-up audits are awaited as needed.

As for the 2021 **audit on SEDIA implementation**, one of the two very important recommendations was implemented in 2022, while the other has been completed in the beginning of 2023.

REA has no pending critical or very important IAS audit recommendations.

**Based on all work undertaken between 2018 and 2022, the IAS has concluded in its contribution to REA's AAR 2022 that the internal control systems in place for**

**the audited processes are effective, except for the observations giving rise to a 'very important' recommendation**<sup>29</sup>.

### **European Court of Auditors (ECA)**

In 2022, ECA undertook the annual audit on REA's accounts and financial operations of the **administrative budget** during 2021. The audit resulted in a positive opinion.

ECA also conducted **performance audits and reviews** on widening participation in Horizon 2020, use of blacklisting, and digitalisation of EU funds management focused on the Commission, but in which REA was also included. REA typically contributed by answering to questionnaires and clarifications. Recommendations made by ECA as a result of these engagements were addressed to the Commission, without any special reference to REA.

#### **2.1.3. Assessment of the effectiveness of internal control systems**

The Commission and the Executive Agencies have adopted an Internal Control Framework based on international good practice, to ensure the achievement of its policy and management objectives. Compliance with the internal control framework is a compulsory requirement.

REA uses an organisational structure and internal control system suited to achieving its policy and internal control objectives in accordance with the internal control principles and has due regard to the risks associated with the environment in which it operates.

The **continuous monitoring of the effectiveness of REA's internal control system** in 2022 was supported by:

- Regular managerial coordination at Agency, department and unit level;
- Internal reporting mechanisms, which include reporting on internal control developments, such as the biannual reports by the Authorising Officers by Sub-Delegation (AOSDs) to the Director, and biannual reports by REA networks. In addition, the AOSDs submit brief monthly reports to the Director highlighting key developments and matters requiring management attention;
- Audit findings and the continuous follow-up of the implementation of action plans stemming from the audit recommendations.
- Registering ex-ante exceptions and non-compliance cases, and monitoring mitigating measures.
- The annual risk assessment exercise to identify, assess and mitigate potential problems that could negatively affect the execution of REA's activities and the achievement of its objectives.
- Quarterly reports on the progress of the action plans stemming from internal audit recommendations and other action plans relating to risk management, process improvements for improved efficiency of operations, follow up of survey results, etc.

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<sup>29</sup> The 'very important' recommendation concerns SEDIA implementation. The recommendation remained open at the time when the limited conclusion was issued, but it has been implemented and sent to IAS for review in the meantime.

- the latest results from the internal control monitoring criteria;
- the follow up of legal and data protection matters;
- the registers of security and data breaches.

The outcome of the assessment of the internal control system and the opinion of the Head of Department in charge of Risk Management and Internal Control (RMIC) have been documented in a report to the Director. The report identifies further improvements (see below).

At the same time, IAS has highlighted several strengths of REA's control systems and operations, such as its good coordination and harmonisation of financial matters, the high degree of client satisfaction, or its efforts made by REA to achieve compliance with the EUDPR.

**REA has assessed its internal control system during the reporting year and has concluded that it is effective, and the components and principles are present and functioning well overall, but some improvements are needed as minor deficiencies were identified** related to collecting statistics about and monitoring attendance of mandatory training, compliance with data retention rules, and ensuring wider awareness of certain financial procedures. The improvements and/or remedial measures envisaged will be implemented and monitored in the course of 2023.

#### 2.1.4. Conclusions on the assurance

The information in Part 2 of this report results from monitoring by management, based on a systematic analysis of the available evidence. This evidence fully supports the Declaration of Assurance with respect to the use of resources for their intended purpose, in line with the principles of sound financial management, legality and regularity. This approach gives a true and fair view and offers sufficient guarantees regarding the completeness and reliability of the information about the controls in place, covering the totality of the budget executed by REA.

As regards the qualitative weaknesses identified by IAS with respect to protection of personal data and the corrective capacity, they only cover a limited part of REA's activities, and do not have a financial impact. They suggest further improvements to the internal control system without questioning its overall adequate functioning. Furthermore, some of these IAS recommendations have already been implemented in 2022. Therefore, no reservation needs to be made in the Declaration of Assurance.

