



Annual Activity Report 2020

Annexes

Consumers, Health, Agriculture and Food
Executive Agency (CHAFEA)

Contents

ANNEX 1: Statement of the Director(s) in charge of Risk Management and Internal Control...3

ANNEX 2: Performance tables4

ANNEX 3: Draft annual accounts and financial reports21

ANNEX 4 : Financial Scorecard.....22

ANNEX 5: Materiality criteria.....29

ANNEX 6: Relevant Control System(s) for budget implementation (RCSs).....47

ANNEX 7: Specific annexes related to "Financial Management"78

ANNEX 8: Specific annexes related to "Assessment of the effectiveness of the internal control systems"80

ANNEX 9: Reporting – Human resources, digital transformation and information management and sound environmental management.....83

ANNEX 10: Implementation through national or international public-sector bodies and bodies governed by private law with a public sector mission (if applicable).....87

ANNEX 11: EAMR of the Union Delegations (if applicable).....88

ANNEX 12: Decentralised agencies and/or EU Trust Funds (if applicable).....89

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

- **For the Head of Unit in charge of Risk Management and Internal Control:**

"I declare that in accordance with the Commission's communication on the internal control framework¹, I have reported my advice and recommendations to the Executive Director on the overall state of internal control in the Executive Agency.

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

30 March 2021

SIGNED.....

(Signature)

Jacques Remacle

For the Executive Director taking responsibility for the completeness and reliability of management reporting on results and on achievement of objectives:

"I hereby certify that the information provided in Section 1 of the present Annual Activity Report and in its annexes is, to the best of my knowledge, accurate and complete."

30 March 2021

SIGNED.....

(Signature)

Véronique Wasbauer

¹ C(2017)2373 of 19.04.2017.

ANNEX 2: Performance tables

Health programme

Relevant general objective(s) A new boost for Jobs, growth and investment		Parent DG: DG SANTE Related to spending programme: 3 rd Health programme	
DG SANTE Specific objective: 1.1. Effective preparedness, prevention, reaction and eradication of human, animal and plant diseases		Specific objective: 2. Protect citizens from serious cross-border health threats 2.2. Capacity-building against health threats in Member States	
Main outputs in 2020:			
Output	Indicator	Target	Outcome
Conclusion of grant agreements (grants for projects) aimed at: <ul style="list-style-type: none"> Increased access to vaccination for disadvantaged groups, difficult to reach groups and migrants Stakeholder activities to support the implementation of the Council Recommendation on strengthened cooperation against vaccine-preventable disease Value 3.000.000 EUR	Number of grant procedures published Number of grant agreement (GA) signed/JAs funded Time to Inform (TTI) Time to Grant (TTG)	2 3-4 100% applicants informed within 6 months of submission deadline 100% grants signed within 9 months of submission deadline	Achieved Proposals under Grant Agreement preparation Signature expected Q1 2021

DG SANTE Specific objective: 1.3 Cost effective health promotion and disease prevention		Parent DG: DG SANTE Related to spending programme: 3 rd Health programme Specific objective 1. Promoting health, preventing diseases and fostering supportive environments for healthy lifestyles, taking into account the Health in All Policies principle 1.5. Implementation of Union legislation in the field of tobacco products	
Main outputs in 2020:			
Output	Indicator	Target	Outcome
Conclusion of grant agreement:	Number of grant procedures launched	1	Call launched Evaluation planned

<ul style="list-style-type: none"> Joint Action Strengthening cooperation between interested Member States and the Commission in the area of tobacco control <p>Value: 2.500.000 EUR</p>	<p>Number of GA signed/JA funded</p> <p>TTI</p> <p>TTG</p>	<p>1</p> <p>100% applicants informed within 6 months of submission deadline</p> <p>100% grants signed within 9 months of submission deadline</p>	<p>February 2021. Signature expected Q2 2021 (legacy 2020)</p>
<p>Conclusion of service contracts:</p> <ul style="list-style-type: none"> Supportive actions for the Tobacco Products Directive's (TPD) implementation and operation of the technical group 	<p>Number of procurement procedures launched - open calls and/or request for services (RFS) under framework contract (FWC)</p> <p>Number of service contracts signed</p>	<p>1</p> <p>1</p>	<p>Achieved for tobacco favours</p> <p>: 2 service contracts signed in Q1 2020; 2 service contracts to be signed January 2021</p> <p>Tender specifications on tobacco tracking and tracing expected Q1 2021, signature Q2 2021 (legacy 2020)</p>

DG SANTE Specific objective:

1.4. Effective, accessible and resilient health care systems in the EU

Parent DG: DG SANTE

Related to spending programme: 3rd Health programme
Specific objective: .3. Contribute to innovative, efficient and sustainable health systems; 3.1. Health Technology Assessment; 3.2. Promote the voluntary uptake of health innovation and e-Health

Main outputs in 2020:

Output	Indicator	Target	Outcome
<p>Conclusion of a service contract:</p> <p>Actions in support of Joint Action on EU HTA cooperation, with a focus on Joint Clinical Assessments (2021-2024)</p> <p>Value: 3.000.000 EUR</p>	<p>Number of procurement procedure launched</p> <p>Service contracts to be signed</p>	<p>1</p> <p>1</p>	<p>Initially a joint action, the topic is implemented through procurement.</p> <p>Open call to be published in January 2021 with closing date 30/04/2021. Expected signature Q2 2021 (legacy 2020)</p>
<p>Conclusion of grant agreement:</p> <ul style="list-style-type: none"> Joint Action on Ironing out differences in national GDPR implementation in the health sector — development of a code of conduct for data processing (Article 40 GDPR) 	<p>Number of grant procedures launched</p> <p>Number of GA signed/JA funded</p> <p>TTI</p> <p>TTG</p>	<p>1</p> <p>1</p> <p>100% applicants informed within 6 months of submission deadline</p> <p>100% grants signed within 9 months of submission deadline</p>	<p>Achieved</p> <p>Evaluation completed December 2020</p> <p>Signature expected Q1 2021</p>

Value: 2.500.000 EUR			
Conclusion of service contracts • Impact assessment of the European Health Data Space Value 500.000 EUR	Number of procurement procedures Service contracts to be signed	1 1	Following end of year activity and budget re-allocation, will be implemented by DG SANTE
Parent DG: DG SANTE Related to spending programme: 3 rd Health programme 3.3. Health workforce forecasting and planning			
Main outputs in 2020:			
Output	Indicator	Target	Outcome
Conclusion of grant agreements (grants for projects) aimed at: • Support to reforms in health workforce field Value 3.400.000 EUR	Number of grant procedures published Number of grant agreement (GA) signed/JAs funded Time to Inform (TTI) Time to Grant (TTG)	1 6-9 100% applicants informed within 6 months of submission deadline 100% grants signed within 9 months of submission deadline	Achieved 5 project grants Proposals under Grant Agreement preparation Signature expected Q1 2021

Parent DG: DG SANTE Related to spending programme: 3 rd Health programme Specific objective: 3.2. Promote the voluntary uptake of health innovation and e-Health and 3.4. Setting up a mechanism for pooling expertise at Union level			
Main outputs in 2020:			
Output	Indicator	Target	Outcome
Conclusion of grant agreements (grants for projects) aimed at: • Procurement in health care in the European Union • Support of health investments Value 1.850.000 EUR	Number of grant procedures published Number of grant agreement (GA) signed/JAs funded Time to Inform (TTI)	2 2-3 100% applicants informed within 6 months of submission deadline	

	Time to Grant (TTG)	100% grants signed within 9 months of submission deadline	
Conclusion of service contracts Support for the implementation of health systems performance assessment (HSPA) at national level	Number of procurement procedures (open call or RfS under framework contract) launched Number of service contracts signed	1 1	
Parent DG: DG SANTE Related to spending programme: 3 rd Health programme Specific objective: .3.4 Setting up a mechanism for pooling expertise at Union level			
Main outputs in 2020:			
Output	Indicator	Target	Outcome
Conclusion of grant agreements (grants for projects) aimed at: <ul style="list-style-type: none"> Support for the implementation of best practices in the area of mental health Value 3.000.000 EUR	Number of grant procedures published Number of grant agreement (GA) signed/JAs funded Time to Inform (TTI) Time to Grant (TTG)	2 2-3 100% applicants informed within 6 months of submission deadline 100% grants signed within 9 months of submission deadline	Achieved Proposal under Grant Agreement preparation Signature expected Q1 2021
Conclusion of grant agreement: <ul style="list-style-type: none"> Joint Action Support to Member States for the implementation of best practices in the area of mental health Value: 5.400.000 EUR	Number of grant procedures launched Number of GA signed/JA funded TTI TTG	1 1 100% applicants informed within 6 months of submission deadline 100% grants signed within 9 months of submission deadline	Evaluation planned February 2021 Signature expected Q2 2021 (legacy 2020)
Parent DG: DG SANTE Related to spending programme: 3 rd Health programme Specific objective: 3.6. Implementation of Union legislation in the field of medical devices, medicinal products and cross-border health care.			
Main outputs in 2020:			
Output	Indicator	Target	Outcome

<p>Conclusion of grant agreements (co-funding of actions with international organisations)</p> <ul style="list-style-type: none"> • Direct grant to Council of Europe -contribution to the work of the European Pharmacopoeia <p>Value 3.300.000 EUR</p>	<p>Number of grant procedures launched</p> <p>Number of GA signed/JA funded</p>	<p>1</p> <p>1</p>	<p>Achieved</p> <p>Direct grant agreement signed</p>
<p>Conclusion of service contracts:</p> <ul style="list-style-type: none"> • Enhancing implementation of the cross-border healthcare Directive to ensure patients' rights in the EU • Future proofing the pharmaceutical legislation - study on shortages of medicines • Pharmaceutical framework – studies, conferences and working groups 	<p>Number of procurement procedures (open call or RfS under FWC) launched</p> <p>Number of contracts signed</p>	<p>3</p> <p>3</p>	<p>Service contracts cancelled due to policy developments – to be launched under AWP 2021 of EU4Health programme</p>
<p>Parent DG: DG SANTE Related to spending programme: 3rd Health programme Specific objective: 3.7. Health information and knowledge system.</p>			
<p>Main outputs in 2020:</p>			
Output	Indicator	Target	Outcome

<p>Conclusion of grant agreements (co-funding of actions with international organisations) Direct grants with the OECD:</p> <ul style="list-style-type: none"> • Health information support to prioritise best practice implementation • Pharmaceutical innovation and access to medicines • Support the OECD in the development and implementation of patient-reported measures <p>Value 2.430.000 EUR</p>	<p>Number of grant procedures launched</p> <p>Number of GA signed/JA funded</p>	<p>3</p> <p>3</p>	<p>Achieved</p> <p>Direct grant agreements signed</p>
<p>Specific objective 1.4: Effective, accessible and resilient healthcare systems in the EU</p>		<p>Parent DG: DG SANTE</p> <p>Related to spending programme: 3rd Health programme</p> <p>Specific objective: 4. Facilitate access to better and safer healthcare for Union citizens; 4.1 European reference networks for patients; 4.2 Rare Diseases</p>	
<p>Main outputs in 2020:</p>			
<p>Output</p>	<p>Indicator</p>	<p>Target</p>	<p>Outcome</p>
<p>Conclusion of service contracts:</p> <ul style="list-style-type: none"> • Assessment of healthcare providers seeking to join established ERNs <p>Value 2.600.000 EUR</p>	<p>Number of procurement procedures launched</p> <p>Number of contracts signed</p>	<p>1</p> <p>1</p>	<p>Achieved</p> <p>Signature expected January 2021</p>
<p>Conclusion of service contracts:</p> <ul style="list-style-type: none"> • Call for a framework contract (FWC) with reopening of competition with independent assessment and evaluation bodies <p>Value 2.600.000 EUR</p>	<p>Number of procurement procedure (open call) for the conclusion of a FWC</p> <p>Contract to be signed</p>	<p>1</p> <p>1</p>	<p>Tender specifications expected Q2 2021</p> <p>Signature of FWC Q4 2021</p> <p>(legacy 2020)</p>

		Parent DG: DG SANTE Related to spending programme: 3 rd Health programme Specific objective: 4.5. Implementation of Union legislation in the fields of tissues and cells, blood, organs.	
Main outputs in 2020:			
Output	Indicator	Target	Outcome
Conclusion of service contracts aimed at: Conducting a study to support follow up actions that address shortcomings identified in the evaluation of the EU legislation on blood, tissues and cells Value 500.000 EUR	Number of procurement procedures (RfS under Framework Contract) launched	1	Achieved Deadline for submission 29/01/2021
	Number of contracts signed	1	Expected signature by Q1 2021

		Parent DG: DG SANTE Related to spending programme: 3 rd Health programme All objectives	
Main outputs in 2020:			
Output	Indicator	Target	Outcome
Conclusion of specific grant agreements (SGAs) based on framework grant agreements (FPAs) • Operating grants to EU-wide NGOs and expert networks active in policy dialogue in the EU Value 5.000.000 EUR	Number of grant procedures launched	1	Achieved 14 out of 15 grant agreements signed Last SGA to be signed in January 2021
	Number of specific GAs	14-17	
	TTI	100% applicants informed within 6 months of submission deadline	
	TTG	100% grants signed within 9 months of submission deadline	
Conclusion of direct grant agreements - Presidency Conference grants – de jure monopoly - 2 Presidency Conferences of up to 100,000 EUR each/ Value 200,000 EUR	Number of grant procedures launched	2	Achieved (DE Presidency Conference) Direct grant agreement signed Achieved (PT Presidency Conference – Proposal under evaluation – Signature expected Q1 2021
	Number of GA signed	2	

<p>Conclusion of grant agreement:</p> <ul style="list-style-type: none"> Joint Action Increasing the capacity of National Focal Points to provide guidance, information and assistance to national applicants on the implementation of the health strand of ESF+ and the possibilities offered by other EU funding instruments to support health-related actions <p>Value: 2.500.000 EUR</p>	<p>Number of grant procedures launched</p> <p>Number of GA signed/JA funded</p> <p>TTI</p> <p>TTG</p>	<p>1</p> <p>1</p> <p>100% applicants informed within 6 months of submission deadline</p> <p>100% grants signed within 9 months of submission deadline</p>	<p>Evaluation planned February 2021 Signature expected Q2 2021 (legacy 2020)</p>
<p>Conclusion of service contracts Information/dissemination activities/projects</p> <p>Value 250.000 EUR</p>	<p>Number of procurement procedures (RfS under Framework Contract) launched</p> <p>Number of service contracts signed</p>	<p>5-6</p> <p>5-6</p>	<p>Reduced dissemination activities in 2020 due to COVID-19 Launch and signature expected in Q1 2020</p>
<p>Conclusion of service contracts: Support services for managing expert groups in the field of (public) health</p> <p>Value: 1.200.000 EUR</p>	<p>Number of procurement procedures (RfS under FWC)</p> <p>Number of contracts signed</p>	<p>1-2</p> <p>1-2</p>	<p>Achieved Two specific contracts signed in 2020</p> <p>Two specific contracts to be signed in Q1 2021</p>
<p>Signature of expert contracts/ external reviews and evaluations</p> <p>Value 150.000 EUR</p>	<p>N of expert contracts</p> <p>75% expert contracts signed in year N</p>	<p>32 expert contracts</p>	<p>24 expert contracts signed 8 expert contracts to be signed Q1 2021</p>

Better Training for Safer Food (BTSF)

