Ref. Ares(2026)3299009 - 27/03/2026

European Commission

Annual Activity Report 2025

annexes

European Research Council Executive Agency

Contents

ANNEX 1: Statement of the Director in charge of Risk Management and Internal Control

I declare that in accordance with the Commission's communication on the internal control framework (1), I have reported my advice and recommendations on the overall state of internal control in the European Research Council Executive Agency to the Executive Director.

I hereby certify that the information provided in the present annual activity report and in its annexes is, to the best of my knowledge, accurate and complete.

Brussels, 27 March 2026

(Electronically signed)

Pascale CID
Head of Department

(1) C(2017)2373 of 19.04.2017.

ANNEX 2: Performance tables

1. ERC's Specific Objectives and Result Indicators

In order to measure the implementation of specific programmes entrusted to the ERCEA, the following results indicators stemming from the legal basis are measured:

H2020 & HE	Excellent science – European Research Council (ERC)	
Indicator	**Share of publications from ERC-funded projects which are among the top 1% highly cited per field of science (2)**	
Targets	**Current value for H2020**	**Current value for HE**
H2020: 1.8% Horizon Europe (HE): 4%	5.5%	5.3%

2. Delivering on Commission's priorities: main outputs for 2025

Specific objectives: *1.1, 1.2, 1.3, 2.1, 2.2, 2.3, 3.1, 4.1, 5.1, 5.2, 6.1 and 7.1 of DG Research and Innovation 2020-2024 Strategic Plans* **Parent department:** *DG Research and Innovation* *Related to spending programmes: Horizon Europe and Horizon 2020*			
Main outputs in 2025:			
Output	**Indicator**	**Target**	**Latest known result**
Launch of calls	Number of calls for proposals successfully launched according to agreed deadlines	1 (AdG 2025, cf. ERC WP 2025 and 3 calls according to the ERC WP 2026 - StG2026, SyG2026 and CoG2026)	4 (3)
Evaluation of calls	Number of calls evaluated in 2025	6 (AdG2024 step 2, StG2025 step 1&2, CoG2025 step 1&2, AdG 2025 step1, SyG2025, PoC2025)	6
Grants signed in 2025	% of proposals selected under 2024 calls granted in 2025	100% (4)	100%

(2) Since this indicator relies on publication citation counts that are built up over time, the reported value is subject to annual fluctuations and will reach stability around 12 years after the end of a framework programme, based on the experience gained with FP7.
(3) The opening of PoC 2026 initially scheduled in 2025 was changed to January 2026 as per amended 2026 ERC Work Programme.
(4) Covering all successfully concluded projects e.g. excluding terminations, withdrawals, etc.

External communication actions:			
Output	**Indicator**	**Target**	**Latest known result**
Promote ERC activities and grant schemes	Number of visits to website	1 million	1 144 271
	Number of media mentions	12 000	23 880
	Number of new social media followers	40 000	136 425
	Number of participants / views of ERC events	10 000	11 209 (onsite and online participants) 80 520 views of recordings of events
Share ERC research results	Number of ERC stories	150	219

2025 saw a significant increase in the reach of the ERC's external communication including on-line participation to the webinars on the new work programme, media mentions, video views and social media engagement.

This year, ERCEA provided support to ERC Scientific Council in the organisation of several ERC events. Notable examples included the event 'From Science to Policy: Shaping a Sustainable and Competitive Europe', which was organised jointly with the European Parliament's Panel for the Future of Science and Technology (STOA). ERC-funded researchers showcased pioneering projects addressing the transformations needed to tackle climate change and rising social inequality. Key stakeholders and members of the ERC Scientific Council explored strategies for enhancing the integration of scientific evidence into policymaking. The event was attended by ERC President Maria Leptin; the Chair of STOA, Christian Ehler; the First Vice-Chair of STOA, Lina Gálvez; and Member of the STOA Panel, Hélder Sousa Silva and by 80 in person and over 280 online. The ERC also hosted a session 'Breakthrough discovery and innovation: Securing Europe's competitive edge?' at the 2025 edition of the European Business Summit. The session opened with an address by Philippe Aghion, the 2025 Nobel Laureate in Economics and ERC grantee, and continued with a panel discussion featuring Pascal Lamy, Vice-President of the Paris Peace Forum; Jean-François van Boxmeer, Chair of the European Roundtable of Industry; and the ERC President Maria Leptin. The panel explored the pivotal role of scientific research and innovation in strengthening Europe's global competitiveness. The session attracted 140 in-person participants, with a further 200 joining live online.

3. Implementation of the ERCEA 2025 AWP

3.1. Scientific and Grant Management

The evaluation of all 2025 calls (covering the ERC 2024 and 2025 work programmes) were completed, except 2025 Advanced Grant, for which evaluation is ongoing.

Call identifier	Opening date	Closing date	Target: Indicative n° of outputs	Latest know results (31/12/2025)
ERC-2024-AdG	29/05/2024	29/08/2024	285	282 (selected for funding)
ERC-2025-StG	10/07/2024	15/10/2024	483	476 (selected for funding)
ERC-2025-CoG	26/09/2024	14/01/2025	354	349 (selected for funding)
ERC-2025-AdG	22/05/2025	28/08/2025	276	ongoing (step 2 in March 2026)
ERC-2025-SyG	11/07/2024	06/11/2024	48	66 (selected for funding)
ERC-2025-PoC	13/11/2024	1) 13/03/2025 2) 18/09/2025	200	300 (selected for funding)

Objectives	Indicators	2025 targets	Latest known results (31/12/2025)
Time to grant: To minimise the duration of the granting process aiming at ensuring a prompt implementation of the grant agreements through a simple and transparent grant preparation process	Time to sign grant agreements from the date of informing successful applicants (average values)	2024 StG: 120 days	112.8 days
		2024 CoG: 120 days	125.2 days
		2024 AdG: 120 days	93 days
		2024 SyG: 140 days	154.8 days
		2024/1 PoC: 120 days 2024/2 PoC: 120 days 2025/1 PoC: 120 days	73.8 days 74.4 days 84.9 days
	Time to grant measured (average) from call deadline to signature of grants	2024 StG: 424 days	363.8 days
		2024 CoG: 487 days	468.5 days
		2024 AdG: 446 days	370 days
		2024 SyG: 502 days	488.3 days
		2024/1 PoC: 226 days 2024/2 PoC: 239 days 2025/1 PoC: 225 days	179.8 days 188.4 days 188.9 days
Evaluations: Feedback to all applicants on the evaluation result is timely, unbiased and transparent	Overall percentage of redress cases received	1.30%	1.3% for 2024 calls 0.88% for 2025 calls (process not completed)

In 2025, new measures were implemented to enhance the ethics pre-screening and screening steps, further strengthening the trust-based approach. As a result, the pre-screening clearance rate increased, reaching almost 80% and the number of proposals advancing to ethics assessment was reduced to just 3%. These changes had a significant impact, reducing the average number of days between the grant agreement invitation and ethics clearance. For calls in 2024 that were cleared in 2025, this timeframe decreased to 22 days, compared to 28 days for 2023 calls and 60 days in the final year of Horizon 2020. The shift in approach also affected the number of projects subject to ethics monitoring. During 2025, only 3% of projects had ethics deliverables in the 2024 calls, a notable decrease from 25% in 2020. This transformation has enabled ERCEA to enhance process efficiency while maintaining a robust system that focuses on monitoring only projects very sensitive from an ethical standpoint.

Regarding redress cases, the overall percentage of cases for 2024 calls reached 1.30%, matching the target. The quality of the ERCEA's evaluation system is further underpinned by the number of re-evaluations decided following a request for redress and continues to be extremely low. Out of 126 for 2024 calls, one was re-evaluated and lead to the financing of the proposal while the other request was no longer pursued because the applicants withdrew the proposal. This is further confirmed by the low number of Article 22 requests received. During 2025, two cases concerning the review of the legality of an act ([5]) related to 2024 call were received. They were all rejected by the Commission, upholding the ERCEA's decision to reject the request for redress.

For 2025 calls, the overall percentage of redress cases currently stands at 0.88%, but it might increase since the process of redress for AdG 2025, CoG 2025 and PoC 2025 (second deadline) still needs to be completed. The quality of the ERCEA's evaluation was confirmed since out of the 106 redress cases received so far for 2025 calls, five re-evaluations took place, four confirming the ERCEA's initial evaluation result and one leading to the financing of the proposal. Additionally, the number of requests to review the legality of an act ([6]) concerning 2025 calls remains low (seven cases). The concerned contested decisions were upheld by the Commission ([7]).

3.2. Financial Management – Operational Budget

Objectives	Indicators	2025 targets	Latest known results (31/12/2025)
Minimise financial and legal transaction time for ERC beneficiaries	Time to pay (% according to milestones & budget table specified in the Description of Work and processing payments *i.e.* economic target days)	- Pre-financing payments HE: 100% within 30 days - Interim payments H2020/HE: 100% within 90 days - Final payments H2020/HE: 100% within 90 days	- Pre-financing payments HE: 97% within 30 days ([8]) - Interim payments H2020: 99.9% within 90 days - Interim payments HE: 100% within 90 days - Final payments H2020: 98% within 90 days ([8]) - Final payments HE:

([5]) Pursuant to Article 22(1) of Council Regulation 58/2003.
([6]) Same as above.
([7]) Two further complaints concerning the 2025 AdG calls have been received early 2026.
([8]) The target was not reached due to various technical reasons related to SUMMA and other corporate systems.