**In conclusion, based on the elements reported above, management has reasonable assurance that, overall, suitable controls are in place and working as intended; risks are being appropriately monitored and mitigated; and necessary improvements and reinforcements are being implemented. The Director, in his capacity as authorising officer for the operating (administrative) budget and authorising officer by delegation for the operational budget, has signed the Declaration of Assurance.**

## Declaration of Assurance

### Declaration of Assurance

***I, the undersigned,***

***Executive Director of the European Research Executive Agency,***

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

***Declare that the information contained in this report gives a true and fair view<sup>30</sup>.***

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

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

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

***Brussels, 31 March 2023***

***e-signed***

***Marc Tachelet***

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<sup>30</sup> True and fair in this context means a reliable, complete and correct view on the state of affairs in the Executive Agency.

## 2.2. Modern and efficient administration – other aspects

This section presents REA's efforts in 2022 to become an even more modern and efficient administration. REA focused on increased coordination with other Executive Agencies and DGs to achieve further efficiency gains on all areas covered in this part.

The various outputs and the state of play of the indicators concerning administrative activities are reported in Annex 10.

### 2.2.1. Human resource management

The **Staff Survey** 2021 results showed an increase in staff engagement to 77%, eight points higher than in the previous survey and five points above the Commission average score. REA scored particularly high in staff's commitment to quality work, willingness to give extra effort, clear understanding of REA's purpose and of expectations. REA also improved significantly in the areas of inclusion and fairness, and change and innovation.

In 2022, REA began the implementation of an action plan addressing results of the 2021 staff survey where improvements are needed. The plan focuses on the main concerns expressed by staff in the areas of career and professional future; workload, wellbeing and work-life balance; working arrangements; management; diversity & inclusion; learning & development.

Following the adoption of the Commission's HR strategy, the six Executive Agencies developed an **Inter-Agency Common HR Strategy and Action Plan** that also reflects the results of the last Staff Survey. The strategy focuses on three main topics (attractiveness, selection and recruitment, and career prospects). REA coordinated the work on selection and recruitment.

A new **selection and recruitment** strategy was developed early in the year, and new selection management tools became operational. The Directors of all the Agencies adopted a Memorandum of Understanding for sharing reserve lists, a clear example of synergies and improved efficiency.

Following actions proposed by ECA as part of their assessment of the effectiveness of the conflicts of interest policy of EU Agencies, the relevant procedures and declarations, including a consolidation of the end of service declarations, were strengthened. REA benchmarked its own procedures for departing staff against those of the other Agencies and, following confirmation of the approach taken by DG HR, REA concluded that its procedures are sufficiently robust.

At the end of the reporting period, 867 posts, out of 886 authorised, were occupied by staff of 26 different nationalities. Occupation and turnover rates were 98% and 6.7% respectively, while the share of **female staff** in middle management reached 52,9%.

### 2.2.2. Digital transformation and information management

During the reporting period, development and improvement of several REA local IT systems took place, with due attention to EU Digital Strategic principles such as '*digital by default*', '*security and privacy*', '*interoperability*', and '*user-centricity*'. The **interoperability of corporate and local tools** was also developed further, e.g., the IT tool developed by REA for budget forecasting became corporate.

Much work took place in 2022 to further integrate digital **collaborative tools** into the workplace. REA rolled-out M365, promoted its use, provided abundant training and coaching sessions, and prepared the migration to SharePoint Online. Hybrid video conferencing systems were also fitted in most meeting rooms, including those used for evaluations.

**Data governance** principles are embedded in the design and the governance of the IT systems used in the Agency. REA deploys the data governance policy in the frame of the integrated R&I Knowledge Base, developed in the context of the Grant and Procurement Steering Board.

In the area of **information security**, a governance risk compliance assessment was completed for all information systems developed and managed by REA's ICT Team. **Cybersecurity** awareness among REA staff was promoted by training, information sessions and exercises.