General Objective(s): 1 New boost for jobs, growth and investment in the EU 2 A deeper and fairer internal market with a strengthened industrial base Specific objective: 1 Better preparedness, prevention and response to human animal and plant health threats 2 Effective, efficient and reliable controls		Parent DG: DG SANTE Related to spending programme “Better Training for Safer Food” initiative	
Main outputs in 2020:			
Output	Indicator	Target	Outcome
Conclusion of service contracts as provided for in the BTSF financing decision, mainly for the organisation of BTSF Academy activities and training activities, including transitioning from phase I to the phase II for contracts signed in 2017. The areas covered are food and feed, animal health and welfare, crisis preparedness in animal health and plant health, antimicrobial resistance, pesticides.	<p>Number of procurement procedures launched (open calls, contract extensions authorising 2nd phase, Request for Services under FWC)</p> <p>Timing of the procurement procedure</p>	<p>18-24 procurement procedures</p> <p>8-10 open calls, 8-10 contract extensions II phase, 2-4 requests for specific services</p> <p>100% of procurement procedures launched by Q3 -Q4</p> <p>50% contracts signed by Q4</p>	<p>8 open calls were launched</p> <p>2nd phases were not initiated due to the suspension of training courses because of the Covid-19 pandemic</p> <p>8 amendment to extend contracts were signed</p> <p>1 amendment to include on line virtual classroom modality for workshops</p> <p>4 requests for specific services under FWC and SLA were launched and signed (1 for the production of new 6 e-learning modules; 1 for cloud hosting, 2 for an IT external contractor for BTSF Academy).</p> <p>100% of procurement procedures were launched by Q3</p> <p>2 RfS were signed in April, 2 RfS in December</p>
Support to communication activities on BTSF and its results	<p>On-request provision of statistical data</p> <p>Regular publication of newsletters</p> <p>Preparation of the annual</p>	<p>Providing 100% of statistical data requests within a week maximum after the request;</p> <p>Up to 4 per year (approximately every wave of calls)</p> <p>Publishing the report by the Q2 2020;</p>	<p>Statistical data were provided within a week</p> <p>2 newsletters (May and October) were published</p> <p>The EN version of annual report 2019 was published in August 2020; DE, ES and FR editions published in January 2021</p>

	<p>report for 2019</p> <p>On-request development of promotion/communication materials</p> <p>Info days</p>	<p>Launch of 100% of requests for communication services within one month from the finalisation of the tender specifications</p> <p>Up to 3 (approximately every wave of calls)</p>	<p>No request received</p> <p>3 info days were organised (2 online)</p>
Support to the assessment of BTSF impacts	<p>Analysing the results of the on-line questionnaire given to training course participants and transmitting this information to the Commission</p> <p>Analysing the results of knowledge tests for each contract and transmitting this information to the Commission</p> <p>Analysing the results of the behaviour and dissemination questionnaires and transmitting this information to the Commission</p>	<p>Providing the relevant data every six months (Before end of June of year N and before end of January of year N+1)</p> <p>Providing the relevant data every six months (Before end of June of year N and before end of January of year N+1)</p> <p>Providing the relevant data every six months (Before end of June of year N and before end of January of year N+1)</p>	<p>The reports for all contracts, including the analyses of online questionnaires, knowledge testing and dissemination questionnaires were shared with the Commission</p> <p>Market analysis performed to estimate a sound price for on-line virtual classrooms.</p>

Promotion of Agricultural Products

Specific objective: To meet consumer expectations		Parent DG: DG AGRI	
Main outputs in 2020:			
Output	Indicator	Target	Outcome
Management of grants for multi projects	Number of on-going grants	Follow up of 62 on-going multi programmes	60 grants on-going
Publication of calls for proposals for simple and multi programmes	Time between publication of financing decision and calls for proposals	Within 3 months following the adoption of the financing decision	Done
Evaluation of proposals	Number of received proposals	250 proposals for simple and multi programmes received	129 simple and 49 multi proposals received
Award decision for multi programmes	Number of projects funded	25-30 grant agreements for multi programmes signed	Signature of 32 GA launched
Information of potential applicants	Number of info days organised	Info day in Brussels on 30 January 2020 Participation in up to 15 info days in Member States	Brussels info day took place. Several info days in Member States were cancelled due to Covid-19 pandemic
Assessment of project proposals by external experts	Number of experts contracted	50-60 experts contracted	43 experts contracted
Technical support services	Periodicity of portal updates and newsletters Number of webinars and market reports	Regular updating of web portal, 5-6 newsletters Production of 1-2 webinars and 6-7 market reports	8 newsletters sent out 4 market reports published
Promotion events and campaigns in third countries	Number of seminars promoting EU agri-food products organised in third countries Number of information and promotion campaigns in third countries organised	Organisation of 4-5 Quality/SPS promotion seminars in third countries Follow-up of implementation of 5 ongoing campaigns and launch of up to 4 new campaigns	Due to the pandemic, only one seminar took place online. 5 campaigns on-going, preparation of 5 additional campaigns was launched.
Information provision and promotion measures in the event of a serious market disturbance, loss of consumer confidence or other specific problems	Appropriate action taken	Specific contract to be concluded only in the event of a serious market disturbance, loss of consumer confidence or other specific problems	No procurement actions. On the grants side, two calls for proposals were published. 9 simple and 6 multi proposals will be funded.

Consumer programme

Specific objective: Objective I – Safety: Article 4 (a); Annex I (2) (3) of the Regulation (EU) No 254/2014		Parent DG: DG JUST Related to spending programme: Consumer programme	
Main outputs in 2020:			
Output	Indicator	Target	Outcome
Conclusion of specific contracts:	Number of procurement procedures (RfS under FWC)	4-5 (Throughout the year 2020)	2 specific service contracts concluded by the end of 2020
Coordinated activities on market surveillance for dangerous products across the EU. The aim is to improve the effective application of Directive 2001/95/EC of the European Parliament and of the Council of 3 December 2001 on general product safety (GPSD). These activities include the support to the exchanges of EU Member States and EFTA/EEA enforcement officials in the areas of consumer safety.	Number of service contracts	4-5	1 RfS is in the award phase at the end of 2020 – the specific service contract concluded on 21.01.2021 1 low value contract procedure authorized on 22.01.2021 and published on 27.01.2021

Specific objective: Objective II - Consumer information and education and support to consumer organisations: Article 4 (b); Annex I (4)(5)(6)(7) of the Regulation (EU) No 254/2014		Parent DG: DG JUST Related to spending programme: Consumer programme	
Main outputs in 2020:			
Output	Indicator	Target	Outcome
Conclusion of specific contracts:	Number of procurement procedures (RfS under FWC)	2 (Q2) (Q4)2020	1 specific service contract concluded in Q2 of 2020
Market monitoring surveys – monitoring the functioning of selected consumer markets, as well as the prevalence of specific practices and problems faced by consumers (two waves on key markets)	Number of service contracts	2	DG JUST decided not to launch 2 nd RfS

Conclusion of specific contracts: Studies and evaluations in the field of behavioural economics	Number of procurement procedures (RfS under FWC) Number of service contracts	2-4 (Throughout the year 2020) 2-4	Call for tender launched in Q4 2020. Specific service contract under signature. DG JUST decided not to launch 2 nd RfS
Conclusion of specific contracts: Consumer Education and awareness programme, including educational tools for schools, addressing teachers, raising the awareness of consumer policy/law and the importance of consumer education	Number of procurement procedures (open call or RfS under FWC) Number of service contracts	2-3 (Throughout the year 2020) 2-3	The launch of the procedure is on hold pending finalization of a strategic concept for consumer education by DG JUST announced in the New Consumer Agenda in November 2020
Conclusion of service contract(s): EU consumer summit	Number of procurement procedures (RfS under FWC) Number of service contracts	1 1	1 specific service contract concluded in Q4 of 2020
Conclusion of service contract(s): Events in MS to promote Consumer Agenda	Number of procurement procedures (RfS under FWC) Number of service contracts	1 or more 1 or more	The launch of the procedure(s) is on hold due to ongoing Covid-19 constraints on public events
Conclusion of service contract(s): Green Pledge events	Number of procurement procedures (RfS under FWC) Number of service contracts	1 or more 1 or more	The launch of the procedure(s) is under discussion with DG JUST pending the closure of the application period for the pilot phase on 31 March 2021

Specific objective: Objective II – Consumer information and education and support to consumer organisations, Article 4 (b) (5); Article 5 (1); Annex I 5. (a) of the Regulation (EU) No 254/2014		Parent DG: DG JUST Related to spending programme: Consumer programme	
Main outputs in 2020:			
Output	Indicator	Target	Outcome

<p>Conclusion of Specific Grant Agreement (SGA): Financial contributions to the functioning of Union-level consumer organisations representing consumer interests Indicative value: EUR 2 000 000</p>	<p>Number of grant procedure (SGA - invitation to submit proposal) Number of SGA TTI TTG</p>	<p>1 (Q2) 2020 1 100 % applicants informed within 6 months from submission deadline 100 % grants signed within 9 months from submission deadline</p>	<p>The invitation to submit proposal launched in Q1 of 2020 Final date for submission of complete proposal: 28.05.2020 – 1 proposal received ESR and GAP Invitation Letter sent on 02.09.2020 – 1 applicant invited 1 specific grant agreement signed on 27.10.2020</p>
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<p>Specific objective: Objective III – Rights and redress: Article 4 (c); Annex I (8)(9) of the Regulation (EU) No 254/2014</p>		<p>Parent DG: DG JUST Related to spending programme: Consumer programme</p>	
<p>Main outputs in 2020:</p>			
<p>Output</p>	<p>Indicator</p>	<p>Target</p>	<p>Outcome</p>
<p>Conclusion of specific contracts: Studies in relation to the implementation of EU legislation related to both Objectives III and IV. They may concern, notably, the implementation of the CPC Regulation, the ADR/ODR legislation</p>	<p>Number of procurement procedures (RfS under FWC) Number of service contracts</p>	<p>3-6 (Q1) – (Q4) 2020 3-6</p>	<p>1 procurement procedure currently in the preparation stage due to policy development DG JUST decided not to launch other RfS</p>

Specific objective: Objective III – Rights and redress: Article 4(c)(9); Article 5(9); Annex I (9) of the Regulation (EU) No 254/2014		Parent DG: DG JUST Related to spending programme: Consumer programme	
Main outputs in 2020:			
Output	Indicator	Target	Outcome
Conclusion of Grant Agreements: Grants for actions with Member States for capacity building of the alternative dispute resolution bodies for consumer disputes (ADR) Indicative value: EUR 500 000	Number of grant procedures (call for proposals) for the conclusion of grant agreements (GAs) Number of GAs TT1 TTG	1 (1 st quarter of the year 2020) 10-20 100% applicants informed within 6 months from submission deadline 100 % grants signed within 9 months from submission deadline	The call for proposals launched in Q1 of 2020 with submission date on: 30.07.2020. 28 proposals received ESRs and GAP Invitation Letters sent on 20.11.2020: 16 applicants invited Grant agreements to be signed in Q1 of 2021 Currently there are 4 grant agreements either signed or in the advanced signature stages, 12 are in the grant preparation phase

Specific objective: Objective IV – Enforcement: Article 4 (d); Annex I (10) (11) of the Regulation (EU) No 254/2014		Parent DG: DG JUST Related to spending programme: Consumer programme	
Main outputs in 2020:			
Output	Indicator	Target	Outcome
Conclusion of specific contracts: Workshops in connection with the CPC Regulation and logistics support to CPC joint activities and capacity building, awareness raising activities in this area or in support to the ECC-Net activities	Number of procurement procedures (RfS under FWC) Number of service contracts	2-4 (Q1) – (Q4) 2020 2-4	1 specific service contract concluded in Q1 of 2020, however terminated upon request from DG JUST in Q4 of 2020 due to force majeure – Covid-19 emergency DG JUST decided not to launch other RfS

Conclusion of service contract(s): E-enforcement Academy	Number of procurement procedures (open call or RfS under FWC) Number of service contracts	1 open call for tender or 2-4 specific service contracts based on a FWC 1 or 2-4 (as above)	2 open calls were launched in 2020: 1 call published in Q3 was cancelled as only 1 offer was received after the submission deadline (irregular offer); 2. call was relaunched and published in Q4 of 2020 with the submission deadline 04.02.2021 The contract is expected to be signed early 2021
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Specific objective: Objective IV – Enforcement: Article 4 (d) (11); Article 5 (8); Annex I (11) of the Regulation (EU) No 254/2014		Parent DG: DG JUST Related to spending programme: Consumer programme	
Main outputs in 2020:			
Output	Indicator	Target	Outcome
Conclusion of Specific Grant Agreements (SGAs): Financial contributions for joint actions with bodies constituting the European Consumer Centres Network – ECC-Net Indicative value: EUR 6 950 000	Number of grant procedures (invitations to submit proposals for the conclusion of SGAs with the designated bodies) Number of SGAs signed TTI TTG	1 procedure with 30 invitations (2 nd quarter of the year 2020) 30 100 % applicants informed within 6 months from submission deadline 100 % grants signed within 9 months from submission deadline	30 Invitations to submit a proposal (ECC Net) launched in Q1 with submission date 25.06.2020 30 proposals received 25 SGA signed by the end of 2020. The remaining 5 SGA expected to signed early 2021

Specific objective: Objective IV – Enforcement: Article 4(d)(10); Article 5(6); Article 8(3)(a); Annex I (10) of the Regulation (EU) No 254/2014		Parent DG: DG JUST Related to spending programme: Consumer programme	
Main outputs in 2020:			
Output	Indicator	Target	Outcome
Conclusion of Grant Agreements: Co-operation between national authorities responsible for the	Number of grant procedures (call for proposals) launched for the conclusion of grant agreements (GAs): Number of GAs	1 (2 nd quarter of the year 2020) 2-4	The call for proposals launched in Q1 with submission date: 30.07.2020 4 proposals received

enforcement of the consumer protection laws (CPC) Indicative value: EUR 600 000	TTI TTG	100 % applicants informed within 6 months from submission deadline 100 % grants signed within 9 months from submission deadline	ESRs and GAP Invitation Letters sent on 20.11.2020 – 3 applicants invited Grant agreements to be signed in early 2021.
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Specific objective: Objective IV-Enforcement: Article 4 (d) (10); Annex I (10) (b) of the Regulation (EU) No 254/2014		Parent DG: DG JUST Related to spending programme: Consumer programme	
Main outputs in 2020:			
Output	Indicator	Target	Outcome
Financial contribution in the form of indemnities, possibly lump sums, reimbursement based on unit costs and flat rate financing Support to the exchanges of EU Member States and EFTA/EEA enforcement officials in the area of consumer protection cooperation (CPC) Indicative value: EUR 100 000	Number of procedures – invitation to CPC authorities to submit proposals for exchange of officials' missions Number of Exchange of CPC officials' missions	1 Launched in Q1 2020 and implemented throughout the year 2020) > 30	The invitations to submit requests for exchanges launched in Q1 of 2020. 8 requests received 7 exchanges/missions executed (1 mission cancelled due to sickness) The action was put on hold in March 2020 due to Covid-19 emergency and cancelled in November 2020 by decision of DG JUST Only 5.000 EUR used for this action

ANNEX 3: Draft annual accounts and financial reports

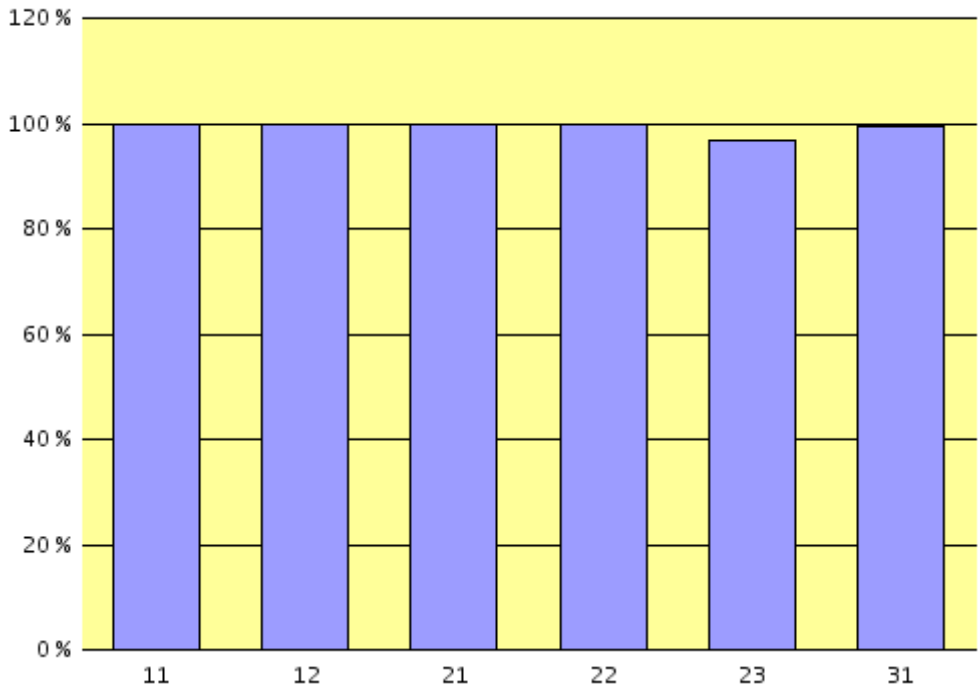
Annex 3 Financial Reports - PHEA - Financial Year 2020**Table 1 : Commitments****Table 2 : Payments****Table 3 : Commitments to be settled****Table 4 : Balance Sheet****Table 5 : Statement of Financial Performance****Table 5 Bis: Off Balance Sheet****Table 6 : Average Payment Times****Table 7 : Income****Table 8 : Recovery of undue Payments****Table 9 : Ageing Balance of Recovery Orders****Table 10 : Waivers of Recovery Orders**