			100% within 90 days
<u>Expert management</u>: To fully execute the yearly experts' operational budget by executing efficient payment process	Time to pay experts	Time to pay H2020 experts: 100% within 30 days Time to pay HE experts: 100% within 30 days	H2020 / HE experts: 95% within 30 days ([8])
To maximise execution of the operational commitment credits delegated to ERCEA by the European Commission	- % execution of Fund Reservations (FR) (ex L1) commitment - % execution of Purchase Orders (PO) on 2024 voted budget and EFTA over Fund Reservations (FR) (ex L2/L1) commitment (C8) - % execution of payment credits (C1)	100% 100% 100%	100% 100% 100%
To ensure full yearly execution of payments credits (operational budget) through careful planning and monitoring	% of experts payments budget execution (C1)	H2020/HE: 100%	100%
Effective and reliable internal control system giving the necessary guarantees concerning the legality and the regularity of the underlying transactions	Estimated risk at payment and at closure	For H2020: remains below 2 % of relevant expenditure For HE: remains below 2% of relevant expenditure	Risk at payment: 2.90% Risk at closure: 2.07%

3.3. Implementation of ERCEA calls in 2025

Calls implemented in 2025	Call deadlines		Indicative budget (EUR Mio)	Number of proposals				Grants signed		Preparation failed	Of which pre-financing paid (EUR Mio)
	Opening dates	Closing dates		Submitted proposals (a)	Ineligible (% of submitted proposals) (b)	Main list Invited (not reserve) (c)	Success rate (c)/(a)	Number	EUR Mio		
ERC-2024-StG	11 July 2023	24 October 2023	601.00	3 474	0.6%	379	10.9%	66	103.9	-	65.6
ERC-2024-PoC (03/24)	16 November 2023	14 March 2024	30.00	328	1.5%	100	33.6%	11	1 650.0	-	1.3
ERC-2024-SyG	12 July 2023	8 November 2023	400.00	548	0.9%	40	7.4%	52	527.5	-	211.4
ERC-2024-CoG	12 September 2023	12 December 2023	584.00	2 313	1.1%	282	12.3%	317	656	-	420.2
ERC-2024-PoC (09/24)	16 November 2023	17 September 2024	30.00	399	1.5%	134	33.6%	134	20.1	-	15.9
ERC-2024-AdG	29 May 2024	29 August 2024	703.00	2 534	2.2%	275	11.3%	282	719.8	-	460.4
ERC-2025-StG	10 July 2024	15 October 2024	751.00	3 929	0.9%	471	12.3%	422	669.8	-	248.9
ERC-2025-AdG	22 May 2025	28 August 2025	683.00	3 329	On-going	-	-	0	0	-	-
ERC-2025-SyG	11 July 2024	6 November 2024	500.00	712	1.0%	66	9.4%	10	104.8	-	195.5
ERC-2025-CoG	26 September 2024	14 January 2025	719.00	3 120	0.9%	349	11.4%	26	53.5	-	386.3
ERC-2025-PoC (03/25)	13 November 2024	13 March 2025 2025	30.00	480	1.8%	100	36.0%	148	22.2	-	15.45

3.4. Implementation of ERCEA operating budget

The administrative budget for 2025 was initially adopted on 13 December 2024 for a total amount of EUR 72.5 million and was subsequently amended twice by the ERCEA Steering Committee and modified three times via budget transfers within lines and chapters by the ERCEA Director, as detailed below in chronological order.

On 16 June 2025, the ERCEA Director adopted a first budget transfer within lines and chapters for 2025 to reinforce the transport related budget line to support the reimbursement cost for STIB tickets to the staff paid with the monthly salary payment until the year end. On 16 September 2025, in the framework of the global transfer exercise, a budget amendment was adopted by the Steering Committee through a written procedure. It resulted from the first budget revision exercise made to meet ERCEA's most urgent needs, namely the need of extra expenditure to support the increase of contract agents' salaries, and some further increases necessary to support updated service level agreement (SLA) costs in place between Commission services and ERCEA under title two. The income generated were also declared, they originated from the SLAs in place between ERCEA and eleven other entities for the ERCEA local tools Speedwell and Bluebell. The second amendment adopted by the ERCEA Steering Committee on 1 December 2025 via a written procedure aimed mainly at adjusting the salary expenditure in view of the updated indexation rate of 3%, differing from the initially announced rate of 4.6%. Hence, the administrative budget amounted to EUR 72.6 million. On 16 December 2025, the ERCEA Steering Committee adopted a second transfer within chapter and titles to best optimise the budget execution of 2025, resulting from the end-of-year closure exercise. This was followed by a third and last transfer between budget lines approved by the ERCEA Director on 22 December 2025 to address unforeseen and urgent needs. Hence, ERCEA stayed within its benchmark of six budget transfers per year and reached a budget execution of 99.89% in commitment credits.

The budget structure remained consistent with the ones from previous years, with the staff expenditure representing 86.7% (against 85.6% in 2024) whereas the budget costs for the building, ICT and other operating expenditure represented 11.38% (against 12% in 2024) and the programme management expenditure representing 1.92% (against 2.22% in 2024).

The final budget consumption for the year is at 99.9%.

ANNEX 3: Draft annual accounts and financial reports

https://dashboard.tech.ec.europa.eu/qs_digit_dashboard_mt/public/extensions/BUDG_Annex3/BUDG_Annex3.html

ANNEX 4: Financial scorecard

https://dashboard.tech.ec.europa.eu/qs_digit_dashboard_mt/public/extensions/BUDG_Annex4/BUDG_Annex4.html

The transition in 2025 to the Commission's new accounting system, SUMMA, has required the adjustment to a new system and has impacted budget implementation tasks, processes and financial management activities, particularly during the first part of the year. In some cases, this has resulted in lower performance for some standard financial indicators.

ANNEX 5: Materiality criteria

This annex provides a detailed explanation on how the Authorising Officer by Delegation (AOD) defined the materiality threshold as a basis for determining whether significant weaknesses should be subject to a formal reservation to his/her declaration.

Introduction

Deciding on whether a weakness is significant is a **matter of judgement** by the Authorising Officer by Delegation, who remains responsible for the declaration of assurance, including any reservations to it. In doing so, he/she should **identify the overall impact of a weakness** and **judge whether it is material** enough so that the non-disclosure of the weakness is likely to have an influence on the decisions or conclusions of the users of the declaration. The benchmark for this judgement is the materiality criteria which the AOD sets when designing the internal control system under his/her responsibility. For ERCEA, the materiality of residual weaknesses identified (i.e. after mitigating and corrective measures) is assessed based on qualitative and/or quantitative criteria, in line with the instructions for the preparation of the Annual Activity Report.

The **qualitative assessment** includes an analysis of the causes and the types of error (including whether they are repetitive) to conclude on the nature, context and/or scope of the weaknesses identified. This may refer to significant control system weaknesses or critical issues reported by the Directors, the Authorising Officers by Sub-Delegation, the European Court of Auditors (ECA), the Internal Audit Service (IAS), DG BUDG or OLAF. Also, the duration and any mitigating controls or corrective actions are taken into consideration.

The **quantitative assessment** aims at estimating any financial impact (‘amount at risk’) resulting from the errors detected. DG RTD has set the materiality level for each distinct research framework programme with coherent risk characteristics for the amount at risk over the programming period. This analysis and the conclusions are presented concisely in the body of the Annual Activity report.

Chapter A – Qualitative criteria for defining significant weaknesses

For all methods of implementation under its operational budget, the different parameters relevant in DG RTD for determining significant weaknesses are the following ones:

- **Significant control system weaknesses**
  Control system weaknesses (whether this is in a system operated by the Commission or by a third party) may be identified by management itself (for example through ex-post audits or through the assessment of the effectiveness of internal control systems), by internal or external auditors or by third party control instances. They may relate to the design or operational effectiveness of a control or of an entire system.
- **Critical issues outlined by the European Court of Auditors, the Internal Audit Service, DG BUDG and OLAF.**
  Any critical recommendations made by the European Court of Auditors, the IAS, DG BUDG or OLAF, which have not been effectively addressed should be assessed in terms of their significance. Here, the term ‘critical recommendation’ is used in a wider sense; it includes those recommendations labelled by the auditor as ‘critical’ as well as those not

labelled at all which is assessed as having a critical impact on the assurance. The impact on assurance of recommendations labelled 'very important' for which there is a significant delay in the implementation of the action plan will also be taken into account.

- **Significant reputational events**
  Events or weaknesses which have a significant reputational impact on ERCEA, or indirectly on the Commission, will be reported irrespective of the amount of damage to the ERCEA administrative and operational budget and will be considered for issuing a reservation on a reputational basis.

When assessing the significance of any weaknesses, the following factors are considered:

- the nature and scope of the weakness;
- the duration of the weakness;
- the existence of compensatory measures (mitigating controls which reduce the impact of the weakness);
- the existence of effective corrective actions to correct the weaknesses (Action Plans and financial corrections) which have had a measurable impact.

When significant weaknesses are identified, a quantification of the amount at risk should be carried out when possible (see Chapter B).

Chapter B – Quantitative criteria for defining reservations

DG RTD's expenditure is composed of indirectly managed grants, directly managed grants, financial instruments, contribution to administrative expenditure of Executive Agencies and other direct spending mostly of an administrative nature. The error rate affecting payments is estimated yearly and per management system, following a methodology that takes into account the risk associated to the type of expenditure.

Considering that the research framework programmes' implementing bodies ([9]) are sharing a common *ex post* audit approach, and an important part of the ERCEA yearly expenditure is related to indirectly or directly managed research grants, the following section focusses on this specific management system.