REA continued to develop and improve its internal procedures and processes regarding **data protection**. The Agency introduced specific monitoring on transfers of personal data outside of the EU/European Economic Area (EEA) in compliance with the European Data Protection Supervisor's (EDPS) instructions, to take appropriate steps if such transfers take place.

### 2.2.3. Sound environmental management

REA's formal EMAS registration process was completed. The Agency is committed towards a more sustainable work environment and has put in place a dedicated Action Plan (AP) in line with the Communication 'Greening the Commission' C(2022)2230.

REA signed up to the corporate pledge to organise business travel for staff and external experts according to 'greening' principles. In this context, REA's gREAn team carried out a review of trips in 2022 to make sure that the corporate commitment to reduce emissions linked to missions would be complied with. Compared to 2019 where the number of missions per full-time equivalent (FTE) was 1.16 and the CO<sub>2</sub> emissions generated by the missions per FTE amounted to 320.26 kg, in 2022 REA managed to substantially decrease the number of missions per FTE to 0.41 (i.e. by 65%) and consequently the CO<sub>2</sub> emission per FTE to 75.62 kg (i.e. by 76%)<sup>31</sup>.

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<sup>31</sup> To enable comparison with 2019, these figures do not include missions implemented since 01/04/2021 under the AGRIP programme which was managed by CHAFEA in the previous MFF. Given that the



With a similar objective, REA revisited the future use of the evaluation platform, considering experts are increasingly evaluating proposals from a distance, and where the platform is used by call coordination services to run evaluations with the support of state-of-the-art videoconferencing systems offered by the platform.

REA took part in efforts to reduce its environmental impact by shutting down its building to save electricity, gas and water during the summer and the Christmas periods for one month and a half in total.

REA was awarded the first prize at the [award ceremony of the 3<sup>rd</sup> Corporate Competition on Sustainable Conferences and Events](#) in the category 'Less is more' for its [Horizon Europe Cluster 6 Information days](#). In October, REA's 'greening' team was also recognised again as one of the five best performing EMAS teams at the Commission, according to the benchmarking exercise performed by DG HR (REA scored 10/10).

#### 2.2.4. Examples of economy and efficiency

The **cost-benefit analysis** that was conducted to support the delegation of the management of activities to executive agencies<sup>32</sup> calculates the number of staff allocated to agencies for 2021-2027 based on targets for efficiency gains through economies of scale of at least 26%. This means that the workload per staff member will increase considerably in the coming years.

To handle the increasing workload, REA reviewed in 2021 the tools, procedures and processes that the Agency uses. REA identified 20 internal changes leading to greater efficiency. The Agency has implemented 12 of them by the end of 2022, mostly in the areas of call and grant management. REA networks were particularly active in identifying, discussing, and sharing practices and innovations aimed at increasing efficiency. The good practices developed were systematically shared with the Commission and were often highlighted by the internal audits as a strength.

Concerning the management of classified information in projects, REA established processes and procedures for the handling of projects that include EU restricted/classified information (EUCI). Although such projects represent a small share of REA's portfolio, during 2022, the Agency improved their management significantly by reviewing its internal guide on how to manage H2020 and HE projects using and/or producing EU classified information. REA organised online training on EUCI in the context of grant management, covering the novelties introduced by Horizon Europe.

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programme involves several long inter-continental flights with a high level of CO<sub>2</sub> emission, including those would create a significant bias in presenting REA's efforts to cut CO<sub>2</sub> emissions.

<sup>32</sup> Staff Working Document SWD(2021)20 accompanying the Communication to the Commission C(2021) 946 of 12.2.2021

REA fully supports a more widespread use of lump-sum funding. The Agency participated in a working group developing guidelines for participants and managing services and operated several pilots under the Work Programme 2022 to explore this new feature.

REA continued to advocate for improvements in Work Programme design and implementation which could lead to further efficiency gains, benefiting both beneficiaries and REA. Suggestions made include the increase of average grant sizes, the reduction of cases where only one proposal is funded per topic, or less granularity in the structuring of calls to reduce red tape when preparing call evaluation reports or project selection decisions.