TABLE 1: OUTTURN ON COMMITMENT APPROPRIATIONS IN 2020 (in Mio €) for PHEA

			Commitment appropriations authorised	Commitments made	%
			1	2	3=2/1
Title 1 Staff expenditure					
1	11	Remunerations, allowances and charges	6.86	6.86	99.96 %
	12	Professional development and social expenditure	0.34	0.34	100.00 %
Total Title 1			7.21	7.2	99.96 %
Title 2 Building, equipment and miscellaneous expenditure					
2	21	Building expenditure	1.03	1.03	99.97 %
	22	ICT - DG DIGIT	0.31	0.3	99.78 %
	23	Postal charges	0.22	0.21	96.62 %
Total Title 2			1.56	1.55	99.46 %
Title 3 Operational expenditure					
3	31	Programme management expenditure	1.98	1.97	99.48 %
Total Title 3			1.98	1.97	99.48 %
Total PHEA			10.75	10.73	99.80 %

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

% Outturn on Commitment Appropriations in 2020 for PHEA

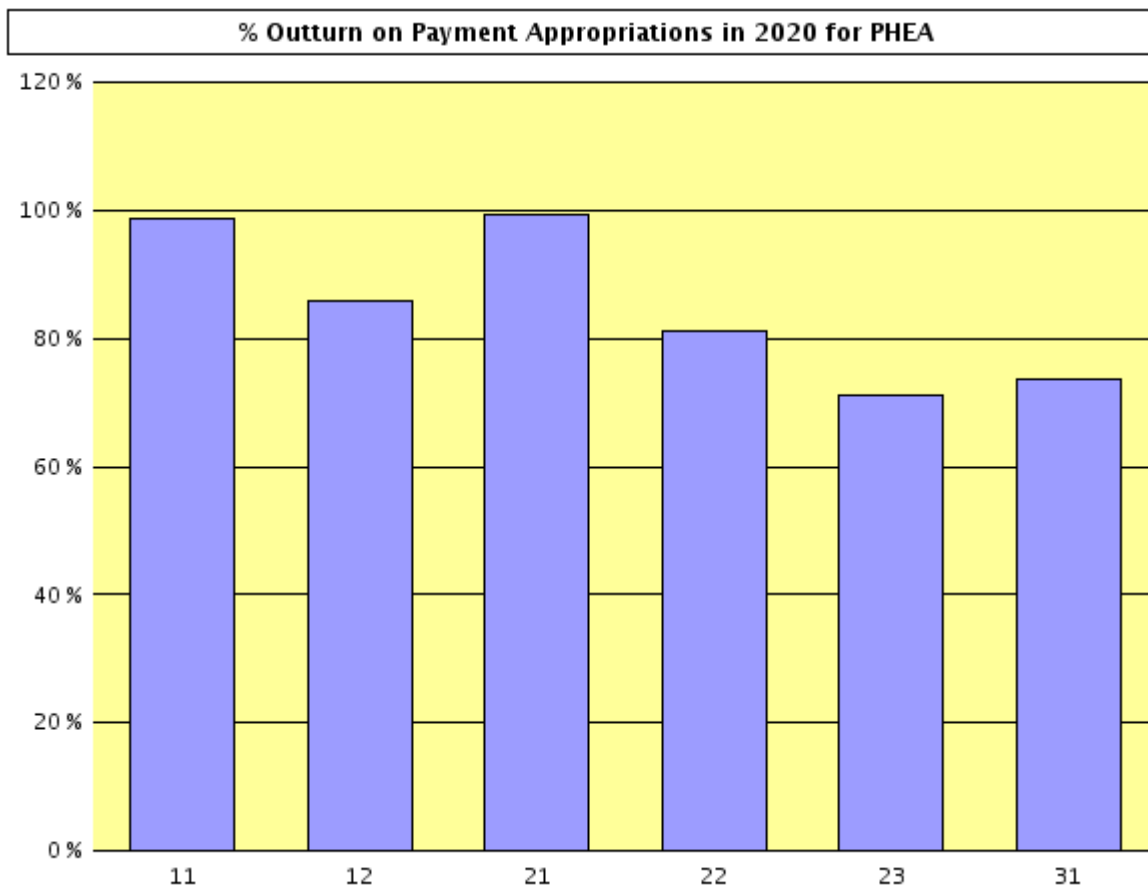


Note : The figures are those related to the provisional accounts and not yet audited by the Court of Auditors

Refresh date : 28/01/2021

TABLE 2: OUTTURN ON PAYMENT APPROPRIATIONS IN 2020 (in Mio €) for PHEA					
			Payment appropriations authorised *	Payments made	%
			1	2	3=2/1
Title 1 Staff expenditure					
1	11	Remunerations, allowances and charges	6.92	6.83	98.70 %
	12	Professional development and social expenditure	0.45	0.38	85.85 %
Total Title 1			7.37	7.21	97.92%
Title 2 Building, equipment and miscellaneous expenditure					
2	21	Building expenditure	1.05	1.04	99.47 %
	22	ICT - DG DIGIT	0.44	0.36	81.09 %
	23	Postal charges	0.3	0.22	71.24 %
Total Title 2			1.79	1.61	90.17%
Title 3 Operational expenditure					
3	31	Programme management expenditure	3.62	2.67	73.67 %
Total Title 3			3.62	2.67	73.67%
Total PHEA			12.77	11.49	89.97 %

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



Note : The figures are those related to the provisional accounts and not yet audited by the Court of Auditors

Refresh date : 28/01/2021

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2020 (in Mio €) for PHEA									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2019	Total of commitments to be settled at end of financial year 2020	Total of commitments to be settled at end of financial year 2019
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
1	11	Remunerations, allowances and charges	6.86	6.80	0.06	0.87%	0.00	0.06	0.05
	12	Professional development and social expenditure	0.34	0.30	0.04	13.07%	0.00	0.04	0.10
Total Title 1			7.20	7.10	0.10	1.45%	0.00	0.10	0.16

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2020 (in Mio €) for PHEA									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2019	Total of commitments to be settled at end of financial year 2020	Total of commitments to be settled at end of financial year 2019
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
2	21	Building expenditure	1.03	1.03	0.00	0.00%	0.00	0.00	0.01
	22	ICT - DG DIGIT	0.30	0.25	0.06	19.23%	0.00	0.06	0.13
	23	Postal charges	0.21	0.14	0.07	33.31%	0.00	0.07	0.08
Total Title 2			1.55	1.42	0.13	8.37%	0.00	0.13	0.23

Note : The figures are those related to the provisional accounts and not yet audited by the Court of Auditors

Refresh date : 28/01/2021

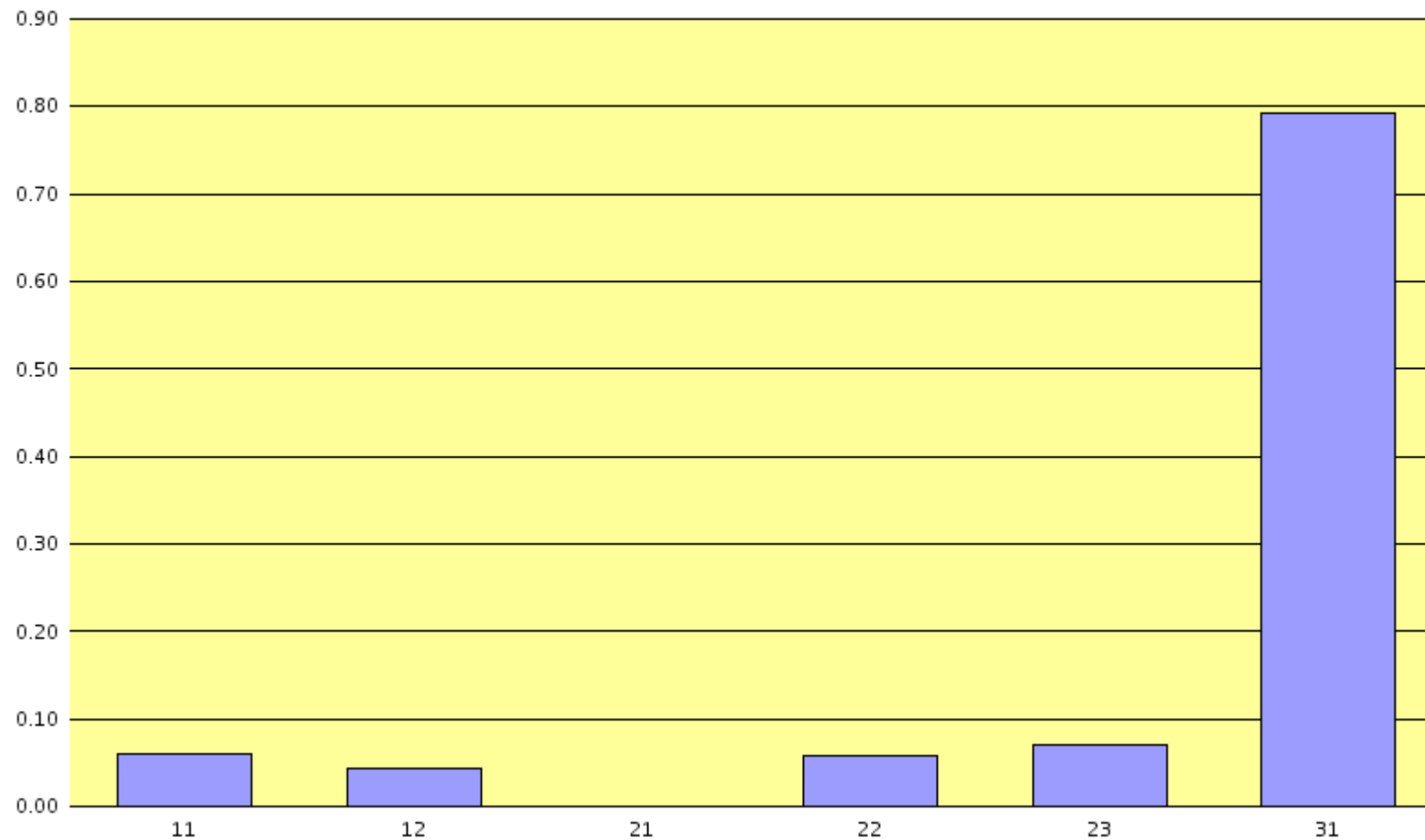
TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2020 (in Mio €) for PHEA

Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2019	Total of commitments to be settled at end of financial year 2020	Total of commitments to be settled at end of financial year 2019
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
3	31	Programme management expenditure	1.97	1.18	0.79	40.15%	0.00	0.79	1.63
Total Title 3			1.97	1.18	0.79	40.15%	0.00	0.79	1.63
Total :			10.73	9.70	1.03	9.57 %	0.00	1.03	2.02

Note : The figures are those related to the provisional accounts and not yet audited by the Court of Auditors

Refresh date : 28/01/2021

Breakdown of Commitments Remaining to be Settled (in Mio EUR) at 31/12/2019 for PHEA



Note : The figures are those related to the provisional accounts and not yet audited by the Court of Auditors

Refresh date : 28/01/2021

TABLE 4 : BALANCE SHEET for PHEA

BALANCE SHEET	2020	2019
A.I. NON CURRENT ASSETS	55,946	77,712
A.I.1. Intangible Assets	0.00	101.00
A.I.2. Property, Plant and Equipment	55,946.00	77,611.00
A.II. CURRENT ASSETS	1,533,665.71	2,657,261.22
A.II.3. Curr Exch Receiv & Non-Ex Recoverables	1,533,665.71	2,657,261.22
A.II.6. Cash and Cash Equivalents	0.00	0.00
ASSETS	1,589,611.71	2,734,973.22
P.II. CURRENT LIABILITIES	-11,262,828.41	-1,213,906.16
P.II.2. Current Provisions		0.00
P.II.4. Current Payables	-10,782,897.68	-404,266.06
P.II.5. Current Accrued Charges & Defrd Income	-479,930.73	-809,640.10
LIABILITIES	-11,262,828.41	-1,213,906.16
NET ASSETS (ASSETS less LIABILITIES)	-9,673,216.7	1,521,067.06
P.III.2. Accumulated Surplus/Deficit	-1,521,067.06	-1,273,671.27
Non-allocated central (surplus)/deficit*	11,194,283.76	-247,395.79
TOTAL	0.00	0.00

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

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

Note : The figures are those related to the provisional accounts and not yet audited by the Court of Auditors

Refresh date : 28/01/2021

TABLE 5 : STATEMENT OF FINANCIAL PERFORMANCE for PHEA

STATEMENT OF FINANCIAL PERFORMANCE	2020	2019
II.1 REVENUES	-14,337	-10,820,736.15
II.1.1. NON-EXCHANGE REVENUES	0	-10,817,119.85
II.1.1.6. OTHER NON-EXCHANGE REVENUES	0.00	-10,817,119.85
II.1.2. EXCHANGE REVENUES	-14,337	-3,616.3
II.1.2.1. FINANCIAL INCOME	0.00	-28.21
II.1.2.2. OTHER EXCHANGE REVENUE	-14,337.00	-3,588.09
II.2. EXPENSES	11,208,620.76	10,573,340.36
II.2. EXPENSES	11,208,620.76	10,573,340.36
II.2.10. OTHER EXPENSES	4,514,155.21	4,334,967.63
II.2.6. STAFF AND PENSION COSTS	6,694,465.55	6,238,369.02
II.2.8. FINANCE COSTS	0.00	3.71
STATEMENT OF FINANCIAL PERFORMANCE	11,194,283.76	-247,395.79

Explanatory Notes (facultative):

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Note : The figures are those related to the provisional accounts and not yet audited by the Court of Auditors

Refresh date : 28/01/2021

TABLE 5bis : OFF BALANCE SHEET for PHEA

OFF BALANCE	2020	2019
OB.3. Other Significant Disclosures	-1,602,614.18	-7,854,319.47
OB.3.2. Comm against app. not yet consumed	-1,344,669.68	-1,344,669.68
OB.3.5. Operating lease commitments	-257,944.50	-6,509,649.79
OB.4. Balancing Accounts	1,602,614.18	7,854,319.47
OB.4. Balancing Accounts	1,602,614.18	7,854,319.47
OFF BALANCE	0.00	0.00

Explanatory Notes (facultative):

Please enter the text directly (no copy/paste of formatted text which would then disappear when saving the document in pdf), use \\\"ctrl+enter\\\" to go to the next line and \\\"enter\\\" to validate your typing.