RESEARCH FRAMEWORK PROGRAMMES – COMMON ASPECTS

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

Assessment of the effectiveness of controls

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

([9]) Directorates General, Executive Agencies and Joint Undertakings (also called Article 187 bodies) implementing grants of the research framework programmes.

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

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

This results in a residual error rate —used for H2020 and Horizon Europe ([10])—which is calculated as follows:

$$\mathrm{Re}\,sER\% = \frac{(\mathrm{Re}\,pER\% * (P - A)) - (\mathrm{Re}\,pERsys\% * E)}{P}$$

where:

ResER%	residual error rate, expressed as a percentage.
RepER%	representative error rate, or error rate detected in the common representative sample, expressed as a percentage. The RepER% is composed of complementary portions reflecting the proportion of negative systemic and non-systemic errors detected. This rate is the same for all implementing entities, without prejudice to possibly individual detected error rates.
RepERsys%	portion of the RepER% representing negative systemic errors, (expressed as a percentage). The RepERsys% is the same for all entities and it is calculated from the same set of results as the RepER%
P	total requested EC contribution (€) in the auditable population (i.e. all paid financial statements).
A	total requested EC contribution (€) as approved by financial officers of all audited financial statements. This will be collected from audit results.
E	total non-audited requested EC contribution (€) of all audited beneficiaries.

The common representative sample (CRS) is the starting point for the calculation of the residual error rate. It is representative of the expenditure of each framework programme (FP) as a whole. Nevertheless, the Director-General (or Director for the Executive Agencies) must also take into account other information when considering if the overall residual error rate is a sufficient basis on which to draw a conclusion on assurance (or make a reservation) for specific segment(s) of Horizon 2020/Horizon Europe. This information may include the results of other ex-post controls, ex-ante controls, risk assessments, audit reports from external or internal

([10]) The Horizon Europe population is stratified in two: one stratum composed of financial statements for actual costs reimbursements (including unit costs and specific unit costs) and a second stratum composed only of financial statements of lump sums specific grants (*ex post* controls based on technical reviews). As indicated in the formula, the calculation of the residual error rate for the programme will be derived from both strata.

auditors, among others. All this information may be used in assessing the overall impact of a weakness and considering whether to make a reservation or not.

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

Should a calculation of the residual error rate based on a representative sample not be possible for a FP for reasons not involving control deficiencies ([11]), the consequences are to be assessed quantitatively by making a best estimate of the likely exposure for the reporting year based on all available information. The relative impact on the Declaration of Assurance would then be considered by analysing the available information on qualitative grounds and considering evidence from other sources and areas. This should be clearly explained in the Annual Activity Report.

Multiannual approach

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

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

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

Notwithstanding the multiannual span of their control strategy, the Directors-General (and the Directors of the Executive Agencies and Joint Undertakings) implementing research and innovation framework programmes are required to sign a statement of assurance for each financial reporting year. In order to determine whether to qualify this statement of assurance with a reservation, the effectiveness of the control systems in place needs to be assessed not only for the year of reference but also with a multiannual perspective, to determine whether it is possible to reasonably conclude that the control objectives will be met in the future as foreseen.

In view of the crucial role of ex-post audits defined in the respective common audit strategies, this assessment needs to check in particular whether the scope and results of the ex-post

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

audits carried out until the end of the reporting period are sufficient and adequate to meet the multiannual control strategy goals.

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

Adequacy of the audit scope

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

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

RESEARCH FRAMEWORK PROGRAMMES – SPECIFIC ASPECTS

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

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

Horizon 2020 Framework Programme

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

This is based on the provision of the Commission's proposal for the Regulation establishing the Horizon 2020 framework programme ([12]) states that:

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

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

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

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

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

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

Horizon Europe framework programme

For Horizon Europe framework programme ([13]), the general control objective, following the standard quantitative materiality threshold proposed in the standing instructions for Annual Activity Reports, is to ensure that the cumulative representative error rate and the cumulative residual error rate, i.e. the level of errors which remain undetected and uncorrected, does not exceed 2% on an annual basis. An Annual Activity Report reservation will be issued in the Annual Activity Report if the cumulative residual error rate is above the 2% materiality threshold.

DE MINIMIS THRESHOLD FOR FINANCIAL RESERVATION

Since 2019 ([14]), a 'de minimis' threshold for financial reservations has been introduced. 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. In such cases, quantified reservations are no longer needed. Cases where the 'de minimis' threshold applies this year are reported in annex 9. The 'de minimis' threshold does not apply this year.

([13]) Regulation (EU) 2021/695 of the European Parliament and of the Council of 28 April 2021 establishing Horizon Europe.
([14]) Agreement of the Corporate Management Board of 30/4/2019.

ANNEX 6: Relevant Control Systems for budget implementation (RCSs)

ERCEA Operational budget – RCS 1

A. Preparation, adoption and publication of Horizon Europe Calls of proposals aligned to the ERC Work Programme

Main internal control objectives: Ensure that the Horizon Europe calls for proposals are effectively launched and concluded according to ERC Work Programme objectives' effectiveness, in compliance with rules and regulations.

Main risks **It may happen (again) that…**	**Mitigating controls**	**How to determine coverage, frequency and depth**	**Cost-Effectiveness indicators** (effectiveness, efficiency, economy)
WP and subsequent calls for proposals are inadequate to ensure the evaluation of proposals	Hierarchy of legal texts (legal basis, decisions, rules…) Scientific Council (ScC) support and Call Coordination	All calls	**Effectiveness:** % of planned Calls successfully concluded % success rate per call **Qualitative Benefits:** A good Work Programme and well publicised calls should generate a large number of good quality projects, from which the most excellent can be chosen. There will therefore be real competition for funds. Optimised procedures, common approach on multiple issues (audits, fraud, legal aspects, reporting…); better reporting on the whole programme – better management of the programme

B. Evaluation, ranking and selection of proposals

Main internal control objectives: Ensure that only proposals meeting the Horizon Europe work programme objectives' are selected for funding, while complying with rules and regulation and preventing / deterring fraud.

Main risks **It may happen (again) that…**	**Mitigating controls**	**How to determine coverage, frequency and depth**	**Cost-Effectiveness indicators** (effectiveness, efficiency, economy)

Eligible proposals are excluded from the evaluation or ineligible proposals are proposed for funding	Automatic IT-based eligibility checks Eligibility checks and decision for clear cut cases by scientific officers and call coordinators In depth double-check of special cases at Step 2 by call coordinators Eligibility decision for pending cases (not clear cut) by Eligibility Committee	100% applicants and all aspects of eligibility criteria	**Effectiveness:** Number of proposals evaluated % of ineligible proposals over total proposals submitted per call % of redress cases concerning eligibility issues
The evaluation, ranking and selection of proposals is not carried out in accordance with the established procedures	ScC selection and appointment of panel members Panel coordination by scientific officers making sure procedures are followed (panel checklists and standard deliverables) Assignment of proposals to panel members by panel chairs Conflict of interest procedure Selection of experts (remote referees) by panel chairs Assessment of proposals by panel members and experts (remote referees) ScC President's approval and ERCEA Director's final adoption of ranking lists. Redress procedure	100% of panel members and experts 100% of proposals 100% of complaints received are analysed by the Redress Committee. 100% exclusion from evaluation of experts having a conflict of interest	**Effectiveness:** Number of experts participated/invited % of expert payment execution Number of experts (remote referees) reviews per proposals Time to appoint experts Time to pay experts % of successful redress cases Expert budget / number of evaluated proposals **Efficiency:** Time to Inform all/successful applicants (average number of days) on the outcome of the evaluation of their application from the final date for submission of completed proposals Posts standard costs + expert budget / operational budget **Qualitative benefits:** Compliant, fair and reliable evaluation based on sole criterion of excellence

The evaluation, ranking and selection of proposals is not carried out in accordance with the established procedures	ScC selection and appointment of panel members Panel coordination by scientific officers making sure procedures are followed (panel checklists and standard deliverables) Assignment of proposals to panel members by panel chairs Conflict of interest procedure Selection of experts (remote referees) by panel chairs Assessment of proposals by panel members and experts (remote referees) ScC President's approval and ERCEA Director's final adoption of ranking lists. Redress procedure	100% of panel members and experts 100% of proposals 100% of complaints received are analysed by the Redress Committee. 100% exclusion from evaluation of experts having a conflict of interest	**Effectiveness:** Number of experts participated/invited % of expert payment execution Number of experts (remote referees) reviews per proposals Time to appoint experts Time to pay experts % of successful redress cases Expert budget / number of evaluated proposals **Efficiency:** Time to Inform all/successful applicants (average number of days) on the outcome of the evaluation of their application from the final date for submission of completed proposals Posts standard costs + expert budget / operational budget **Qualitative benefits:** Compliant, fair and reliable evaluation based on sole criterion of excellence

C- Contracting

Main internal control objectives: To translate selected proposals into legally and regular binding Horizon Europe grant agreement while minimising the granting process and maximise the budget execution.