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

TABLE 6: AVERAGE PAYMENT TIMES FOR 2020 for PHEA

Legal Times							
Maximum Payment Time (Days)	Total Number of Payments	Nbr of Payments within Time Limit	Percentage	Average Payment Times (Days)	Nbr of Late Payments	Percentage	Average Payment Times (Days)
30	412	408	99.03 %	11.41	4	0.97 %	60.25
60	11	10	90.91 %	12.1	1	9.09 %	70

Total Number of Payments	423	418	98.82 %		5	1.18 %	
Average Net Payment Time	12.03			11.43			62.2
Average Gross Payment Time	13.58			13			62.2

Suspensions							
Average Report Approval Suspension Days	Average Payment Suspension Days	Number of Suspended Payments	% of Total Number	Total Number of Payments	Amount of Suspended Payments	% of Total Amount	Total Paid Amount
0	110	6	1.42 %	423	43,338.60	0.58 %	7,451,556.73

DG	GL Account	Description	Amount (Eur)

Note : The figures are those related to the provisional accounts and not yet audited by the Court of Auditors

Refresh date : 28/01/2021

TABLE 7 : SITUATION ON REVENUE AND INCOME IN 2020 for PHEA

Chapter		Revenue and income recognized			Revenue and income cashed from			Outstanding balance
		Current year RO	Carried over RO	Total	Current Year RO	Carried over RO	Total	
		1	2	3=1+2	4	5	6=4+5	7=3-6
10	European Community contribution	10,750,179.00	0.00	10,750,179.00	10,750,179.00	0.00	10,750,179.00	0.00
90	Miscellaneous revenue	14,348.63	0.00	14,348.63	386.60	0.00	386.60	13,962.03
Total PHEA		10,764,527.63	0	10,764,527.63	10,750,565.6	0	10,750,565.6	13,962.03

Note : The figures are those related to the provisional accounts and not yet audited by the Court of Auditors

Refresh date : 28/01/2021

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

Year of Origin (commitment)	Total undue payments recovered		Total transactions in recovery context (incl. non-qualified)		% Qualified/Total RC	
	Nbr	RO Amount	Nbr	RO Amount	Nbr	RO Amount
Sub-Total						

EXPENSES BUDGET	Irregularity		OLAF Notified		Total undue payments recovered		Total transactions in recovery context (incl. non-qualified)		% Qualified/Total RC	
	Nbr	Amount	Nbr	Amount	Nbr	Amount	Nbr	Amount	Nbr	Amount
INCOME LINES IN INVOICES										
NON ELIGIBLE IN COST CLAIMS										
CREDIT NOTES							1	92,176.67		
Sub-Total							1	92,176.67		

GRAND TOTAL							1	92,176.67		
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Note : The figures are those related to the provisional accounts and not yet audited by the Court of Auditors.

Refresh date : 28/01/2021

TABLE 9: AGEING BALANCE OF RECOVERY ORDERS AT 31/12/2020 for PHEA

	Number at 01/01/2020	Number at 31/12/2020	Evolution	Open Amount (Eur) at 01/01/2020	Open Amount (Eur) at 31/12/2020	Evolution
2016	1		-100.00 %	62.85		-100.00 %
2019	1		-100.00 %	17,700.75		-100.00 %
2020		3			18,432.79	
	2	3	50.00 %	17,763.60	18,432.79	3.77 %

Note : The figures are those related to the provisional accounts and not yet audited by the Court of Auditors

Refresh date : 28/01/2021

TABLE 10 :Recovery Order Waivers >= 60 000 € in 2020 for PHEA

	Waiver Central Key	Linked RO Central Key	RO Accepted Amount (Eur)	LE Account Group	Commission Decision	Comments
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Total DG	-222,973.12
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Number of RO waivers	2
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There are 2 waivers below 60 000 € for a total amount of -62.85

Justifications:

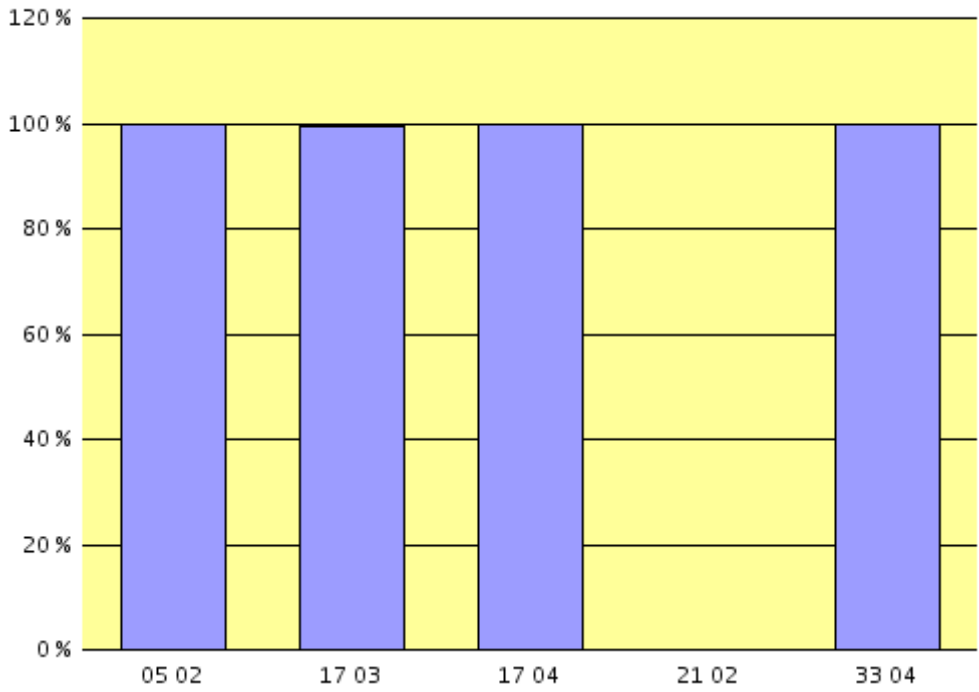
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Annex 3 Financial Reports - DG PHEA - Financial Year 2020**Table 1 : Commitments****Table 2 : Payments****Table 3 : Commitments to be settled****Table 4 : Balance Sheet****Table 5 : Statement of Financial Performance****Table 5 Bis: Off Balance Sheet****Table 6 : Average Payment Times****Table 7 : Income****Table 8 : Recovery of undue Payments****Table 9 : Ageing Balance of Recovery Orders****Table 10 : Waivers of Recovery Orders****Table 11 : Negotiated Procedures****Table 12 : Summary of Procedures****Table 13 : Building Contracts****Table 14 : Contracts declared Secret****Table 15 : FPA duration exceeds 4 years**

TABLE 1: OUTTURN ON COMMITMENT APPROPRIATIONS IN 2020 (in Mio €) for DG PHEA					
			Commitment appropriations authorised	Commitments made	%
			1	2	3=2/1
Title 05 Agriculture and rural development					
05	05 02	Improving the competitiveness of the agricultural sector through interventions in agricultural markets	100.90	100.90	100.00 %
Total Title 05			100.90	100.90	100.00 %
Title 17 Health and food safety					
17	17 03	Public health	40.73	40.53	99.51 %
	17 04	Food and feed safety, animal health, animal welfare and plant health	19.00	19.00	100.00 %
Total Title 17			59.73	59.53	99.67 %
Title 21 International cooperation and development					
21	21 02	Development Cooperation Instrument (DCI)	0.00	0.00	0.00 %
Total Title 21			0.00	0.00	0.00 %
Title 33 Justice and consumers					
33	33 04	Consumer programme	19.06	19.06	100.00 %
Total Title 33			19.06	19.06	100.00 %
Total DG PHEA			179.69	179.49	99.89 %

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

% Outturn on Commitment Appropriations in 2020 for DG PHEA

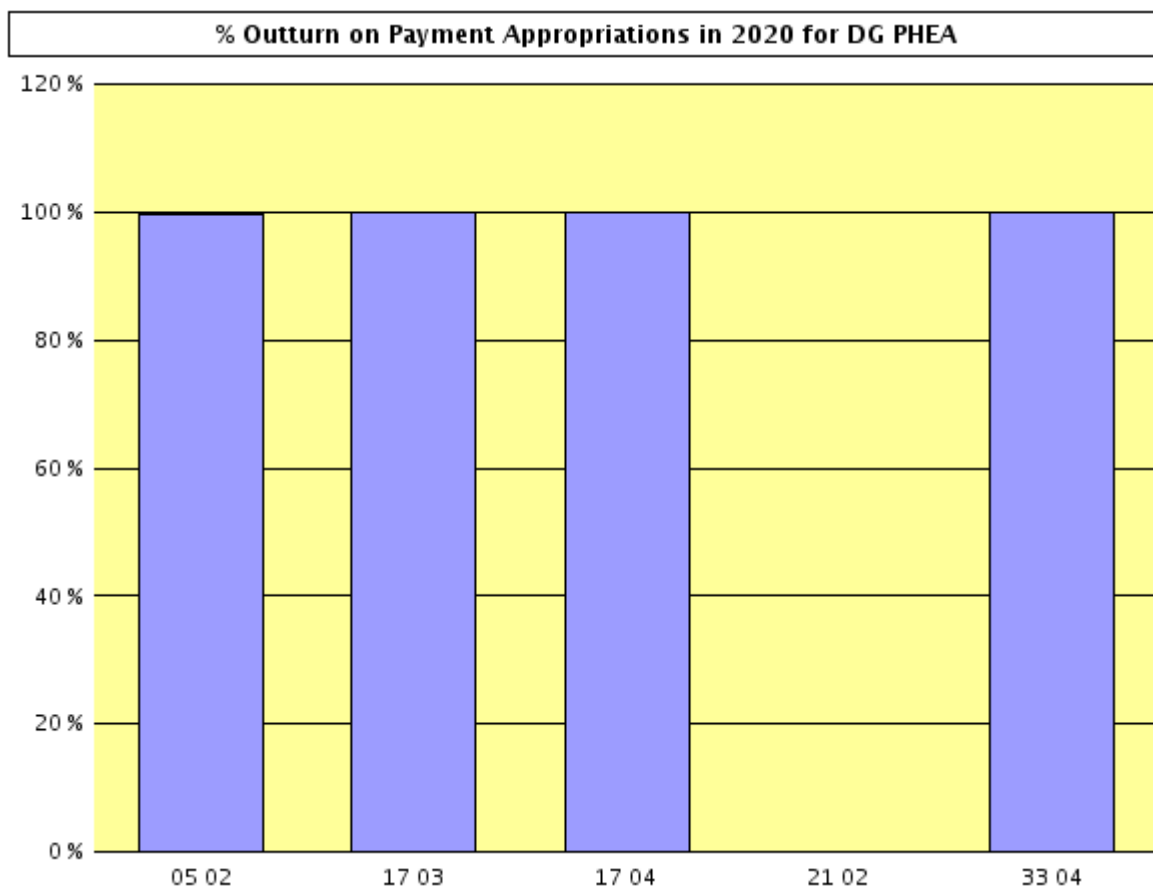


Note : The figures are those related to the provisional accounts and not yet audited by the Court of Auditors

Refresh date : 28/01/2021

TABLE 2: OUTTURN ON PAYMENT APPROPRIATIONS in 2020 (in Mio €) for DG PHEA					
			Payment appropriations authorised *	Payments made	%
			1	2	3=2/1
Title 05 Agriculture and rural development					
05	05 02	Improving the competitiveness of the agricultural sector through interventions in agricultural markets	61.27	60.97	99.51 %
Total Title 05			61.27	60.97	99.51%
Title 17 Health and food safety					
17	17 03	Public health	42.68	42.68	99.99 %
	17 04	Food and feed safety, animal health, animal welfare and plant health	11.88	11.88	100.00 %
Total Title 17			54.56	54.56	100.00%
Title 21 International cooperation and development					
21	21 02	Development Cooperation Instrument (DCI)	0.00		
Total Title 21			0.00		
Title 33 Justice and consumers					
33	33 04	Consumer programme	17.37	17.37	100.00 %
Total Title 33			17.37	17.37	100.00%
Total DG PHEA			133.20	132.90	99.77 %

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



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Refresh date : 28/01/2021

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2020 (in Mio €) for DG PHEA									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2019	Total of commitments to be settled at end of financial year 2020	Total of commitments to be settled at end of financial year 2019
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
05	05 02	Improving the competitiveness of the agricultural sector through interventions in agricultural markets	100.90	11.52	89.38	88.58%	133.50	222.88	183.69
Total Title 05			100.90	11.52	89.38	88.58%	133.50	222.88	183.69

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2020 (in Mio €) for DG PHEA									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2019	Total of commitments to be settled at end of financial year 2020	Total of commitments to be settled at end of financial year 2019
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
17	17 03	Public health	40.53	7.12	33.41	82.43%	72.48	105.89	113.85
	17 04	Food and feed safety, animal health, animal welfare and plant health	19.00	0.10	18.90	99.47%	33.06	51.96	44.84
Total Title 17			59.53	7.22	52.31	87.87%	105.54	157.85	158.69

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2020 (in Mio €) for DG PHEA									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2019	Total of commitments to be settled at end of financial year 2020	Total of commitments to be settled at end of financial year 2019
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
21	21 02	Development Cooperation Instrument (DCI)	0.00		0.00	0.00%	0.01	0.01	0.01
Total Title 21			0.00		0.00	0.00%	0.01	0.01	0.01

Note : The figures are those related to the provisional accounts and not yet audited by the Court of Auditors

Refresh date : 28/01/2021

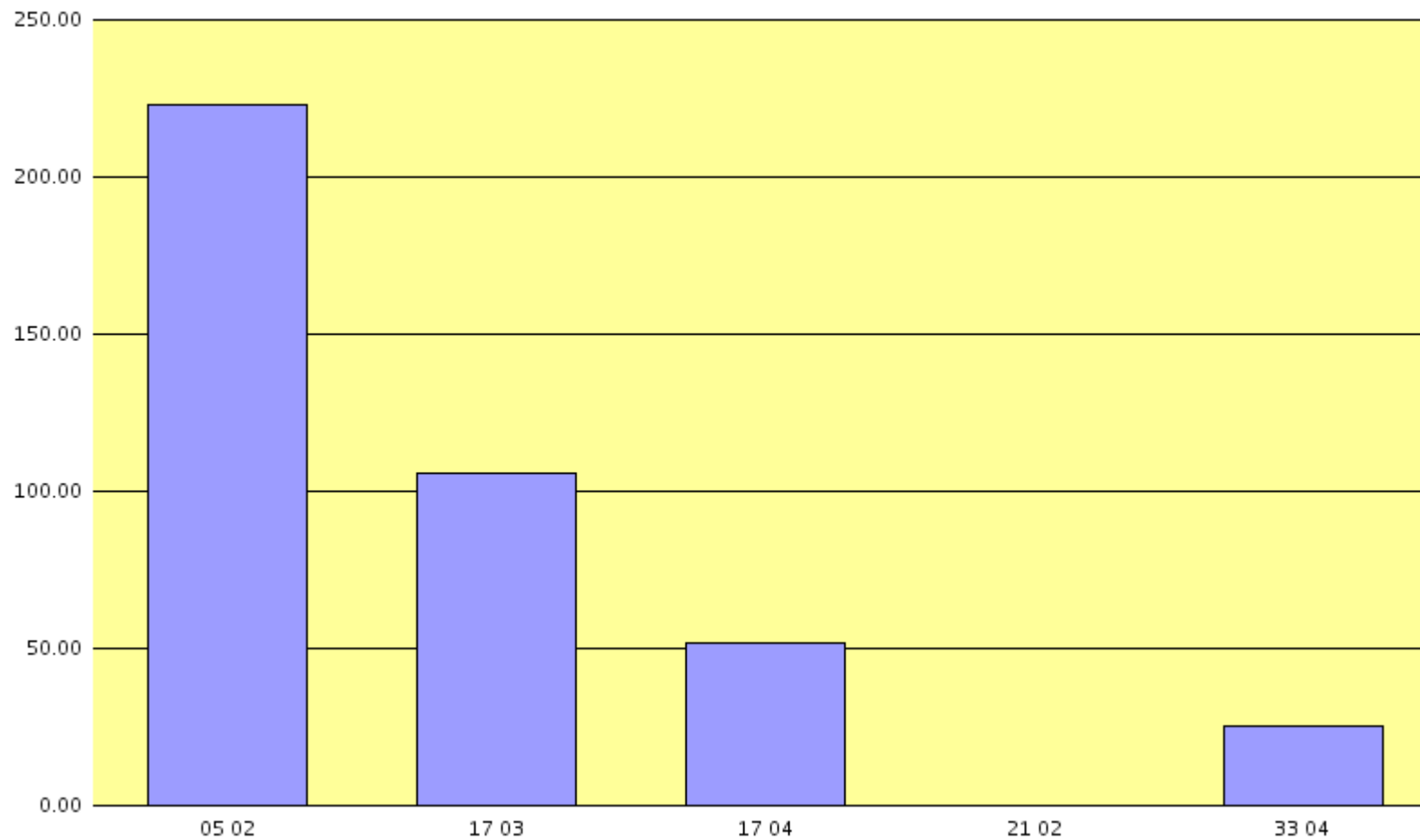
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Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2019	Total of commitments to be settled at end of financial year 2020	Total of commitments to be settled at end of financial year 2019
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
33	33 04	Consumer programme	19.06	5.94	13.13	68.86%	12.24	25.37	26.34
Total Title 33			19.06	5.94	13.13	68.86%	12.24	25.37	26.34
Total for DG PHEA			179.49	24.68	154.81	86.25 %	251.29	406.1	368.73

Note : The figures are those related to the provisional accounts and not yet audited by the Court of Auditors

Refresh date : 28/01/2021

Breakdown of Commitments Remaining to be Settled (in Mio EUR) at 31/12/2019 for DG PHEA



Note : The figures are those related to the provisional accounts and not yet audited by the Court of Auditors

Refresh date : 28/01/2021

TABLE 4 : BALANCE SHEET for DG PHEA

BALANCE SHEET	2020	2019
A.II. CURRENT ASSETS	123,173,007.1	107,824,412.63
A.II.2. Current Pre-Financing	123,007,670.39	107,375,329.09
A.II.3. Curr Exch Receiv & Non-Ex Recoverables	165,336.71	449,083.54
ASSETS	123,173,007.1	107,824,412.63
P.II. CURRENT LIABILITIES	-1,335,578.21	-1,121,938.41
P.II.4. Current Payables	-1,335,578.21	-1,121,938.41
P.II.5. Current Accrued Charges & Defrd Income	0.00	0.00
LIABILITIES	-1,335,578.21	-1,121,938.41
NET ASSETS (ASSETS less LIABILITIES)	121,837,428.89	106,702,474.22

P.III.2. Accumulated Surplus/Deficit	442,945,012.42	340,797,671.3
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Non-allocated central (surplus)/deficit*	-564,782,441.31	-447,500,145.52
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TOTAL DG PHEA	0.00	0.00
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It should be noted that the balance sheet and statement of financial performance presented in Annex 3 to this Annual Activity Report, represent only the assets, liabilities, expenses and revenues that are under the control of this Directorate General. Significant amounts such as own resource revenues and cash held in Commission bank accounts are not included in this Directorate General's accounts since they are managed centrally by DG Budget, on whose balance sheet and statement of financial performance they appear. Furthermore, since the accumulated result of the Commission is not split amongst the various Directorates General, it can be seen that the balance sheet presented here is not in equilibrium.

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

TABLE 5 : STATEMENT OF FINANCIAL PERFORMANCE for DG PHEA

STATEMENT OF FINANCIAL PERFORMANCE	2020	2019
II.1 REVENUES	-8,995.39	2,103.95
II.1.1. NON-EXCHANGE REVENUES	-229,817.51	-3,564.32
II.1.1.5. RECOVERY OF EXPENSES	-229,817.51	-3,564.32
II.1.2. EXCHANGE REVENUES	220,822.12	5,668.27
II.1.2.1. FINANCIAL INCOME		5,668.27
II.1.2.2. OTHER EXCHANGE REVENUE	220,822.12	
II.2. EXPENSES	116,329,299.94	102,145,237.17
II.2. EXPENSES	116,329,299.94	102,145,237.17
II.2.10. OTHER EXPENSES	222,973.12	
II.2.2. EXP IMPLEM BY COMMISS&EX.AGENC	116,106,326.82	102,144,924.28
II.2.8. FINANCE COSTS		312.89
STATEMENT OF FINANCIAL PERFORMANCE	116,320,304.55	102,147,341.12

Explanatory Notes (facultative):

Please enter the text directly (no copy/paste of formatted text which would then disappear when saving the document in pdf), use \\\"ctrl+enter\\\" to go to the next line and \\\"enter\\\" to validate your typing.

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

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

Note : The figures are those related to the provisional accounts and not yet audited by the Court of Auditors

Refresh date : 28/01/2021

TABLE 5bis : OFF BALANCE SHEET for DG PHEA

OFF BALANCE	2020	2019
OB.1. Contingent Assets	6,154,080.86	5,943,560.86
GR for pre-financing	6,154,080.86	5,943,560.86
OB.4. Balancing Accounts	-6,154,080.86	-5,943,560.86
OB.4. Balancing Accounts	-6,154,080.86	-5,943,560.86
OFF BALANCE	0.00	0.00

Explanatory Notes (facultative):

Please enter the text directly (no copy/paste of formatted text which would then disappear when saving the document in pdf), use \\\"ctrl+enter\\\" to go to the next line and \\\"enter\\\" to validate your typing.

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

TABLE 6: AVERAGE PAYMENT TIMES in 2020 for PHEA

Legal Times				
Maximum Payment Time (Days)	Total Number of Payments	Nbr of Payments within Time Limit	Percentage	Average Payment Times (Days)
30	274	274	100.00 %	8.28
60	246	246	100.00 %	28.95
90	33	33	100.00 %	38.18

Total Number of Payments	553	553	100.00 %	
Average Net Payment Time	19.26			19.26
Average Gross Payment Time	29.09			29.09

Suspensions							
Average Report Approval Suspension Days	Average Payment Suspension Days	Number of Suspended Payments	% of Total Number	Total Number of Payments	Amount of Suspended Payments	% of Total Amount	Total Paid Amount
0	35	155	28.03 %	553	62,902,515.64	47.33 %	132,899,368.46

DG	GL Account	Description	Amount (Eur)

TABLE 7 : SITUATION ON REVENUE AND INCOME in 2020 for DG PHEA

Chapter		Revenue and income recognized			Revenue and income cashed from			Outstanding balance
		Current year RO	Carried over RO	Total	Current Year RO	Carried over RO	Total	
		1	2	3=1+2	4	5	6=4+5	
66	OTHER CONTRIBUTIONS AND REFUNDS	164,561.97	449,083.54	613,645.51	119,077.48	329,231.32	448,308.80	165,336.71
Total DG PHEA		164,561.97	449,083.54	613,645.51	119,077.48	329,231.32	448,308.8	165,336.71

Note : The figures are those related to the provisional accounts and not yet audited by the Court of Auditors

Refresh date : 28/01/2021

**TABLE 8 : RECOVERY OF PAYMENTS in 2020 for DG PHEA
(Number of Recovery Contexts and corresponding Transaction Amount)**

INCOME BUDGET RECOVERY ORDERS ISSUED IN 2020 Year of Origin (commitment)	Irregularity		Total undue payments recovered		Total transactions in recovery context (incl. non-qualified)		% Qualified/Total RC	
	Nbr	RO Amount	Nbr	RO Amount	Nbr	RO Amount	Nbr	RO Amount
2010	5	67,756.75	5	67,756.75	5	67,756.75	100.00%	100.00%
2012	5	40,154.75	5	40,154.75	6	40,233.92	83.33%	99.80%
2013	7	33,985.77	7	33,985.77	7	33,985.77	100.00%	100.00%
2014	1	37,283.87	1	37,283.87	1	37,283.87	100.00%	100.00%
2015	5	14,032.58	5	14,032.58	7	218,572.59	71.43%	6.42%
2016	3	36,449.07	3	36,449.07	3	36,449.07	100.00%	100.00%
2017	1	32,658.32	1	32,658.32	2	59,511.32	50.00%	54.88%
Sub-Total	27	262,321.11	27	262,321.11	31	493,793.29	87.10%	53.12%

EXPENSES BUDGET	Irregularity		OLAF Notified		Total undue payments recovered		Total transactions in recovery context (incl. non-qualified)		% Qualified/Total RC	
	Nbr	Amount	Nbr	Amount	Nbr	Amount	Nbr	Amount	Nbr	Amount
INCOME LINES IN INVOICES										
NON ELIGIBLE IN COST CLAIMS	13	136,440.83			13	136,440.83	40	424,571.18	32.50%	32.14%
CREDIT NOTES	13	1,588,871.03			13	1,588,871.03	21	5,755,743.20	61.90%	27.60%
Sub-Total	26	1,725,311.86			26	1,725,311.86	61	6,180,314.38	42.62%	27.92%
GRAND TOTAL	53	1,987,632.97			53	1,987,632.97	92	6,674,107.67	57.61%	29.78%

Note : The figures are those related to the provisional accounts and not yet audited by the Court of Auditors.

Refresh date : 28/01/2021

TABLE 9: AGEING BALANCE OF RECOVERY ORDERS AT 31/12/2020 for DG PHEA

	Number at 01/01/2020	Number at 31/12/2020	Evolution	Open Amount (Eur) at 01/01/2020	Open Amount (Eur) at 31/12/2020	Evolution
2016	4	1	-75.00 %	449,083.54	119,852.22	-73.31 %
2020		3			45,484.49	
	4	4	0.00 %	449,083.54	165,336.71	-63.18 %

TABLE 10 :Recovery Order Waivers >= 60 000 € in 2020 for DG PHEA

	Waiver Central Key	Linked RO Central Key	RO Accepted Amount (Eur)	LE Account Group	Commission Decision	Comments
0	3233200127	3241611568	-122,918.72	Private Companies		
1	3233200174	3241610784	-100,054.40	Private Companies		

Total DG PHEA	-222,973.12
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Number of RO waivers	2
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There are 2 waivers below 60 000 € for a total amount of -62.85

Justifications:

Please enter the text directly (no copy/paste of formatted text which would then disappear when saving the document in pdf), use "ctrl+enter" to go to the next line and "enter" to validate your typing.

TABLE 11 : Negotiated Procedures in 2020 for DG PHEA

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

TABLE 12 : Summary of Procedures in 2020 for DG PHEA

External Procedures > € 20,000

Procedure Legal base	Number of Procedures	Amount (€)
Simplified procedure - Services/Works < EUR 300 000 - Supplies < EUR 100 000. Legal services as in Annex 1 - 38.6. (Annex 1 - 38.1 (d))	1	250,000.00
Total	1	250,000.00

Internal Procedures > € 60,000

Procedure Legal base	Number of Procedures	Amount (€)
Competitive procedure with negotiation (Annex 1 - 12.1)	2	3,790,757.00
Open procedure (FR 164 (1)(a))	9	21,053,734.00
Total	11	24,844,491.00

Additional Comments:

TABLE 13 : BUILDING CONTRACTS in 2020 for DG PHEA

Legal Base	Procedure subject	Contract Number	Contractor Name	Contract Subject	Amount (€)

TABLE 14 : CONTRACTS DECLARED SECRET in 2020 for DG PHEA

Legal Base	Procedure subject	LC Date	Contract Number	Contractor Name	Contract Subject	Amount (€)

TABLE 15 : FPA duration exceeds 4 years - DG

None of your FPA (if any) exceeds 4 years

Note : The figures are those related to the provisional accounts and not yet audited by the Court of Auditors

Refresh date : 28/01/2021

TABLE 16 : Commitments co-delegation type 3 in 2020 for DG PHEA

ANNEX 4 : Financial Scorecard

Executive Agency CHAFEA

The Annex 4 of each Commission service summarises the annual result of the standard financial indicators measurement. Annexed to the Annual Activity Report 2020, 6 standard financial indicators are presented below, each with its objective, category, definition, and result for the Commission service and for the EC as a whole (for benchmarking purposes):

- Commitment Appropriations (CA) Implementation
- CA Forecast Implementation
- Payment Appropriations (PA) Implementation
- PA Forecast Implementation
- Global Commitment Absorption
- Timely Payments

For each indicator, its value (in %) for the Commission service is compared to the common target (in %). The difference between the indicator's value and the target is colour coded as follows:

- 100 – >95% of the target: dark green
- 95 – >90% of the target: light green
- 90 – >85% of the target: yellow
- 85 – >80% of the target: light red
- 80 – 0% of the target: dark red

The Commission services are invited to provide commentary behind each indicator's result in the dedicated boxes below as this can help the reader to understand the Commission's service context. In cases when the indicator's value achieves 80% or less of the target, the comment becomes mandatory.

Indicator	<u>CA Implementation</u>
Category	Efficiency Controls / Budget
Objective	Ensure efficient use of commitment appropriations
Result	<p>Executive Agency CHAFEA achieved 100% compared to the EC result of 100%</p>
Comment	Objective achieved
Definition	<p>Formula: Value A / Value B</p> <ul style="list-style-type: none"> - Value A: Committed L1 Accepted Amount + Direct Committed L2 Accepted Amount (Eur) - Value B: Credit Accepted Com Amount (Eur) <p>Scope:</p> <p>Commitments on all relevant Fund Sources, except for:</p> <ul style="list-style-type: none"> - Internal assigned revenue in first year (C4) - Internal assigned revenue from lettings and sale of buildings and lands (CL) - Repaid advances (structural funds) (C6) - External assigned revenue except for EFTA (FCA ,FRT, P0, R0, TCA, TF5, TFC)

Indicator	<u>PA Implementation</u>
Category	Efficiency Controls / Budget
Objective	Ensure efficient use of payment appropriations
Result	<p>Executive Agency CHAFEA achieved 90% compared to the EC result of 90%</p>
Comment	<p>Objective achieved. Operational payment appropriations implemented at ~ 100% (99,77%): 133.200.065,44 implemented out of 132.899.368,46 credits</p> <p>Administrative budget payment credits implemented at 90,25%, mainly because of delayed invoicing of inter-institutional services, return to the pandemic measures Phase-0 and the number of staff diminishing caused by staff's leaving Chafea in view of the planned closure of the Agency.</p>
Definition	<p>Formula: Value A / Value B</p> <ul style="list-style-type: none"> - Value A: Payment Accepted Amount (Eur) - Value B: Credit Accepted Pay Amount (Eur) <p>Scope:</p> <p>Payments on all relevant Fund Sources, except for:</p> <ul style="list-style-type: none"> - Internal assigned revenue in first year (C4) - Internal assigned revenue from lettings and sale of buildings and lands (CL) - Repaid advances (structural funds) (C6) - External assigned revenue except for EFTA (FCA, FRT, P0, R0, TCA, TF5, TFC) - Payments stemming from C1, C5, E0 outstanding commitments on the non-staff budget positions that will be carried-forward as C8 to the next financial year

Indicator	<u>CA Forecast Implementation</u>
Category	Efficiency Controls / Budget
Objective	Ensure the cumulative alignment of the commitment implementation with the commitment forecast in a financial year
Result	<p>Executive Agency CHAFEA achieved - compared to the EC result of -</p> <p>0% 20% 40% 60% 80% 100%</p>
Comment	The indicator is not applicable for DG CHAFEA in 2020 due to the lack of underlying transactions recorded by DG CHAFEA in 2020.
Definition	<p>Formula: Value A / Value B*,**</p> <ul style="list-style-type: none"> - Value A: Committed L1 Accepted Amount + Direct Committed L2 Accepted Amount (Eur) - Value B: Commitment Forecast Amount (Eur) <p>*if Value A / Value B between 100 and 200% then the result indicator will be equal to 1 - (ABS(Value B - Value A) / Value B)</p> <p>**if Value A / Value B > 200 % then the result indicator will be equal to 0%</p> <p>Scope:</p> <ul style="list-style-type: none"> - Commitments on all relevant Fund Sources - Commitment Forecast Amount (Eur) from the most up to date forecast version (Initial Mar-Aug, Revised Sep-Dec)

Indicator	<u>PA Forecast Implementation</u>
Category	Efficiency Controls / Budget
Objective	Ensure the cumulative alignment of the payment implementation with the commitment forecast in a financial year
Result	<p>Executive Agency CHAFEA achieved - compared to the EC result of -</p>
Comment	The indicator is not applicable for DG CHAFEA in 2020 due to the lack of underlying transactions recorded by DG CHAFEA in 2020.
Definition	<p>Formula: Value A / Value B*,**</p> <ul style="list-style-type: none"> - Value A: Payment Accepted Amount (Eur) - Value B: Payment Forecast Amount (Eur) <p>*if Value A / Value B between 100 and 200% then the result indicator will be equal to $1 - (ABS(Value B - Value A) / Value B)$</p> <p>**if Value A / Value B > 200 % then the result indicator will be equal to 0%</p> <p>Scope:</p> <ul style="list-style-type: none"> - Payments on all relevant Fund Sources - Payment Forecast Amount (Eur) from the most up to date forecast version (Initial Mar-Aug, Revised Sep-Dec)