Main risks **It may happen (again) that...**	**Mitigating controls**	**How to determine coverage, frequency and depth**	**Cost-Effectiveness indicators** (effectiveness, efficiency, economy)

Grant agreement's beneficiary (Host Institution) lacks operational and/or financial capacity to implement the grant agreement. Grant agreement's budget does not comply with the Description of Work. Procedures designed to ensure compliance with the regulatory framework are not effectively performed.	Legal and financial validation of beneficiaries EDES screening Check of draft grant agreement's budget breakdown versus Description of Work. Use of checklists. Verification of the draft grant agreement files by verifying agents. Grant agreements are signed by the AOD. Monitoring of the "time to grant".	100% of beneficiaries are scrutinised. 100% of grant agreements.	**Effectiveness:** % of individual commitments / global commitment execution (L2/L1) **Efficiency:** Time to sign grant agreements from the date of informing successful applicants (average values) Time to grant measured (average) from call deadline to signature of grants ([15])) Research family indicator: Average "time to grant" Time to ethics clearance **Qualitative benefits:** Benefits of controls embedded in ERCEA grant preparation and signature process are not quantifiable, as the latter does not entail any negotiation on the EU. However, it is undeniable that these controls are necessary to ensure the process complies with rules and regulations and that researchers are provided on time with a sound legal framework to conduct their research projects.

D – Monitoring

Main internal control objectives: To ensure the financial and legal transaction time is minimised for ERC beneficiaries and the Horizon 2020 / Horizon Europe underlying transactions are legal and regular.

Main risks It may happen (again) that...	Mitigating controls	How to determine coverage, frequency and depth	Cost-Effectiveness indicators (effectiveness, efficiency, economy)

([15]) Exception for projects put on a reserve list for which the time elapsed between the information letter and the invitation letter must be deducted.

The grant agreement is not or partially carried out in compliance with the Description of Work and/or amounts claimed by beneficiaries are not complying with the contractual and regulatory framework.	Financial Officers perform check-list-based financial controls based on the Periodic Financial Management Report, which provides an explanation of financial resources claimed versus the Description of Work, in particular its budgetary annex. Certificate on the Financial Statements delivered by an independent qualified auditor. EDES screening Final payments are subject to the approval of the Scientific reports. Anti-fraud awareness raising training for project officers	100% of transactions 100% of transactions with cumulative costs claims exceeding EUR 325.000 for H2020/HE 100% of transactions 100% of transactions	**Effectiveness:** % of payment credit execution. % of ineligible costs identified by Financial Officers % of total number of financial transactions and accepted costs covered by Certificate on Financial Statements (CFS). Research Family indicator: % and values of errors detected through ex-ante desk checks / total value of cost claims. % of final payments suspended due to results of Scientific reports % of ERCEA staff participation in ethics and integrity trainings **Efficiency:** Time to pay (pre-financing / interim and final payments) Research Family indicator: Average time to pay (% on time) **Qualitative benefits:** Average project management cost/running grant agreement Average number & value of running grant agreement managed/staff. Detected error rate ex-ante desk checks

Overall economy and quantitative benefit for ex-ante control

			Economy: a. Estimation of cost of staff involved in the ex-ante checks

			Programme management and monitoring financial management Budget and accounting General Coordination incl. Strategic Programming and Planning, internal control, assurance and quality management Anti-fraud Development and support of IT systems linked to managing funding programmes b. Estimation of other costs linked to ex-post checks Cost of experts **Qualitative Benefits:** Total amount committed for grants signed Total amount paid against cost claims including clearings on prefinancing.

E - Ex-post controls

Main internal control objectives: Measuring the effectiveness of *ex ante* controls by performing on-the-spot ex-post controls aiming at detecting errors, irregularities or fraud in cost statements related to Horizon 2020 grants and Horizon Europe grants.

Main risks **It may happen (again) that…**	**Mitigating controls**	**How to determine coverage, frequency and depth**	**Cost-Effectiveness indicators** (effectiveness, efficiency, economy)

Ex-ante controls fail to prevent, detect and correct erroneous, irregular or fraudulent payments.	Common and multi-annual H2020 and HE ex-post control strategy – for H2020 representative sample of transactions (CRaS) Updated Anti-fraud Strategy of the ERCEA elaborated on the basis of the methodology provided by OLAF Referring grant/beneficiary to OLAF	Representative sample allows drawing conclusions on the effectiveness of ex- ante controls. The H2020 audit strategy sets the audit method for the Research Family. The HE audit strategy sets the audit method for the Research Family.	**Effectiveness:** <u>Specific to H2020:</u> ERCEA specific error rate (global activity) ERCEA residual error rate (drawn from ERCEA MUS sample) H2020 - CRaS error rate (representative sample) H2020 – CRaS residual error rate <u>Specific to HE:</u> Cumulative representative detected error rate for HE Cumulative residual error rate for HE <u>H2020 and HE:</u> Number of open fraud / irregularity cases included in the Fraud/Irregularity Register Amount of recoveries **Efficiency:** Number of audits performed (+% of beneficiaries & value coverage) **Qualitative benefits:** Non-monetary benefits: Deterrent effect. Learning effect for beneficiaries. Improvement of ex-ante-controls or risk approach in ex-ante controls by feeding back audit findings. Improvement in rules and guidance from audit feedback.

<u>Overall economy for ex-post control</u>

			Economy: Estimation of cost of staff involved in the coordination and execution of the ex-post audit strategy and in the implementation of audits. Costs of the appointment of audit firms and missions.

ERCEA Operating budget – RCS 2

A – Administrative budget

This segment also includes administrative expenses for salaries and/or missions, which are reported by the service responsible for the commitment, although the payments are executed by another service, notably the PMO and/or DG HR (16). The executing service implements the necessary technical-level controls and submits a declaration to ERCEA on the compliance of these payments with the principle of sound financial management, as well as their legality and regularity. These expenses are considered to present a low level of risk and are therefore subject to a flat rate of 0.5%, as corroborated by the control results of the executing service(s). More information on the implemented controls can be found in DG HR/PMO annual activity report(s).

Main internal control objectives: To ensure compliance with financial and accounting rules as well as regularity, effectiveness, efficiency and cost benefit of financial transactions processed and monitor the quality of budget planning and of payment workflows.

Main risks **It may happen (again) that...**	**Mitigating controls**	**How to determine coverage, frequency and depth**	**Cost-Effectiveness indicators** (effectiveness, efficiency, economy)
Credibility of the draft budget (= request for EC contribution in N+1) is questioned by the Budget authority against the ERCEA ability to reach a high level of execution	Monitoring of the quality of the budget planning	100% of operating budget	**Effectiveness:** % Budget execution commitments % Budget execution payments (C1) & (C1+C8) **Qualitative benefits:** respect of commitment towards the budgetary authority to limit administrative costs
Late payments give a negative image of the agency (reputational risk) and may lead to the payment of late interests	Monitoring of the quality of payment workflows	100% of operating budget	**Effectiveness:** % and number of late payments **Efficiency:** Time to pay **Qualitative benefits:** Respect of the payment target imposed by budgetary authority

([16]) Type III co-delegation for which these expenses were reported by the service executing the payments until 2024.

A high rate of errors in the transactions on the administrative budget lead to remarks in the final report of the court of auditors	Compliance & regularity checks of financial transactions	100% of transactions	**Effectiveness:** % Residual number of accounting errors/total number of transactions (<2%) % Residual accounting errors (<2%) of total balance sheet or economic outturn account Number of findings related to sound financial management and/or legality and regularity of budget's underlying transactions in the final report of the CoA Number of critical findings related to the true and fair view of the financial position for the administrative budget in the final report of the CoA **Qualitative benefits:** Optimisation of budget execution in line with financial and accounting rules.

B – Procurement

Main internal control objectives: To ensure the legality & regularity of procurement operations.

Main risks **It may happen (again) that…**	**Mitigating controls**	**How to determine coverage, frequency and depth**	**Cost-Effectiveness indicators** (effectiveness, efficiency, economy)
A lack of competition amongst tenderers may lead to restriction of market	Regular follow-up and update of the contract register	100% checked	Effectiveness: Reduced n° of splitting of a purchase **Qualitative benefits:** Widest competition (increase the choice of potential suppliers)

Procurement documents (invitation to tender, tender specifications and its annexes, draft contract) is not well drafted, potentially leading to: - inconsistency and irregularity amongst the documents - the fact that offers are not submitted	Ex-ante visa (twice) in all public procurement files: 1. During the preparatory phase: - procedures above € 15.000 “procurement check-list” 2. Before the signature of the contract (after the award decision): - procedures above € 15.0000 - “procurement checklist” - procedures below € 15.000 - “commitment request checklist”	100% checked	**Effectiveness:** - n° of errors detected - n° of requests issued for clarification regarding the call for tender - n° of complaints or litigation cases filed **Qualitative benefits:** - limited number of procedure cancellations - needed services/goods are provided - compliance with rules
The procurement documents used by operational units are not in line with the rules/models	Training and bilateral coaching provided to operational units Regular update of the “procurement document” templates and supporting documents (e.g. “step by step”, guidelines) In-house trainings on procurement Updated guidelines on public procurement Ares(2020)1329864	100% checked	- limited number of complaints / litigations filed
Due conflict of interest during the award process, contract awarded may be contested	Members of the evaluation committee sign a declaration of absence of conflict of interests and of confidentiality	100% checked	**Effectiveness:** - n° of complaints or litigation cases filed **Qualitative benefits:** - awarded contract are awarded and services/goods delivered (needs satisfied) - limit number of litigations & complaints - fair competition

ANNEX 7: Specific annexes related to "financial management"