Indicator	<u>Global Commitment Absorption</u>
Category	Efficiency Controls / Absorption
Objective	Ensure efficient use of already earmarked commitment appropriations (at L1 level)
Result	<p>Executive Agency CHAFEA achieved - compared to the EC result of -</p>
Comment	The indicator is not applicable for DG CHAFEA in 2020 due to the lack of underlying transactions recorded by DG CHAFEA in 2020.
Definition	<p>Formula:</p> <ul style="list-style-type: none"> - Value A: Com L1 Consumption amount (Eur) - Value B: Com L1 Initial amount (Eur) + Com L1 Complementary Amount (Eur) + (Com L1 Decommithment Amount (Eur) on all Fund Sources except for C8 and C9) <p>Scope:</p> <ul style="list-style-type: none"> - Com L1 with FDC ILC date from 01/01 to 31/12 of the current year - No movements to the Com L1 Consumption amount (Eur) after the FDC ILC date is taken into account (Generally decommitments of L2 which decrease the Com L1 consumption) <p>Remark: Due to technical limitation, the indicator does not take into account the Com L1 Consumption between the FDC ILC date and the FA FDI allowed as an exception in the external actions for Com L1 of type GF, i.e. with Financing Agreement, under the FR2018 Article 114.2. As a result, the actual Indicator score may be slightly higher than the one reported for DGs using the GF commitments.</p>

Indicator	<u>Timely Payments</u>																																						
Category	Efficiency Controls / Timeliness																																						
Objective	Ensure efficient processing of payments within the legal deadlines																																						
Result	<p>Executive Agency CHAFEA achieved 99% compared to the EC result of 99%</p> <p>0% 20% 40% 60% 80% 100%</p> <p>EC (99%) 99%</p>																																						
Comment	<p>Objective achieved.</p> <p>100% of payments under Operational budget made timely.</p> <table border="1"> <thead> <tr> <th></th> <th>AGRI</th> <th>HEALTH</th> <th>CONS</th> <th>BTSF</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Number of payments</td> <td>150</td> <td>181</td> <td>142</td> <td>76</td> <td>549</td> </tr> <tr> <td>Number of late payments</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>% on time</td> <td>100,00%</td> <td>100,00%</td> <td>100,00%</td> <td>100,00%</td> <td>100,00%</td> </tr> <tr> <td>% late</td> <td>0,00%</td> <td>0,00%</td> <td>0,00%</td> <td>0,00%</td> <td>0,00%</td> </tr> </tbody> </table> <p>5 payments under administrative budget were delayed. The delays had no material impact</p> <table border="1"> <thead> <tr> <th></th> <th>ADMIN</th> </tr> </thead> <tbody> <tr> <td>Number of payments</td> <td>418,00</td> </tr> <tr> <td>Number of late payments</td> <td>5,00</td> </tr> <tr> <td>%</td> <td>1,20%</td> </tr> </tbody> </table>		AGRI	HEALTH	CONS	BTSF	Total	Number of payments	150	181	142	76	549	Number of late payments	0	0	0	0	0	% on time	100,00%	100,00%	100,00%	100,00%	100,00%	% late	0,00%	0,00%	0,00%	0,00%	0,00%		ADMIN	Number of payments	418,00	Number of late payments	5,00	%	1,20%
	AGRI	HEALTH	CONS	BTSF	Total																																		
Number of payments	150	181	142	76	549																																		
Number of late payments	0	0	0	0	0																																		
% on time	100,00%	100,00%	100,00%	100,00%	100,00%																																		
% late	0,00%	0,00%	0,00%	0,00%	0,00%																																		
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%	1,20%																																						
Definition	<p>Formula: Value A / Value B</p> <ul style="list-style-type: none"> - Value A: Payment Accepted Amount (Eur) in time <ul style="list-style-type: none"> o In Time: Payment Bank Value Date <= Payment legal deadline - Value B: Payment Accepted Amount (Eur) <p>Scope:</p> <ul style="list-style-type: none"> - Payments made in the current year - Payments valid for payment statistics (DWH Flag "Payment Time Status OK?" = "Y") 																																						

ANNEX 5: Materiality criteria

Based on a consolidated approach to materiality assessment, Chafea assesses the overall impact of potential weakness using quantitative criteria such as:

a) Significant and/or repetitive occurrence of errors

The weakness points to significant and repetitive errors affecting the legality and regularity of the executed operations. The errors in the underlying transactions may be detected at any stage of the control/supervision procedures. In such cases, the Agency considers both the qualitative and quantitative aspects of the detected error(s). In relation to the quality aspect, the nature, scope duration but also any existing mitigating corrective actions will be taken into account. In relation to the quantity aspect, the Agency seeks to estimate the financial impact of the detected error (exposure or amount at risk).

b) The potential total financial impact (Residual Error Rate) exceeds 2 % of the total budget paid during the reporting period.

The potential total financial impact is calculated by applying the average rate of adjustments to the advantage of the Agency resulting from all audits finalised for the programme so far to the amount of un-audited payments for the programme in the year of the annual declaration. However, the defined materiality thresholds is applied only if the number of grants audited is sufficiently representative of the overall amount of grants managed by the Agency. This is to say, that the sample of audited contracts should cover at least 5 % of the total number of open contracts at the end of the preceding year to the annual declaration.

Qualitative criteria upon which the Agency assesses the overall impact of a weakness are also used:

a) Significant internal control system weakness

The controls may detect (major) system weaknesses that indicate deficiencies at the stage of the design of the internal control system, affecting its effectiveness. This type of weakness may be detected at any stage of the procedure (assessment of the effectiveness of the Internal Control System, the management's risk assessment, following self-assessments performed by the Agency, ex-post audits, or audits performed by the Court of Auditors. These systemic weaknesses are assessed both on their qualitative and quantitative aspects. As far as the quality aspect is concerned, the nature, scope duration but also any existing mitigating corrective actions is taken into account. The financial impact of the control system weaknesses will consider the portion of the budget managed by the Agency that is considered at risk.

b) Insufficient audit coverage and/or inadequate information from Internal Control Systems

This problematic situation is considered to occur in case the Agency is not in place to identify control weaknesses due to the fact that not enough supervision/controls/audits were performed (low level of control data). In addition, the Agency is not in position of compensatory evidence from other sources (Court of Auditors, Internal Audit Service).

c) Critical Issues reported by the European Court of Auditors, the Internal Audit Service or OLAF.

The criticality is considered not only in relation to the qualification of the Auditors. Findings (critical recommendations) but also in relation to the level of significance that other findings may have on the assurance. In that respect, recommendations that were classified as 'very important' are also taken into account, especially if the implementations of actions that mitigate the identified risks are overdue.

The existence of non-mitigated critical recommendations will justify a reservation only if: i) the underlying weakness falls into the area covered by the declaration of assurance of the Agency's Director, ii) the Agency's Director accepts that the current Internal Control System does not address the identified weakness appropriately and iii) considers that the materiality threshold (reputational, financial) is exceeded.

d) Assessment of reputational events

A significant reputational event that occurred during the year may lead to a reservation if the impact of the event has an impact on the elements constituting the declaration of assurance. This may be considered even for cases that the financial impact of the event is below the 'materiality thresholds'. It is clarified that only the reputational 'events' may be considered not the risks that, by definition, represent threats that have not been materialized. The impact of the reputational event is measured as the impact on the Agency's reputation that it characterized as a loss of confidence by its stakeholders. The Agency's stakeholders include the following: the Council, the Parliament, the Court of Auditors, its parent DG and the rest of Commission's services, the participants of the programs managed by it, its staff (actual and potential), media as well as the general public. Reputational events that may relate with the Agency's operation may refer to failure to prove regulatory compliance, insufficient management capacity, and inadequate control system, risk management, failure to meet the stakeholders' expectations, communication failures, and situations of alleged (internal) fraud.

Legality and regularity of the transactions

Chafea internal processes and procedures (e.g. financial circuits) ensure that the requirements put forward by the EU financial legislation on both grants and procurements are met and support the authorizing officer in achieving the internal control objectives. Specifically for the grants, based on a risk analysis in regard to beneficiaries' implementation capacities, procedures of reinforced monitoring of grants are introduced. In 2020, one grant was put to reinforce monitoring under the Promotion of agricultural products and one under the 3rd Health Programme. The Agency's staff participate in events (e.g. workshops, 'cluster meetings', presentations, etc.) where project deliverables are presented to both specialised audiences and broad public, and further disseminated.

In the framework of financial controls over eligibility of costs claimed by grant beneficiaries, a new strategy for payments was adopted in 2018 that, basing on the analysis of the error rates and payment delay causes, provides for additional ex-ante controls over a larger scope of invoiced amounts (e.g. lowering the thresholds for provision of certified statements, introduction of additional checks for largest values of procurement contracts concluded within respective grant agreements, intensified monitoring of the internal timeline for processing payment requests. The strategy is complemented by a payment guide.

Ex-ante controls

Chafea put in place an internal control system that provides for a close monitoring of each

co-financed action under the four managed programmes. In accordance with the Financial Regulation (Art. 74) each operation is subject to ex-ante controls: before an operation is authorised, the aspects of this operation (operational and financial) are controlled by an operational and a financial verifiers (following the "four eyes" principles); the independence of the verifier is guaranteed by the established workflows where the person executing the verification function cannot be in a subordinated role to those who execute the initiation task (i.e. a head of unit cannot initiate a transaction that is to be verified by a member of her/his unit).

Ex-post controls

The approach to the calculation of the error rates, as presented in this report, aims at reflecting the facts that programmes 2008-2013 (HP, CP) are closed (2018 becomes the year of the last payments under these programmes and audited in 2019). No more payment was done in 2019-2020 on actions from these 2008-2013 programmes. The cumulative sample of audits under this programme generation can be considered representative in terms of its nature (random sampling of non-risky transactions and minimum 30% coverage of transactions seen as risky) and its size (8%-12% of all total final payment value between 2008 and 2018). The data concerning these programmes were presented in the AAR 2019.

For this AAR, we focussed our sampling on actions funded from the programmes under the 2014-2020 period.

Chafea exercises ex-post controls by auditing a sample of final payments made over a multi-annual period of 3 years (2018-2020) for the Health programme and Consumer programme. The audited sample is drawn from two strata of the population of final payments²: those estimated as having a higher risk of errors and those estimated as bearing a low risk of errors. Sufficient coverage is ensured through the rotating nature of the sampling over the multiannual period. Furthermore, as the first grants under Promotion of agricultural products started in 2016 and hence no final payment was yet executed in the last available ex-post audit cycle, it was decided to perform ex-post audits on interim payments from the grants funded under this programme.

The assumption made that the new generation of programmes will be not more risk-bearing than the generation of 2008-2013, is backed by the presence of homogeneous concepts of eligibility and non-eligibility of costs between both generations of programmes, ex-ante measures taken by Chafea (such as inception meetings with beneficiaries where detailed explanations are given on the proper account and documentation of the grant related expenses), ex-ante controls of payments, sufficient recovery capacity of the Agency. More details are given below.

The results allow the Authorising Officer to make an informed decision whether a reservation needs to be made on the basis of the predefined materiality criteria. The results of the ex-post controls performed after the execution of final payments of grants provide, among other, also information on the quality (effectiveness) of the ex-ante controls, as well as the basis for the assessment of the Agency's financial exposure in terms of amount at risk per programmes concerned; this amount will determine if a reservation is needed considering the materiality of the residual error.

² Only final payment where audited until now. The only exception is for the new AGRI programme where, based on a risk analysis, it was decided to audit interim payments.

MATERIALITY ASSESSMENT

Ex-post controls – audit methodology and coverage

This AAR presents the final reports received during 2020 that have been added to the ex-post audits final reports on the multiannual sample of the 2019 ex-post audit cycle. For the 2020 ex-post audit the contract was launched and due to be signed in November 2020. However, due to the foreseen closure of Chafea, the signature of this contract was cancelled by the Authorising Officer. The programmes managed by Chafea will be transferred to 3 different successor agencies (the Health Programmes goes to HaDEA, the Consumer Programme to ISMEA and the Promotion of Agriculture Products to REA) and this split would prevent the efficient management of the service contract for ex-post audit, which covered transactions under these three programmes. Therefore, the successor agencies will prepare a new set of contracts for auditing the transactions within the programmes that come under their responsibility.

Since 2018, the final payments executed under the Third Health programme and the Second Consumers programme were audited ex-post. The first grants under Promotion of Agricultural Products started in 2016. In 2019, when the sample was prepared, there was no final payment concluded. Therefore, based on the assessment of the unit, the audited sample included (like in AAR2019) one interim payment transaction under this programme.

Ex-post audits are carried out at the beneficiaries' premises, covering a percentage of payments authorised over the period 2016-2019. The results of ex-post controls allow drawing conclusions regarding the detected error rate affecting the whole population throughout the whole duration of the managed programmes (2014-2020).

2019 Ex-post cycle – sampling strategy

For the 2019 audits on final payment, the sample frame was limited to payments executed through the period 2018-2019 (see the above explanations about the audit cycle).

Health Programme 2014-2020

The population from which the sampling in 2019 was drawn does not include:

- Grants for which the invoice payment date was before January 2016 were excluded from the below mentioned sampling following art.13.1 of the grant agreements or art.18.1 of the framework partnership agreements where it is stated that *'The beneficiaries must — for a period of five years after the payment of the balance — keep records and other supporting documentation, in order to prove the proper implementation of the action and the costs they declare as eligible'*.
- Direct Grant Agreements with International Organisations – Programme 2014-2020: *'Where the EC considers that exceptional circumstances warrant verification by the EC itself, a reasoned request by the EC, via the EC Coordinator, for an on-the-spot verification or a desk review shall be sent to the OECD Secretary-General'*, as stated in the Framework Administrative Agreement between the European Union represented by the EC and the OECD (FAA)- (attachment 3 and 3a). In case there is a reasoned request by Chafea's Operational Units for on-the-spot verification, the action will be included in the risk sampling;

- Grants for which the cost claim was submitted to Chafea but the payment has not been executed by 31/01/2019; In case that Chafea's Operational Units indicates reasoned request for audit before the completion of final payment, an ex-ante on-the-spot control may be performed, following AOs approval;
- Interim payments under the programme 2014-2020: Data ware house (DWH-BO reports) recognises the interim payments as final payment under the above mentioned programme. As a result, there are 39 transactions that were not included in the random sampling because the final payment has not been completed yet;
- For Consumers programme: grants audited before, grants of the values close to audit costs (about EUR 7 000), e.g. grants on exchange of officials (Consumers Programme);
- One service contract encoded with the wrong instrument type as project instead of service contract.

Within the total population, two groups (strata) were identified, based on the gathered knowledge and resulting assumptions: the 'group of the low-risk' and a 'higher-risk group'. From the low-risk group the transactions for audit were sampled at random.

Audits under Health programme

12 final payments (16 beneficiaries) were randomly selected from 110 final payments for 2015-2017, (11 % of the strata).

The random selection was based on the excel function "*randbetween*".

A risk-based sample of 1 transactions (~50 % of the strata) was drawn. The risk-based sampling was made by the ex-post control team based on professional judgment following such criteria as: i) proposal by the programme and financial teams; ii) percentage of the EU funding (between 50 %-95 %) of the claimed amount; iii) recurrence of the grant: Chafea is giving yearly funding to some type of grants (i.e. operating grants).

The total value of EU grants randomly sampled under Health programme amounted to EUR 7.41 million. Risk-based sample was relevant only for the Health programme and amounted to EUR 0.47 million.

Audits under the Consumers programmes

Out of the 88 transactions, 6 never-before-audited transactions were selected as sample frame (6.8 % of the strata). Indeed, the transactions related to the ECC NET programme represents 84 transactions out of these 88. The objective is to check the whole population of the ECC Net grants over a limited period of time. In total, there are 30 ECC Net grants that represent 30 different countries in the EU and EFTA region. Out of the 30 ECC Net, 25 have already been audited in the recent years. For this batch, we focus the audit on 3 ECCs (2 financial years) that were not audited in the recent past. Therefore, the sample (risk-based) will contain 6 payments (2 financial year of 3 different ECCs). The limited size of the original sample after removing organisations audited in the recent past, there was no sense to go randomly.

Audits under the Promotion of agricultural products programme

One transactions (interim payment) on a risk based sample were selected based on risk factors presented by the operational unit..

Moving multiannual average Detected Error Rates per programme

The values presented in this AAR, are based on 18 Health programme audit reports from 2014-2020 Programme (17 reports from 2019 audits (batch 14) and 1 reports from 2018 (batch 13) all finalised in 2020), 6 from Consumers programme 2014-2020 reports and 1 Promotion of agricultural products 2016-2020 reports were added to the multiannual sample.

In March 2020 the internal audit service (IAS) issued its note “*IAS contribution to the 2019 peer review – Position on the methodology for calculating the error rates in the Research and innovation family (Horizon 2020) and in other policy areas under direct management (2019 Annual Activity Reports)*”, with a recommended approach³.

The recommended approach foresees in particular the calculation of detected error rates on the basis of the amounts effectively audited during the ex-post controls (at a single transaction level). For all the actions under the 2014-2020 programmes audited on ex-post, Chafea has calculated the error rate based on the methodology recommended by IAS: The error rates presented below are calculated on the amount audited but not on the total grant amount.

The Table below shows the composition of the sample and the resulting Detected Error Rates:

Programme	Sampling type	Number of audits	Detected Error Rate
Health programme			
2014-2020	Random	23	2.27 %
	Risk	1	0 %
Consumers programme			
2014-2020	Random	7	0.32 %
	Risk	6	4.68 %
Promotion of agricultural products			
2016-2020	Risk	3	1.88 %

2014 – 2020 programmes generation: Detected Error Rates

The table below shows the total value of EC contribution for grants under the 2014-2020

³ Ares(2020)1504722 of 11/03/2020.

programmes of which final payments were made in the period 2014-2019 and the amount audited thus far.

	Health programme	Consumers programme	Promotion of agricultural products	Total
Total value of EC contribution for grants of which final payments were made 2014-2019 (EUR)	74.425.707	26.357.740	70.274.932	171.058.379
Amount ex-post audited in 2014-2019 (EUR)	6.752.311	8.939.536	2.516.952	18.208.799
% of the sampled value	9,1 %	24,6 %	3,6 %	10,6 %

Considering the small size of the audited samples for these programmes, no extrapolation onto the general population can be done⁴. The audited amounts vary from 2.3 % to 20.0 % of the EC contribution, with an average coverage of 6.6 %. As best and conservative estimate, the observed detected error rate per programme is reported to serve as average error rate.

Health programme

Transaction audited (#)	Total Cost (EUR)	EC total contribution (EUR)	Total cost effectively audited (EUR)	Total Cost rejected (EUR)	Detected Error Rate
1	186.967	149.574	90.215	4.335	4,81%
2	136.523	79.110	129.751	2.535	1,95%
3	360.009	200.749	326.777	9.078	2,78%
4	273.312	100.000	259.313	0 ⁵	0,00%
5	747.491	448.495	620.937	0	0,00%
6	332.574	266.059	278.074	89	0,03%
7	283.056	204.133	265.984	0	0,00%
8	1.291.643	770.000	970.413	817	0,08%
9	805.219	434.192	592.555	658	0,11%
10	547.169	326.808	469.850	1.618	0,34%
11	470.232	376.186	365.387	0	0,00%
12	251.182	200.000	238.047	1.127	0,47%
13	220.226	132.135	200.459	178	0,09%
14	216.792	130.075	216.792	54.431	25,11%

⁴ The samples will gradually improve their statistical significance in the next years with more ex-post audit cycles becoming available.

⁵ The beneficiary declared for that final payment, costs that exceeded substantially (>250 %) the total grant amount foreseen in the grant agreement. When auditing this file, the auditors identified that €63.431 as ineligible. However, even after deducting this non eligible costs, the beneficiary had still an excess of eligible cost declared compared to the maximum grant amount. Therefore, the result of this audit had no effect on the final payment calculation done by CHAFEA and the total rejected cost for this project (that should be recovered) was 0€.

15	212.869	170.296	199.707	75	0,04%
16	209.623	125.774	209.623	54.376	25,94%
17	209.161	125.497	209.611	3.438	1,64%
18	189.534	151.627	189.534	5.801	3,06%
19	182.024	145.619	182.024	1.101	0,60%
20	171.448	100.261	159.970	3.039	1,90%
21	168.691	134.952	168.691	0	0,00%
22	159.500	127.600	159.500	588	0,37%
23	134.935	107.948	125.979	1.558	1,24%
24	123.905	99.124	123.118	0	0,00%
Total	7.884.086	5.106.213	6.752.311	144.842	2.15%

Consumers programme

Transaction audited (#)	Total Cost (EUR)	EC total contribution (EUR)	Total cost effectively audited (EUR)	Total Cost rejected (EUR)	Detected Error Rate
1	162.352	97.411	153.726	0	0,00%
2	572.526	286.263	555.965	4.523	0,81%
3	1.174.000	633.913	1.141.674	4.214	0,37%
4	1.322.139	727.139	1.193.727	0	0,00%
5	591.481	281.074	569.372	0	0,00%
6	529.528	264.764	514.557	5.155	1,00%
7	3.799.075	1.400.000	3.171.333	9.287	0,29%
8	620.843	310.422	564.620	50.653	8,97%
9	791.828	443.424	643.060	12.958	2,02%
10	132.414	82.097	132.414	0	0,00%
11	129.402	84.111	129.402	0	0,00%
12	94.147	61.196	94.147	13.067	13,88%
13	75.539	46.834	75.539	0	0,00%
	9.260.396	4.718.647	8.939.536	99.856	1.12%

Promotion of agricultural products

Transaction audited (#)	Total Cost (EUR)	EC total contribution (EUR)	Total cost effectively audited (EUR)	Total Cost rejected (EUR)	Detected Error Rate
1	2.115.111	1.692.089	1.499.177	39	0%
2	978.781	783.025	748.432	19.038	2,54%
3	395.055	316.044	269.343	28.162	10,46%

Total	3.448.947	2.791.158	2.516.952	47.239	1.88%
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Agency

Programmes	Total Cost (EUR)	EC total contribution (EUR)	Total cost effectively audited (EUR)	Total Cost rejected (EUR)	Detected Error Rate
Health programme	7.884.086	5.106.213	6.752.311	208.274	3.08%
Consumer programme	9.260.396	4.718.647	8.939.536	99.856	1.12%
Promotion of agricultural products	3.448.947	2.791.158	2.516.952	47.239	1.88%
Total	20.593.429	12.616.018	18.208.799	355.369	1,95%

Residual error rate

Health programme

Risk profile (% of population)	Population audited (% of population)	Detected Error Rate	Residual Error Rate (= actual or assumed)
Higher Risk ~5 %	50 % of this segment => 2,5 % of population	0 %	- Audited part (2,5 %): 0 % (=errors detected are corrected) - Non-audited part (2,5 %): 0 %
Lower Risk 95 %	9,1 % of this segment => 8,6 % of population	2.27 %	- Audited part (8,6 %): 0 % (=errors detected are corrected) - Non-audited part (86,4 %): 2.27 % ⁶
<u>Overall</u> residual error rate =			
$(0,025 \times 0 \%) + (0,025 \times 0 \%) + (0,086 \times 0 \%) + (0,864 \times 2.27 \%) = \mathbf{1,96 \%$			

Consumers programme

Risk profile (% of population)	Population audited (% of population)	Detected Error Rate	Residual Error Rate (= actual or assumed)
Higher Risk ~10 %	50 % of this segment => 5 % of population	4,68 %	- Audited part (5 %): 0 % (=errors detected are corrected) - Non-audited part (5 %): 4,68 %
Lower Risk 90 %	24,6 % of this segment => 23,4 % of population	0,32 %	- Audited part (23,4 %): 0 % (=errors detected are corrected) - Non-audited part (66,6 %): 0,32 %

⁶ Includes one 2018 preliminary report.

Overall residual error rate =

$$(0,05 \times 0 \%) + (0,05 \times 4,68 \%) + (0,234 \times 0 \%) + (0,666 \times 0,32 \%) = \mathbf{0,45 \%}$$

Promotion of Agricultural Products

The Promotion of Agriculture Products initiative started in 2016. By the time of the 2019 audit cycle no final payments had been made yet. Therefore, the sample is too small to calculate a reasonable residual error rate. As a consequence, for this report, we use the detected error rate (1.88 %) instead. The sample will grow significantly in future.

Overall Residual error rate (all three programmes together)

Risk profile (% of population)	Population audited (% of population)	Detected Error Rate	Residual Error Rate (= actual or assumed)
Higher Risk ~5 %	22 % of this segment => 1,08 % of population	2,74 %	- Audited part (1,08%): 0 % (=errors detected are corrected) - Non-audited part (3,92 %): 2,74 %
Lower Risk 95 %	10,6 % of this segment => 10,1 % of population	3,26 %	- Audited part (10,6 %): 0 % (=errors detected are corrected) - Non-audited part (84,4 %): 1,69 %
<u>Overall</u> residual error rate = $(0 \% \times 0,0108) + (2,74\% \times 0,0392) + (0 \% \times 0,106) + (1,69 \times 0,844) = \mathbf{1.53\%}$			

Case of materiality threshold > 2 %

None: The residual error rate is below 2 % for all programmes.

Corrective capacities and historic average

The table below reports the 7-year historic average of average corrections for operational expenses⁷.

Year	Pay accepted amount (EUR)	Total recoveries (EUR)	Average correction
2012	66,649,883.27	3,030,270.61	4.5 %
2013	64,405,387.87	913,463.48	1.4 %
2014	61,272,489.18	3,735,254.61	6.1 %
2015	66,257,143.19	1,831,200.60	2.8 %
2016	80 726,153.04	2,880,634.73	3.6 %
2017	80,659,383.10	895,679.99	1.1 %
2018	98,984,238.76	153,747.78	0.2 %

⁷ Data provided by DGBUDG.

2019	115,197,356.45	431.936,61	0.4 %
2020	132.899.368,46	1.987.632,97	1,5 %
			Historic average: 2,0 %

Conclusions

According to the best estimates, the error rates at Chafea generally remain under the materiality threshold of 2.0 %. The overall residual error rate for the Agency in 2020 is below the materiality threshold of 2.0 %.

COST-EFFECTIVENESS OF CONTROLS

Calculation of costs of control – Grants

The calculation is based on the annex 3 of the *Guidance Note on the estimation, assessment and reporting on the cost-effectiveness of controls* of December 2018. To facilitate the calculation, the staff cost for stage 1 and 2 were merged.

Process	Costs of staff (EUR) ⁸	External inputs (EUR)	Total costs (EUR)
Stage 1 Programming, Evaluation and Selection of proposals up to the award	TA (AO): 0,35 FTE * EUR 172.700 = EUR 60.445 TA (OVA, HoU): 0.86 FTE * EUR 172.700 = EUR 148.954 TA (coord.): 2,2 FTE * EUR 172.700 = EUR 379.940 TA (fin.): 1,46 FTE * EUR 172.700 = EUR 252.142 TA (legal, reporting, IC, accounting): 0,65 FTE * EUR 172.700 = EUR 112.252	External expert costs EUR 175.588 (PHP) + EUR 398.565 (AGRI) = EUR 574.153	
Stage 2 Contracting and Monitoring phase of grant agreements up to final payment execution	CA FGIV (PO, legal, IT): 16,72 FTE * EUR 101.700 = EUR 1.700.928 CA FGIII (FO): 4,55 FTE * EUR 71.100 = EUR 323.505 CA FGII (Project assistant): 1,90 FTE * EUR 71.100 = EUR 135.090 <i>Cost of staff for Stage 1 & 2:</i> EUR 3.113.256 (28,7 FTE)		EUR 3.687.409

⁸ DB BUDG "Additional Guidance on Internal Control Strategies".

Stage 3 Ex post control and follow up	CA FG III (ex-post control officer): 1.0 FTE * EUR 71.100 = EUR 71.100	Outsourced ex-post audits = EUR 117.177	EUR 188.277
Total costs	EUR 3.875.686		
Ratio costs of controls versus related amount managed (commitment + payment appropriations for grants)	EUR 3.875.686 / (EUR 133.168.372 ⁹ + EUR 95.963.687 ¹⁰) = 1.69 %		

Evolution in recent years

Cost of control (EUR)¹¹			
2017	2018	2019	2020
2.179.100	3.354.356	3.580.112	3.875.686

Ratio costs of controls /overall funds managed			
2017	2018	2019	2020
2.60 %	1.66 %	1.78 %	1.69 %

To calculate the cost of control on grants in 2020, all the staff costs and other costs related to the preparation of the calls, for the evaluation of proposals, for the preparation and signature of the grant agreements (commitment appropriations), for the monitoring of the grants, for the payments and recoveries (payment appropriations), for ex-post and reporting were taken into account. These processes were carried out by 29.7 FTE and for a total amount (also including external costs) of EUR 3.875.686. This represents 1.69 % of the 2020 commitment / payment appropriations for grants.

The evolution of the ratio costs of controls/overall funds managed remains in line with 2019.

The control strategy for grants is considered to be cost-effective overall.

Calculation of costs of control – Procurement

As for grants, the calculation is based on the annex 3 of the *Guidance Note on the estimation, assessment and reporting on the cost-effectiveness of controls* of December 2018. To facilitate the calculation, the staff cost for stage 1, 2 and 3 were merged.

Process	Cost of staff (EUR)	External inputs (EUR)
Stage 1	TA (AO): 0,35 FTE * EUR 172.700 = EUR	N/A

⁹ Grant commitment appropriation.

¹⁰ Grant payment appropriation.

¹¹ The sensitive increase in the cost of control registered in 2018 was mainly due to a change in the cost calculation methodology.

Planning and definition of needs	60.445	
Stage 2 Evaluation of the offers submitted and award	TA (OVA, HoU): 0,94 FTE * EUR 172.700 = EUR 161.906	
Stage 3 Supervisory measures during contract implementation.	TA (coord.): 2,4 FTE * EUR 172.700 = EUR 414.480 TA (fin.): 1,34 FTE * EUR 172.700 = EUR 231.418 TA (legal, reporting, IC, accounting): 1,15 FTE * EUR 172.700 = EUR 198.598 CA FGIV (PO, legal, IT): 16,17 FTE * EUR 101.700 = EUR 1.644.989 CA FGIII (FO): 2,45 FTE * EUR 71.100 = EUR 174.195 CA FGII (Project assistant): 3.1 FTE * EUR 71.100 = EUR 220.410 <i>Cost of staff for Stage 1, 2 & 3:</i> EUR 3.103.442 (27,90 FTE)	
Total		EUR 3.103.442
Ratio costs of controls versus related amount managed (commitment + payment appropriations for procurements)	EUR 3.103.442 / (EUR 45.138.435 + EUR 35.714.264) = 3.83 %	

Evolution in recent years

Cost of control (EUR)			
2017	2018	2019	2020
1.159.839	2.709.837	2.881.572	3.103.442

To calculate the cost of control on procurements, all the staff costs and other costs related to the preparation of the calls, for the evaluation of offers, for the preparation and signature of the contracts (commitment appropriations), for the monitoring of the contracts, for the payments and recoveries (payment appropriations) were taken into account. These processes were carried out by 26.50 FTE for a total amount of EUR 2,881,572. This represents 2.96 % of the 2019 commitment / payment appropriations for procurements.

Main cost-drivers are: i) the highly regulated public procurement procedures requiring in-depth knowledge and experience of staff to ensure compliance and good quality of each process; ii) open calls for tender for new tasks and actions in technically complex environments entailing a relatively high workload for drafting tender specifications; iii) the high number of relatively small-value contracts increasing the work load indicator “cost over budget spent”.

Ratio costs of controls /overall funds managed			
2017	2018	2019	2020
1,40 %	3,95 %	2,96 %	3,82%

The cost of control for procurement is between the value of 2018 and 2019. It is higher

than 2019, because the amount of fund managed in procurement was slightly lower in 2020 due to the impact of the COVID crisis.

Total cost of control

Evolution of the total cost of control

Cost of control (EUR)			
2017	2018	2019	2020
3.338.939	6.064.193	6.461.684	6.979.128

Evolution of the ratio costs of controls /overall funds managed

Ratio costs of controls /overall funds managed			
2017	2018	2019	2020
4,00 %	2,24 %	2,16 %	2,25%

The ratio costs of controls/overall funds managed is rather stable over the last 3 years.