1. Financial management

Objective: The authorising officer by delegation has reasonable assurance that resources have been used in accordance with the principles of sound financial management and that cost-effective controls are in place, providing the necessary guarantees concerning the legality and regularity of underlying transactions.			
Main outputs in 2025:			
Output	**Indicator**	**Target**	**Latest known results** (situation on 31/12/2025)
Effective controls: Legal and regular transactions	Residual error rate	For H2020: remains< 2 % of relevant expenditure For HE: remains below 2% of relevant expenditure	For H2020: 0.81% For HE: 3.97%
Effective controls: Safeguarded assets	Yearly physical inventory control of items – furniture and equipment - % of scanned items vs permanent inventory (ABAC Assets)	96%	97%
Effective controls: Ensure adequate quality and consideration of specificities of ERC grants in H2020 audit results	Review of preliminary / draft audit reports (PARs) by ERCEA	100% of PARs submitted by the Common Audit Service reviewed by ERCEA Audit Liaison Officers	100%
Efficient controls	Budget execution and timely payments	Remains 100% of payment appropriations and becomes 100% of payments (in value) made on time	100%
Economy of controls	Overall estimated cost of controls	Becomes between 3% to 4% of funds managed	2.7%

Other legality and regularity indicators

Evaluation

ERCEA 2025 AWP		
Ineligible proposals (not withdrawn)	**2025 Target**	**Latest know result**
2024 AdG call: **2025 StG, CoG, SyG, AdG calls:** **2025 PoC call:**	StG 2025: 0.60% CoG 2025: 1.10% AdG 2024: 1.90% SyG 2025: 0.90% PoC 2025: 1.50% AdG 2025: 2.20%	0.87% 0.90% 2.20% 1.00% 1.80% 2.40%
Evaluation complaints	**2025 Target**	**Latest know result**
% of re-evaluations out of the overall proposals submitted and following requests for redress	AdG 2024 0.06% StG 2025 0.00% CoG 2025 0.00% SyG 2025 0.18% PoC 2025 0.00%	0.04% 0.05% 0% 0% 0.22%

The above table presents the percentage of ineligible proposals and evaluation complaints. Similar results were observed in previous years.

During the reporting period, the Commission received nine requests (seven in 2024) for legal review in accordance with Article 22 of Regulation 58/2003 ('Article 22 requests') concerning the ERCEA's decisions, out of which seven complaints were considered unfounded and closed during the reporting period. One additional was considered unfounded in January 2026 and the last one is still pending. ERCEA provided timely contributions to the parent DG in all cases which mainly concerned the questioning of the reviewers' or the panel's scientific judgement.

Grant preparation and signature

ERCEA 2024 AWP	2025 Target	31/12/2025	31/12/2024
% execution of L2/L1 commitment (C8) ([17])	100	100	100

Source of data: ABAC

Grant implementation

ERCEA control indicators - 2025			
Rejection of interim and final payment costs	**Number of Invoices**	**Amount (EUR)**	**% of ineligible costs on total declared costs**

([17]) The indicator for the percentage execution L2/L1 is dependent on the timing of the evaluation process.

	H2020	HE	H2020	HE	H2020	HE
Total declared cost	2414	1289	1229 M	813 M	1%	0.1%
Of which Ineligible costs declared	280	38	11.6 M	0.47 M		

Source of data: Compass Reports: 'Ex-ante controls: Payment suspensions and rejections' – SUMMA

The above table presents the *ex ante* control results, reflecting the percentage of declared costs considered as ineligible.

2. Additional indicators on ex post audits

Audit coverage

By the end of 2025, the Common Audit Service (CAS) in DG RTD audited 5 644 H2020 ([18]) and 140 Horizon Europe ([19]) participations across all bodies implementing Horizon Europe, covering, respectively, 64.55% and 8.90% of total expenditure to date.

The percentage of Horizon 2020 expenditure covered by the audits (64.55%) refers to the value of the participations of the audited beneficiaries. It includes both fully audited participations (3.95%), also referred to as the 'direct' coverage, and the non-audited participations, also referred to as the 'indirect' coverage, which after the full treatment of audit results, are clean from systemic errors (60.60%). For Horizon Europe, the total coverage is 8.90%, of which 0.70% is 'direct' coverage and 8.20% is 'indirect' coverage.

Audit target for 2025

The CAS managed to finalise audits on 394 Horizon 2020 participations corresponding to 103.4% of the 2025 target. Moreover, 150 Horizon Europe participations where audited, corresponding to 100.7% of the 2025 target.

([18]) The Horizon 2020 audit campaign started in 2016. At this stage, six Common Representative Samples with a total of 948 expected results have been selected. By the end of 2025, cost claims amounting to EUR 61.3 billion have been submitted by the beneficiaries to the services. In addition to the common representative samples, common risk samples and additional samples have also been selected.

([19]) The Horizon Europe audit campaign started in 2024. At this stage, one common representative sample with a total of 207 expected results have been selected. By the end of 2025, cost claims amounting to EUR 9.1 billion have been submitted by the beneficiaries to the services. In addition to the common representative samples, risk-based samples have also been selected.

3. Progress made on action plans to both reduce the error rate on Horizon 2020 and prevent a high error rate in Horizon Europe

Following an IAS limited review on the implementation of the action plans for the reduction of the Horizon 2020 error rate and for simplifications to reduce the Horizon Europe error rate, and based on the original action plans agreed with central services, DG RTD prepared in 2022 a reprioritized action plan to both reduce the error rate on Horizon 2020 and prevent a high error rate in Horizon Europe.

The highest priority has been set on communication, both external and internal. Dedicated webinars and trainings addressed to beneficiaries have been organized all along the year for Horizon Europe. In the context of the client centricity project, the error-rate reduction campaign launched in 2024 continued, with three additional rounds of personalised notifications sent to the most error-prone beneficiaries approaching their reporting deadlines. These notifications were revised to maximise their impact and included practical tips on how to avoid the most common errors. Moreover, the Horizon Europe learning framework - launched in early 2024 - continued and the internal trainings enforced in EU Learn were followed by 2126 colleagues in 2025. The aim of the learning framework is to empower users to make optimal use of IT tools and contribute to improving and streamlining controls.

In addition, some new actions to reduce error rate are taken. They are:

a) *Tour des capitales* initiative: a Common Implementation Centre (CIC) action starting in 2026 consisting of on-site visits to Member States capitals, reaching directly to beneficiaries and presenting a variety of topics including the recent changes in the work programmes, the modalities of new simplified ways of declaring costs (specifically lump sums and personnel unit costs), and also raising awareness about several reporting obligations including how to declare personnel costs in actual cost grants and the use of the personnel cost wizard (developed for explaining the correct way to calculate personnel costs, which is the most common source of errors).

b) Joint extended meetings between the Research and Innovation Auditor's Network together with the Research and Innovation Ex-Ante practitioners' group: the aim it to have a bidirectional feeding of the experience between *ex post* and *ex ante* controls and raise awareness for the *ex ante* practitioners community to be able to inform beneficiaries in advance on how to avoid common errors.

c) Fine-tuned and extended error rate campaign: the error campaign has become standard practice driven by the CIC. A regular procedure to inform beneficiaries on a quarterly basis with tailor made messages targeting their status and based on an analysis of the error-prone profile (newcomer, SME, third country) has been stablished. In addition, the campaign is fine-tuned and adapted regularly based on the feedback from the auditors network; a characteristic example is the newly launched campaign to alert beneficiaries of the above categories who have active projects from both H2020 and Horizon Europe projects, about the differences when calculating personnel costs in these two different framework programmes

d) Focused sessions on Info Days and awareness raising during the R&I Days: the CIC is participating with dedicated sessions in the Info Days and is also available with personnel during the R&I Days getting into direct contact with beneficiaries and answering all their questions concerning various aspects and phases of project implementation.

Following the first campaign of *ex post* controls/audits and technical reviews for Horizon Europe which ended in December 2025, the CIC will prepare an in-depth analysis of the issues and errors most commonly identified, taking into account the particular context of the Horizon Europe which (in comparison to H2020) is by design intended to support riskier areas and types of beneficiaries. This analysis will serve as a basis for providing clarifications in the guidance to beneficiaries and stakeholders as regards the practical implementation of the programme.

Regarding the increased use of simplified cost options, the Commission has implemented the European Court of Auditors' recommendations on lump sum grants published in its 2022 annual report, in line with the expected target dates. In particular, the Commission has put in place an *ex post* control strategy for lump sum grants, developing a methodology for *ex-post* technical reviews that goes beyond the previous project monitoring and checks the accuracy of projects against evidence in the technical supporting documents.

In 2025, 32 of the 33 *ex post* technical reviews launched were completed. More specifically,

- The three reviews under **Horizon 2020** were completed without findings.
- 29 of 30 reviews under **Horizon Europe** were completed, out of which:
    - 28 without findings,
    - one with findings, and
    - one pending for finalisation in January 2026.

Furthermore, three additional reviews were agreed with the relevant executive agencies to be launched in early 2026.

The Commission has also made further updates to the expert briefing, internal training, and internal guidance for call coordinators and project officers regarding terminology, acceptance of work packages, and documenting the budget assessment, as well as updating the guidance on how to describe activities in work packages in the Horizon standard proposal templates. All relevant support and guidance on lump sums are available online in one place for internal and external users, respectively. This includes all internal and external events of the information campaign, including the three webinars for external participants on how lump sum grants function, three internal training sessions for project officers on how to manage lump sum grants and proposals, and two training session for call coordinators of lump sum topics all held in 2025. Tools and guidance are continuously improved following the feedback received, for example the detailed budget table and FAQs.

In line with the action plan, DG RTD is proceeding with the roll-out of lump sums in Horizon Europe. Lump sums accounted for more than 35% of the overall call budget for the 'main' work programme for 2025 and reached the goal of at least 50% of the call budget in the 'main' work programme 2026-2027, adopted in December 2025.

The Horizon Europe mid-term evaluation, adopted on 30 April 2025, complemented existing assessments of lump-sum funding with further data and analysis (e.g. to quantify the administrative savings). In addition, it confirmed that lump-sum grants help avoid financial errors while safeguarding the EU's financial interest and help shift the focus during the implementation stage from financial controls to the project's content, and that controls have been effective and lead to some reductions at evaluation and payment stage, which is reassuring with regard to safeguarding public finances.

The uptake of the personnel unit cost scheme, launched in May 2024 as an additional simplified cost option, remained limited in 2025 (five beneficiaries opted for it so far). Nevertheless, unit costs offer simplification potential. Therefore, the Common Implementation Centre is continuing to reflect on possibilities for further improvement to increase the attractiveness of the measure for beneficiaries under the next Horizon Europe programme, while keeping any improved methodology as lean and simple as possible.

DG RTD is part of a broader corporate initiative called Corporate Arachne+, led by DG BUDG and implemented by DG DIGIT. This project aims to create a unified IT system for data analysis and risk assessment, which will integrate data from various internal systems and sources, including external databases like ORBIS and WorldCompliance. Arachne+ will utilize advanced data analytics and artificial intelligence/machine learning to develop predictive algorithms for risk forecasting, such as identifying the likelihood of a company going bankrupt within 18 months or committing double financing.

As a participant in the Arachne+ working group, DG RTD is actively contributing to the business development of the system. Starting from the next multiannual financial framework, the provision of data will be mandatory for all EU services for Arachne+. DG RTD users and data will be onboarded in phase 4 of the project, scheduled to begin in mid-2026 (provisionally). Further details on this integration will be discussed and finalized as the project timeline approaches.

Finally, DG RTD developed a technical solution to identify entities linked to high-risk suppliers, using ORBIS data and information theory algorithm. DG RTD also deployed an initial version of a tool designed to identify entities worldwide that are owned by Russian entities.

4. Efficiency of controls (additional indicator)

Implementation of H2020 Audit Results

Since the beginning of the H2020 audit campaign and until the end of 2025, implementation was launched for 1 898 audited participations and participations subject to extension of audit results. Thereof, implementation was completed for 1 787 participations i.e., 94.2% of the total (for details see table A). Targeted time for implementation is 6 months for 100% of the audit results, except for closed projects with negative adjustments resulting in a recovery order, where the target is to implement at least 50% of the audit results within 6 months ([20]).

In 2025, ERCEA has implemented 17 out of 32 negative adjustments with recovery orders within 6 months. That exceeds the 50% target for 6 audit results. In other scenarios, where the implementation target is 100% within 6 months, ERCEA has implemented 148 audit results within 6 months, and 31 audit results have exceeded the 6 months target (for details see table B). Since beginning of the H2020 programme implementation until the end of 2025, ERCEA has

([20]) Targets as defined in the Guidance on Monitoring and reporting on implementation of *ex post* audit results in the RTD family Ares(2022)8903878.

completed implementation of EUR 11 302 586.68 of negative adjustments out of a total EUR13 832 904.72, thus EUR 2 530 318.04 of negative adjustments was pending implementation at the end of the year (for details see table C).

Table A – H2020 AURIs from beginning of the FP to 31 December 2025

	Audit results processed	% Audit results processed	Audit results pending	% Audit results pending	Total
CAS audits	1033	96.2%	41	3.8%	1 074
ECA audits	105	96.3%	4	3.7%	109
Extensions	649	90.8%	66	9.2%	715
Total	**1787**	**94.2%**	**111**	**5.8%**	**1 898**

Data: all ERCEA H2020 AURIs.

Table B – Annual Time to Implement - AURIs closed in 2025

	0-6 months	% total (0-6 months)	above 6 months	% above 6 months	Total
Closed Projects	148	82.7%	31	17.3%	179
Negative adjustments with recovery*	17	53.1%	15	46.9%	32
Negative adjustments without recovery	42	76.4%	13	23.6%	55
Positive or zero adjustment	89	96.7%	3	3.3%	92
On-going Projects	138	79.3%	36	20.7%	174
Negative adjustments**	36	52.2%	33	47.8%	69
Positive or zero Adjustment	102	97.1%	3	2.9%	105
Total	286	81%	67	19%	353

On-going and closed projects with positive or zero adjustment and closed projects with negative adjustments not triggering a recovery order AURIs are finalized within 6 months.

** Target for closed projects with negative adjustments triggering a recovery order: at least 50% of AURI are finalized within 6 months.*

*** Time to implement negative adjustments in ongoing projects = between launch of AURI workflow up to completion of Authorisation step.*

Table C – Implementation of negative adjustments from beginning of the FP to 31 December 2025

	Audit results processed		Audit results pending implementation		Total Negative Adjustments	
	No. of AURIs	Adjustment Amount (AUDEX)	No. of AURIs	Adjustment Amount (AUDEX)	No. of AURIs	Adjustment Amount (AUDEX)
CAS audits	279	-5 676 978.55	30	-1 414 768.59	309	-7 091 747.14
ECA audits	4	80 056.56	0	0	4	-80 056.56
Extensions	207	-5 545 551.7	59	-1 115 549.45	266	-6 661 101.02
Total	**490**	**-11 302 586.68**	**89**	**-2 530 318.04**	**579**	**-13 832 904.72**

NB. Number of AURIs represent number of individual audited participations or individual participations subject to the extension of the audit results.

5. Fraud risk management

Objective: The risk of fraud is minimised through the application of effective anti-fraud measures and the implementation of the Commission anti-fraud strategy ([21]) aimed at the prevention, detection and correction ([22]) of fraud		
Indicator 1: Implementation of the actions included in ERCEA anti-fraud strategy over the strategy's lifecycle **Source of data:** ERCEA's annual activity report, ERCEA's anti-fraud strategy, OLAF reporting		
Baseline (2023)	**Target (2025)**	**Latest known results** (situation on 31/12/2025)
75% of action points implemented	Maintain 100% of action points implemented in time	100% of action points implemented on time

([21]) Communication from the Commission 'Commission Anti-Fraud Strategy: enhanced action to protect the EU budget', COM(2019) 176 of 29 April 2019 – 'the CAFS Communication'; Communication from the Commission 'Commission Anti-Fraud Strategy Action plan – revision 2023' COM(2023) 405 of 11 July 2023 – 'the Communication on the 2023 revision' – and the accompanying revised action plan, SWD(2023) 245– 'the revised Action Plan'.
([22]) Correction of fraud is an umbrella term, which refers in particular to the recovery of amounts unduly spent and to administrative sanctions.

Main outputs in 2025:			
Description	**Indicator**	**Target**	**Latest known results** (situation on 31/12/2025)
Participation in the Fraud Prevention and Detection Network (FDPNet) and the Fraud and Irregularities in Research (FAIR) Committee	Participation rate	100%	100%
Anti-Fraud training sessions for agency newcomers	- Number of annual trainings - Percentage of Agency newcomers trained	- 2-3 trainings year - 85% of newcomers trained	- 2 trainings - 100% newcomers trained

6. Reports and documentation considered for the assessment of the DG's functioning in view of the AOD's assurance

Assurance is provided on the basis of information on the efficiency and effectiveness of internal control systems and governance processes. The management monitors the functioning of the internal control systems on a continuous basis and carries out an objective examination with internal and external auditors. The results are explicitly documented and reported to the Executive Director. The following reports / documentation have been considered:

- Management reports on control results;
- The contribution of the Head of Department in charge of Risk Management and Internal Control, including the results of internal control monitoring in the agency, in particular the reports on recorded exceptions, non-compliance events and cases of 'confirmation of instructions' (Art 92.3 FR);
- The Common Audit Service reports of the *ex post* audits results for Horizon 2020.

These reports result from a systematic analysis of the available evidence. The systematic analysis of the available evidence provides sufficient guarantees about the completeness and reliability of the information reported and results in the full coverage of the budget delegated to the Executive Director of ERCEA.

7. Financial Regulation: Additional reporting requirements resulting from the 2018 and 2024 revisions

In line with the requirements of the Financial Regulation, the ERCEA reports for the year 2025:

1) **cases of any in-kind donation made to the Union, for the purposes of humanitarian aid, emergency support, civil protection or crisis management aid (FR art 25.3)**

   No such cases for the department.

2) **cases of "confirmation of instructions" (FR art 92.3)**

No such cases for the department.

3) **cases of financing not linked to costs (FR art 125.3)**

In 2025 there have been no H2020 and Horizon Europe grants awarded with EU contribution in the form of financing not linked to costs.

4) **Financial Framework Partnerships >4 years (FR art 131.4)**

There are no Financial Framework with duration of more than four year that entered into force during the reporting year 2025.

5) **cases of flat-rates >7% for funding indirect costs (FR art 184.6)**

There were no cases of flat rates > 7% for indirect costs in 2025 ([23])**.** According to the Horizon 2020 and Horizon Europe Rules for Participation ([24]), indirect eligible costs are determined by applying a flat rate of 25% of the total direct eligible costs.

6) **derogations from the principle of non-retroactivity pursuant to Article 196 of the Financial Regulation.**

Eight grant agreements entered into force in 2025 derogated from the principle of non-retroactivity pursuant to Article 193 of the Financial Regulation. In such cases, however, no costs were incurred prior to the date of submission of the grant application are eligible.

7) **cases of financial support to third parties >EUR 60 000 (FR art 207)**

No such cases for the department.

8) **non-financial donations provided in the form of services, supplies or works (FR art 244.3)**

No such cases for the department

8. Table Y on the estimated "cost of controls" at Commission level

Overview of department 's estimated cost of controls at Commission (EC) level:

- Overview of ERCEA's estimated cost of controls at Commission (EC) level

EXPENDITURE

The absolute values are presented in EUR

ERCEA	Ex ante controls***			Ex post controls			Total	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Segment of expenditure (as in Table X) / Relevant Control System (RCS) / Other as defined in Annex 6 of the AAR*	EC total costs	related payments Made	Ratio (%)** *(a)/(b)*	EC total costs	total value verified and/or audited	Ratio (%) *(d)/(e)*	EC total estimated cost of controls *(a)+(d)*	Ratio (%)** *(g)/(b)*
ERCEA operational budget	71 767 234,00 €	2 662 222 231,46 €	2,70%	853 616,00 €	2 662 222 231,46 €	0,03%	72 620 850,00 €	2,73%
OVERALL total estimated cost of control at EC level for expenditure	**71 767 234,00 €**	**2 662 222 231,46 €**	**2,70%**	**853 616,00 €**	**2 662 222 231,46 €**	**0,03%**	**72 620 850,00 €**	**2,73%**

([23]) FR art 184.6.

([24]) Article 29 of Regulation (EU) No 1290/2013 of the European Parliament and of the Council of 11 December 2013 laying down the rules for participation and dissemination in 'Horizon 2020 – the Framework Programme for Research and Innovation (2014-2020)' and Article 35 Regulation (EU) 2021/695 of the European Parliament and of the Council of 28 April 2021 establishing Horizon Europe – the Framework Programme for Research and Innovation, laying down its rules for participation and dissemination.

Details of the estimated cost of the control activities related to payments for salaries and/or missions executed by DG HR/PMO are reported in their respective annual activity report(s).

In 2025, administrative expenses related to salaries and/or missions are reported by the service responsible for the commitment, although the payments were executed by another service, notably the PMO and/or DG HR ([25]), which, until 2024, also reported the corresponding expenditure. This new reporting arrangement was introduced in the context of data rationalisation linked to the implementation of the Commission's new IT accounting system. In 2025, these expenses represented 21% of the ERCEA's administrative expenses.

Details of the estimated cost of controls related to shared/pooled control activities carried out by REA and hosted by DG RTD (Common Implementation Centre including Common Audit Service) for the Research and Innovation family are reported in the Annual activity reports of REA and RTD.

([25]) Type III co-delegation.

ANNEX 8: Reporting on the internal and external audits and assessing the effectiveness of internal control systems

Audit observations and recommendations

Internal Audit Service

On 16 January 2025, and based on the results of the follow-up audit, the IAS informed DG RTD, REA, EISMEA and ERCEA about the closure of the very important recommendation made on the review of the Commission's risk at payment. On 27 January 2025, The IAS issued the audit report on the final phase of Horizon 2020 Grant Management, which included five important recommendations related to ERC scientific and financial assessment, as well as the monitoring of final payments. ERCEA accepted all recommendations, and the related draft action plan was submitted to the auditors.

Furthermore, following up on an IAS audit on Horizon 2020 final payments, the Grant Management Department rolled out its action plan to tackle the two recommendations of the IAS on the payment business, implying mainly more explanatory rather than transformative changes to the existing processes, leading to further scrutiny and refinement of these processes, thus providing additional assurance that key controls are functioning as intended.

European Court of Auditors

For 2024, the European Court of Auditors (ECA) had considered that the voting system of the ERCEA Steering Committee was not compatible with one of the requirements of Regulation 58/2003 on the statute of executive agencies**.** The rules of procedure of ERCEA Steering Committee were amended to address this observation on 19 June 2025.

Assessment of the effectiveness of Internal control system

During the year, ERCEA registered 14 non-compliances and requests for exceptions (compared to 13 in 2024). None of the non-compliances and requests for exceptions were the result of an internal control weakness.

ANNEX 9: Specific annexes related to "Control results" and “Assurance: Reservations”

A. Annex related to "Control results" - Table X: Estimated risk at payment and at closure

Table X : Estimated risk at payment and at closure (amounts in EUR mios) - for Executive Agencies

EA ERCEA -1	Payments made (2025;MEUR) -2	minus new prefinancing [plus retentions made] (in 2025;MEUR) -3	plus cleared prefinancing [minus retentions released and deductions of expenditure made by MS] (in 2025;MEUR) -4	Relevant expenditure (for 2025;MEUR) -5	Detected error rate or equivalent estimates -6	Estimated risk at payment (2025;MEUR) -7	Adjusted Average Recoveries and Corrections (*adjusted* ARC; %) -8	Estimated future corrections [and deductions] (for 2025;MEUR) -9	Estimated risk at Closure (2025;MEUR) -10
RCS 1 - Horizon 2020 Grants (ERC layer)	458,19	0,00	718,45	1 176,64	2,00% - 2,00%	23,53 - 23,53	1,19% - 1,19%	14,00 - 14,00	9,53 - 9,53
RCS 1 - Horizon Europe Grants	2 204,04	-1 667,48	303,53	840,08	4,38% - 4,38%	36,80 - 36,80	0,41% - 0,41%	3,44 - 3,44	33,35 - 33,35
Sub-total	**2 662,22**	**-1 667,48**	**1 021,98**	**2 016,72**		**60,33 - 60,33**	**0,87% - 0,87%**	**17,45 - 17,45**	**42,88 - 42,88**
operating budget	72,18	0,00	0,00	72,18	0,48% - 0,48%	0,35 - 0,35	0,00% - 0,00%	0,00 - 0,00	0,35 - 0,35
Total EA (operational + operating)	**2 734,41**	**-1 667,48**	**1 021,98**	**2 088,91**		**60,67 - 60,67**	**0,84% - 0,84%**	**17,45 - 17,45**	**43,23 - 43,23**
					Overall risk at payment in %	**2,90% - 2,90%** *(7) / (5)*		**Overall risk at closure in %**	**2,07% 2,07%** *(10) / (5)*

Notes to the table X

(1) Relevant Control Systems differentiated per relevant portfolio segments and at a level which is lower than the total.
(2) Payments made or equivalent, e.g. expenditure registered in the Commission’s accounting system, accepted expenditure or cleared pre-financing. In any case, this means after the preventive (*ex ante*) control measures have already been implemented earlier in the cycle. For Cross-SubDelegations (Internal Rules Article 12), the reporting remains with the Delegating departments.
(3) New pre-financing actually paid by out by the department itself during the financial year (i.e. excluding any pre-financing received as a transfer from another department). as per note 2.5.1 to the Commission annual accounts thus excluding ‘Other advances to Member States’ which are covered on a purely payment-made basis (note 2.5.2). Pre-financing paid/cleared" are always covered by the Delegated departments, even for Cross-SubDelegations.
(4) Pre-financing actually cleared during the financial year (i.e. their 'delta' in the Financial Year 'actuals', not their 'cut-off' based estimated 'consumption').
(5) For the purpose of equivalence with the ECA's scope of the EC funds with potential exposure to legality & regularity errors (see the ECA's Annual Report methodological annex 1.1), our concept of ‘relevant expenditure’ includes the payments made, subtracts the new pre-financing paid out [& adds the retentions

made], and adds the pre-financing actually cleared [& subtracts the retentions released; and any deductions of *expenditure made by MS*] during the FY. This is a separate and 'hybrid' concept, intentionally combining elements from the budgetary accounting and from the general ledger accounting.

(6) In this column, we disclose the detected error rates or equivalent estimates. For low-risk types of expenditure, where there are indications that the equivalent error rate might be close to 'zero' (*e.g. administrative expenditure)*, the rate which should be used is 0.5% as a conservative estimate, unless the department has a more precise estimate based on evidence.

(8) The historic average of recoveries and financial corrections (ARC) received from the central services is 0.1%. However, further to 2017 ECA/IAS recommendations, ERCEA adjusted this value to 1.19% for H2020 and 0.41% for HE grant management expenditure, used as best estimation. The difference between overall representative detected error rate 2% for H2020 (4.38% for HE) and the ERCEA residual error rate 0.81% for H2020 (3.97% for HE). For the operating budget, the ERCEA estimate the value of detected error at 0.48%. The amount of the implemented ex-post corrections in 2025 is EUR 1.5 million, compared to an amount of estimated future corrections of EUR 17.45 million. The estimated future corrections will be implemented in subsequent years considering delays between the detection of errors in cost claims by the *ex post* audits and their corrections, especially regarding the extension of audit results. Compared to 2024, there is an increase explained by a change of methodology applied in the Horizon Europe audit strategy and in application for the first time for 2025 and impacting ERCEA HE error rates.

(9) RCS ‘Operating budget’ covers/includes administrative expenses related to salaries and/or missions previously reported by the PMO and/or DG HR. More information can be found in annexes 6 and 7.

B. Reservations

1. Reservation fiche

Department	ERCEA
Title of the reservation, including its scope	Reservation concerning the rate of the residual error within grant payments in the Horizon Europe Framework Programme implemented by the ERCEA
Domain	Direct management – grants Horizon Europe.
Programme (or other relevant segment) in which the reservation is made and total (annual) amount of this programme	Horizon Europe Framework Programme **Scope Amount (Annual payment of segment):** 2204035047.04
Reason for the reservation	At the end of 2025, the residual error rate is significantly above the 2% materiality threshold foreseen for the multi-annual period.
Materiality criterion/criteria	The materiality criterion is the residual error rate, defined as the level of errors that remain undetected and uncorrected by the end of the management cycle. The control objective is to ensure that the residual error rate in the overall population is below 2% at the conclusion of the management cycle. If the residual error rate remains above 2% at the end of a reporting year within the Framework Programme's management lifecycle, a reservation will be made.
Quantification of the financial impact (amount at risk)	Quantified **Relevant Expenditure of the Segment:** 840081922.68 **Amount at Risk (in Euros):** 36795588.21 **Amount at Risk (in Percentage):** 1.67% **Residual Error Rate:** 3.97%
Impact on the assurance	Legality and regularity of the affected transactions (interim payments and balance payments).
Responsibility for the weakness	Most of the errors relate to incorrect claims for actual personnel costs, mainly due to beneficiaries' incorrect application of the Horizon Europe rules, despite the introduced simplifications. Newcomers and small and medium-sized enterprises (SMEs) are more prone to errors compared to more experienced or larger beneficiaries. Due to the relatively small number of ex-post audits and technical reviews completed by the end of 2025, the error rate calculation is highly sensitive to few extreme results. Excluding the latter cases, the Representative Error Rate would be below the materiality threshold of 2%.
Responsibility for the corrective action	The action plan focuses on outreach, training, and increased use of lump sums. These actions are designed to minimise errors by enhancing participant understanding and simplifying financial reporting. This includes outreach events addressing participants directly or through the Legal and Financial National Contact Points as well as trainings for EU staff to help them support beneficiaries in the best possible way. In addition, the roll-out of lump sums in Horizon Europe will continue, reaching a 50% share in the

	call budget by 2027. At this level, lump sums are expected to lower the programme's error rate significantly. These actions are all ongoing and will continue throughout Horizon Europe. The services responsible for these actions are DG RTD and ERCEA.

2. Reservations not issued or lifted in 2025 due to the application of the 'de minimis' threshold.

Not applicable

ANNEX 10: Reporting – Human resources, digital transformation and data management, and sound environmental management

Human Resource management

Objective: ERCEA employs a competent and engaged workforce and contributes to gender equality at all levels of management to effectively deliver on the agency's priorities and core business		
Indicator 1: Number and percentage of female representation in middle management **Source of data:** Sysper		
Baseline (2024)	**Target** (2025)	**Latest known results** (31/12/2025)
59%	50%	54%
Indicator 2: ERCEA new staff engagement index **Source of data:** Commission staff or pulse survey		
Baseline (2023)	**Target** (2025)	**Latest known results** ([26]) (31/12/2025)
76%	At least 75%	New staff engagement index (2025): 81% Old staff engagement index (2023): minus 5 percentage points

Main outputs in 2025:			
Description	**Indicator**	**Target**	**Latest known results**
To support ERCEA's core business by providing the required number of staff on time	Occupation rate at year end	98%	97.25%
Implementation of the Action plan in response to the 2023 Staff Survey	Number of actions implemented	100% of 2025 actions	100% of 2025 actions

([26]) A new method of measuring staff engagement was introduced in 2025. The new Staff Engagement Index provides a more comprehensive view of staff engagement covering purpose, pride and motivation, autonomy and growth and collaboration and trust. The old Staff Engagement Index, which focused more on job content and relations with immediate colleagues and manager, will be used exclusively for comparisons with past data.

Programmes	Staff (EU budget)					Staff from other fund sources ([19])			Total all staff
	TAs	Of which seconded officials	CAs	SNEs	Total staff EU budget	**TAs**	**CAs**	EFTA/EEA, Third countries contributions	
HE									
Operational staff for HE	105	8	322	15	442	21	48	69	511
Management and administrative support staff for HE	16	11	30		46	2	5	7	53
Total	**121**	**19**	**352**	**15**	**488**	**23**	**53**	**76**	**564**

Digital transformation and data management

Objective: ERCEA is using innovative, trusted digital solutions for better information management and administrative processes to become a truly digitally transformed, user-focused and data-driven agency		
Indicator 1: Degree of implementation of the digital strategy principles by the most important IT solutions ([27]) **Source of data:** ERCEA		
Baseline (2020)	**Target** (2025)	**Latest known results** (31/12/2025)
45%	75%	75%
Indicator 2: Percentage of implementation of the corporate principles for data governance for ERCEA's key data assets **Source of data:** ERCEA		
Baseline (2020)	**Target** (2025)	**Latest known results** (31/12/2025)
0%	85%	85%

([27]) The European Commission Digital Strategy calls on Commission departments to digitally transform their business processes by developing new innovative digital solutions or make evolve the existing ones in line with the principles of the strategy. At the beginning of the year N+1, the Solution Owner and IT Investments Team will assess the progress made for the selected solutions. For each of the 3 solutions, a table will reflect – per principle - the progress achieved during the last year.

Indicator 3: Percentage of staff attending awareness raising activities on data protection compliance **Source of data:** ERCEA		
Baseline (2018)	**Target** (2025)	**Latest known results** (31/12/2025)
0%	100% of staff in post for 6 months or longer	81% The agency will continue its commitment in reaching the target by proposing ad hoc activities and promoting the initiatives in EU Learn. From the end of 2024, the result has increased of almost 30 percentage points (55% of total staff as reported in the 2024 AAR), which shows also the results of the actions put in place.

Main outputs in 2025:			
Description	**Indicator**	**Target**	**Latest known results**
Digital Culture Identify outputs related to digital skills training needs that are required for the digitalisation of the department, promote and monitor staff's digital skills Promote outputs related to the use of online collaborative tools, incentivise and empower staff Keep outputs related to track of and increase cybersecurity awareness training for all staff	Digital skills - related training	That indicator will be measured in the Digital Commission Dashboard: 50% or more of the ERCEA staff will follow at least one training categorized under 'digital skills' in EULearn	59%
Green, Resilient and Secure Digital Infrastructure Ensure outputs related to the continuous improvement of the department's performance as captured in the risk maturity quadrant (RMQ)	Fulfilling declarations of compliance GRC as according to the Commission Priority Controls	100%	100%

Sound environmental management

Objective: The ERCEA takes account of the environmental impact of its day-to-day actions, taking measures to reduce the impact of its administrative work, supported by their respective EMAS Correspondents			
Main outputs in 2025:			
I. Reducing emissions from staff and expert's business travel and reducing CO_2 and other atmospheric emissions			
Description	**Indicator**	**Target**	**Latest known results**
Reduced emissions from staff business travels Analysis of ERCEA's business travels' trends/patterns (based on EC Staff and experts' professional trips, optimise and gradually reduce CO_2 emissions (by reducing the number of participants in the same mission, promoting more sustainable travelling options, promoting virtual events as alternative)	- CO_2 emissions from executive agency's staff business travels (based on data provided by MIPS) - CO_2 emissions from experts' professional trips	- Reduction of CO_2 travel emission by 50% from ERCEA staff business travels - Reduction of CO_2 travel emission by 30% from experts' professional trips	- 71.24% reduction from staff missions compared to 2019 (236.92t of CO_2 in 2019 and 68.13t of CO_2 in 2025) - 30% reduction from experts' professional trips ([28])
II. Reducing resource use in buildings and workspaces (energy) More efficient use of resources (energy)			
Description	**Indicator**	**Target**	**Latest known results**
Participation in corporate energy saving actions, by closing down ERCEA's buildings within Winter and Summer BEST initiative and/or optimisation of the temperature in EC buildings	Number of days ERCEA participates in: - end of year energy saving action - summer energy saving action	30 days/year depending on the calendar and the possibilities of each occupant of the building/the schedule of works from OIB or the owner	30 days
III. Organise sustainable events			
Description	**Indicator**	**Target**	**Latest known results**
ERCEA events in hybrid mode to reduce CO_2 impact of travels	Number of green events	5	5
IV. Circular economy (public procurement (GPP), waste, biodiversity and sustainable food			

([28]) Due to the ERC Scientific Council decision to conduct remote interviews in the evaluation process.

Description	Indicator	Target	Latest known results
Waste recycling & sustainable food actions	- Number of actions - % of staff informed	- 3 - 100%	- 3 - 100%

V. Staff awareness

Description	Indicator	Target	Latest known results
Staff awareness actions to reduce waste, energy, paper and water consumption in the framework of EMAS corporate campaigns and/or awareness actions about agency's overall resource consumption and waste generation in collaboration with OIB where appropriate	- Number of actions - % of staff informed	- 15 -100%	-14 -100%
Staff awareness actions on reducing GHG emissions (such as actions on sustainable commuting during EU mobility week and VeloMai corporate events) and/or raise staff awareness on sustainable commuting in collaboration with OIB (e.g. availability of bike parking facilities, lockers and showers, promote the reduction of parking spaces' use amongst staff)	- Number of actions - % of staff informed	- 1 -100%	- 1 -100%
ERCEA cycling contribution scheme (financial contribution covering part of the cost of commuting to and from work by bicycle) aiming at increasing the number of staff members choosing this means of transport and therefore contributing to reducing pollution and easing urban traffic congestion in Brussels	Number of staff participating in this scheme	Maintain the same staff participation level (60 staff) as in 2024	Since 2025 PMO is managing directly the cycling contribution scheme and subsequently the ERCEA scheme has been closed. Staff has to directly apply via my Commuting tool and ERCEA is not involved in the management or reporting on the cycling contribution scheme of PMO

ANNEX 11: Implementation through non-EU entrusted entities [29] and/or through EU Trust Funds

Not applicable

[29] Implementing partners other than EU institutions or Union bodies.

ANNEX 12: EAMR of the Union Delegations

Not applicable

ANNEX 13: Decentralised agencies and other Union bodies

Not applicable

ANNEX 14: Reporting on the Recovery and Resilience Facility

Not applicable