QUANTIFIABLE CONTROL BENEFITS

Assessment of quantifiable benefits

To assess controls benefits in terms of quantities Chafea applies calculations based on monetary values related to awarded grants or procured contracts. Controls performed during the main stages of expense cycle are considered: planning and preparation, implementation and conclusion including ex-post controls.

When quantifying benefits of controls one should bear in mind that the outcomes of such assessment can only reflect effects in very particular situations. When considering the values one should always refer to the non-quantifiable benefits to be able to see the causes and make conclusions.

Obviously, the evaluation and selection of proposals and tenders plays the decisive part for the implementation of programme objectives since at this stage the best proposals are sorted out from the weak ones. At the same time that to the efforts made by the programme implementation team (organisation of information days for potential applicants, preparing explanations on various requirements to the proposals and tenders, support through help-desks, etc.) the submitted proposals constantly improve their quality which means in typical call under the delegated programmes the number of non-eligible and low-quality proposals decreased over time. Also quantification methods need to be adjusted to the changing reality.

The close monitoring of project implementation by Chafea results in improved quality of financial reports by beneficiaries and contractors which means that the reports and invoices contain either little or no errors. Consequently the values of errors detected by controls is correspondingly low. The same reasoning refers to ex-post control and the resulting recoveries.

In 2020, in the situation of covid19 pandemic adjustments to the projects were made which reduced e.g. travel and accommodation expenses, room rentals etc.

Under Promotion of Agricultural products, following the outbreak of the pandemic which caused market disturbance in several agricultural sectors, two additional calls for proposals were launched with the objective to restore normal market conditions in the affected sectors. As a result, in 2020 the number and value of proposals received under Agri Promotion almost doubled in comparison with 2019 where the competition among applicants was already high. In quantitative terms is reflected by value of control benefits at the evaluation and selection stage.

Assessment of non-quantifiable benefits

Especially benefits resulting from the controls carried-out during the initial stages of the procedures, including the programming and planning phase, ensure that the co-financed projects and procured services optimally contribute to the achievement of the parent DGs' policy objectives. The benefits from control go beyond those expressed in monetary terms (quantifiable) and are broader than purely financial ones. The controls performed during the preparatory phase allow for the next stages of the procedure (evaluation, award, and signature of the agreement or contract) to occur; in specific, the quality of the call/tender documentation, the completeness of the information that is requested from applicants/tenderers will facilitate a transparent evaluation, ensuring equal treatment of the applicants/tenderers. Sound call and tender documentation, while becoming part of agreements / contracts, is a pre-requisite and pre-condition of further high-quality controls over project progress and outputs which means that the control over all related payments becomes possible and the payment procedures are transparent and based on the sound financial management principles. A sound evaluation will ensure the selected proposals' / offers' best contributing to the attainment of the objectives of the respective programmes and policies at an advantageous price/quality ratio.

Further the factors mentioned earlier in this Annex, the non-quantifiable benefits from controls consist in e.g. their deterrent effect, and particularly important prevention of reputational damages and confirming legality, regularity, ethics and integrity values. Especially ex-post controls bear deterrent effect in case of recurrently audited beneficiaries and result in more accuracy and improved processes and documentation.

Grant management

Stages of procedure		Prevented ¹² or dissuasive benefit (EUR)	Detected error (EUR)	Corrected error (EUR)
Stage 1	Evaluation and selection of proposals	PHP: EUR 1.383.800 + CONS: EUR 1.502.615 + AGRI: EUR 19.771.605 = EUR 22.658.020		

¹² Benefits under 'prevented' are benefits deriving from the controlling activities up to the moment of the grant agreement signature, estimated as " total budget of rejected proposals in case of their probable receiving grants if there were no controls minus total budget of proposals evaluated above threshold ".

Stage 2	Contracting, Monitoring of grant agreements implementation (up to final payment)		<i>Difference "requested by proposals selected for GAs" minus "signed GAs value"</i> AGRI: n/a + PHP: EUR 6.573 + CONS: EUR 282.580 ¹³ = EUR 289.153	
Stage 3	Ex-post control implementation and follow up			EUR 177.339
Total quantifiable benefits for grants:		EUR 23.124.512		

Procurement management

Stages of procedure		Prevented or dissuasive benefit (EUR)	Detected error (EUR)	Corrected error (EUR)
Stage 1	Planning and definition of needs	<u>Allocated for procurement:</u> PHP: EUR 11.472.910 (carry over from 2019) + EUR 8 251 042 (budget 2020) = <u>EUR 19.723.952</u> + BTSF: EUR 18.000.000 (carry over from 2019) + EUR 19.000.000 (budget 2020) = EUR <u>37.000.000</u> + CONS: EUR 2,268,951 (carry-over from 2019) + EUR 9.008.135 (2020 budget) = <u>EUR 11.277.086</u> + AGRI: 15.743.570 (carry-over from 2019) + EUR 9.500.000 (2020 budget) = <u>EUR 25.243.570</u> = EUR 93.244.608		

¹³ This difference between the value of the requested contribution (EUR 6,308,863.00) and the contribution granted in the signed agreements (EUR 6,026,282.66) results from the adjustments to the covid19 pandemic circumstances.

Stage 2	Procurement preparation and organisation, evaluation of the offers submitted and award	<p><u>Contracted (FD2019 & FD2020):</u></p> <p>PHP: EUR 10.880.902 (from 2019) + EUR 478.114 (from 2020) = <u>EUR 11.359.016</u></p> <p>+</p> <p>BTSF: EUR 12.426.014 (from 2019) + EUR 212.341 (from 2020)</p> <p>EUR <u>12.638.355</u></p> <p>+</p> <p>CONS: EUR 2.257.622 (from 2019) + EUR 2.792.372 (from 2020) = EUR <u>5.049.994</u></p> <p>+</p> <p>AGRI: 15.743.570 (from 2019) + EUR 1.873.231 (2020) = EUR <u>17.616.801</u></p> <p>= EUR 46.664.166</p> <p><i>Difference Allocated – Contracted:</i></p> <p>EUR 93.244.608- EUR 46.664.166= EUR 46.580.442</p> <p><i>Carry over to 2021:</i></p> <p>Carry-over to 2021:</p> <p>PHP: EUR 7.376.928</p> <p>+</p> <p>BTSF: EUR 18.787.659</p> <p>+</p> <p>CONS: EUR 6.215.763</p> <p>+</p> <p>AGRI: EUR 7.537.397</p> <p>= EUR 33.701.977</p> <p><i>Difference after removing carry-over 2020:</i></p> <p>EUR 46.580.442</p> <p>–</p> <p>EUR 33.701.977</p> <p>= EUR 12.878.465</p>		
Stage 3	Supervisory measures during contract implementation ¹⁴		<p>PHP: EUR 149.588</p> <p>AGRI : n/a ¹⁵</p> <p>CONS : EUR 67.398</p> <p>EUR 216.986</p>	
Total quantifiable control benefits procurement:		EUR 13.095.451		

¹⁴ Difference contracted minus paid. The low differences proof of Chafea's successful monitoring at all stages of the contract implementation before invoices are issued by contractors.

¹⁵ Under Promotion of agricultural products three contracts on organisation of fairs were terminated in the middle of preparation to the events, due to the outbreak of the pandemic. Total amount of the cancellation: EUR 1.541.831.

Overall assessment of cost-effectiveness of controls

The quantitative benefits of the controls in 2020 are expressed as the relation of the costs of controls in both grant and procurement management towards the total identified material benefits.

	Cost of controls	Quantifiable benefits of controls	Cost-effectiveness ratio
<i>Grants</i> ¹⁶	EUR 3.875.686	EUR 23.124.512	1 : 5,9
<i>Procurement</i>	EUR 3.103.442	EUR 13.095.451	1 : 4,2
<i>Total</i>	EUR 6.979.128	EUR 36.219.963	1 : 5,2

Evolution of the control cost-effectiveness in quantifiable terms

	2015	2016	2017	2018	2019	2020
<i>Grants</i>	1 : 1.06	1 : 2.8	1 : 5.1	1 : 1.5	1 : 2.8	1 : 5,9
<i>Procurement</i>	1 : 4.2	1 : 4.7	1 : 6.5	1 : 0.8	1 : 0.9	1 : 4,2
<i>Total</i>	1 : 1.6	1 : 2.8	1 : 5.6	1 : 1.2	1 : 1.9	1 : 5,2

¹⁶ The costs of controls include also controls over the selection of grants co-funding within Agri Promotion call for simple grants where grants are managed by Member States i.e. the payments are made by the latter, not by Chafea but Chafea bears control costs at stages "preparation, adoption and publication of the Calls for Proposals" and "evaluation and selection of proposals".

ANNEX 6: Relevant Control System(s) for budget implementation (RCSs)

Grant Direct Management

Stage 1: Programming, Preparation, adoption and publication of the Annual Work Program (AWP) and Calls for Proposals

Main control objectives: Ensure that the Agency selects proposals that contribute the most towards the achievement of the Programs' general and specific objectives; ensure that call for proposals procedure is organised and conducted in compliance with the applicable rules; ensure that control system does not allow fraud to occur.

Main risks It may happen that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
<p>a. The annual work programme (serving as the financing decision) and the subsequent calls for proposals do not adequately reflect policy objectives, priorities; the eligibility, selection and award criteria are not adequate/ poorly defined, and cannot ensure a proper evaluation.</p> <p>b. Explicit and specific objectives (SMART) of foreseen action/programme, management mode(s), the maximum EU financial contribution, the types of beneficiary, fraud prevention measure are not clearly established. This can be due to the lack of review by policy area experts, legal officers, finance officers, communication specialists</p> <p>c. The objectives of the Annual Work Program (AWP) do not correspond to political EU goals. This could have an impact on non-achievement of EU objectives</p> <p>d. A lack of efficiency in identifying on time the overlapping between several AWP directed at the same kind of beneficiary can conduct to a risk of double funding (waste of resources)</p> <p>e. A too rigid basic act which can lead to a reduce of flexibility in the choice of assistance for the actions being funded</p> <p>f. A lack of internal resources in the DG to launch and properly monitor the actions lead to a waste of time and</p>	<p>a. The annual work programme that serves as financing decision is adopted by the European Commission following an inter service consultation; the Agency, in line with its remit, provides technical input and helps the Commission to define the elements that will contribute to the clarity of the call text and allow for the smooth evaluation of the proposals, in line with the provisions of the FR.</p> <p>b. The preparation and the adoption of the basic act are not included as the risks linked to this are quite limited. Chafea is an Executive Agency implementing the programmes of the parent DGs.</p> <p>c. As above</p> <p>d. As above</p> <p>e. As above</p> <p>f. As above</p> <p>g. As above</p> <p>h. As above</p> <p>i. The Agency liaises with the responsible Commission departments from the outset of the programme's preparation and is in a position to launch calls for proposals at the day of the adoption of the AWP (serving as financing decision) if needed.</p> <p>j. As above</p> <p>k. Risks linked to this phase is quite limited as Chafea is an Executive Agency, only implementing the programmes of the parent DGs</p> <p>l. Efficient grant planning to ensure that calls for proposals are published within the period indicated in the annual work programme.</p>	<p>Coverage/Frequency: 100% - all calls for proposals launched by the Agency are checked for compliance with the financing decision and the applicable legal framework.</p>	<p><i>Effectiveness:</i></p> <p>a. budget amount of the work programmes concerned;</p> <p>b. number of complaints received by applicants due to non-clarity of the call text;</p> <p>c. number of proposals received over number expected and/or in relation to the previous year (s).</p> <p><i>Efficiency:</i></p> <p>a. average cost per call and/or selected proposal;</p> <p>b. % of costs (FTEs) over annual amounts disbursed in grants;</p> <p>c. time to publication of selection results.</p> <p><i>Economy:</i></p> <p>Costs: FTE of staff involved in the procedure (full cost approach).</p>

Main risks It may happen that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
<p>resources and non-achievement of the EU objectives</p> <p>g. Significant delays (e.g. comitology procedure) result of a lack planning and organization for the adoption of the AWP, for programme management and monitoring arrangement.</p> <p>h. The absence of proper budget estimation can have an impact on non-achievement of EU objectives, waste of time and resources, adverse reputation</p> <p>i. Delays occur in adopting the AWP serving as the financing decision/annual work programme is published later than 31.3.of year N.</p> <p>j. Lack of precision in identifying the beneficiaries can generate non-achievement of EU objectives, waste or bad distribution of resources, litigation, and adverse reputation</p> <p>k. Grant programmes may not be properly evaluated ex-ante to take into account the risks linked with the proposals and lessons learned from similar experiences in the past</p> <p>l. Late publication of the calls for proposals may result in short deadlines for the submission of applications; this, in its turn, may not allow for proposals of a satisfactory level of quality to be submitted. As a result, the attainment of the program's objectives may not be optimal or even jeopardised.</p> <p>m. accumulation and duplication of grants is not prevented appropriately</p> <p>n. Call for proposals does not reach the target group: Potential impact: non-achievement of EU objectives, delays as the call for proposals has to be re-published.</p> <p>o. Lobbying by potential applicants outside the call publication period: many potential applicants contact the AGRI promotion unit and ask for</p>	<p>m. .SEP & SYGMA IT tools used by the Agency for proposal submission and grant management provide the Agency with information on the EU grants that the applicant benefits from; the latter is also explicitly requested to declare other applications submitted at the stage of the application procedure (last 3 years)</p> <p>n. Where appropriate and feasible: Launching of communication campaigns to promote funding opportunities</p> <p>o. Refuse bilateral meetings and orient parties toward DG AGRI who does not have a conflict of interest with potential applicants, as it is not involved in the evaluation process. If bilateral meetings do take place, draft minutes and ensure presence of at list 2 staff members. A note was prepared in this respect which instructs the unit not to accept bilateral meetings and to privilege contacts during info days.</p> <p>p. Align the organisation of its helpdesk with the recommendations of DG BUDG's <i>vademecum</i> on grants, i.e. (i) questions are submitted by potential applicants to a functional mailbox advertised in the text of the call and (ii) both questions and answers are then published on a website accessible to all potential applicants. (iii) Deadline for Q&A to be included in the call text.</p>		

Main risks It may happen that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
<p>bilateral meetings, which could cause real or perceived unequal treatment.</p> <p>p. Potential non-compliance with the general principles of transparency and equal treatment (e.g. help-desk of the AGRI Promotion unit).</p>			

Stage 2: Evaluation, Ranking and selection (award of proposals)

Main control objectives: Ensure that the most promising projects for meeting the policy objectives are among the proposals selected (effectiveness); the evaluation and award procedure conform with the applicable rules (legality and regularity); the control system in place does not allow for fraud to occur (especially conflict of interest).

Main risks It may happen that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
<p>a. High volume of grant proposals which need translation might cause delays in the evaluation procedure;</p> <p>b. If potential applicants are not sufficiently made aware of the importance and practical implications of the eligibility requirements relating to the nature of the procedure to select an implementing body, this may create a risk of a high number of cases of non-compliance which can delay the start of the implementation of selected programmes;</p> <p>c. The evaluation, ranking and selection of proposals are not carried out in accordance with the established procedures, the policy objective and/ or the announced eligibility, selection and award criteria;</p> <p>d. Risk of confusion between selection and award criteria: If the guidance provided to the experts is not sufficiently clear on the distinction between eligibility, selection, and award criteria, there is a risk for the quality of evaluation;</p> <p>e. Unauthorised persons gain access to the electronic exchange system for grant</p>	<p>a. Risk typical mainly for promotion of AGRI products. Use experience from previous year(s) to timely estimate translation timing and budget;</p> <p>b. Reinforcing communication to potential applicants on the importance of a competitive procedure to select implementing bodies and correct the text of the formal declaration made by the applicants to reflect the text of the call unambiguously;</p> <p>c. The evaluation is conducted on the basis of detailed rules that are stipulated in the guide for applicants (publicly available via the applicants' Horizon 2020 portal); the evaluators appointed by the AOD, apart from their technical experience, are appointed on the basis of knowledge regarding rules applicable to grants;</p> <p>d. Guidance material for experts on evaluation with a clear explanation on what the eligibility, selection, and award criteria are and their distinct purposes. Reference to eligibility and selection criteria should be removed from the instructions on assessment of the award criteria;</p> <p>e. The Agency uses the same grant</p>	<p>100% of the proposals submitted are evaluated on the basis of the eligibility, selection and award criteria;</p> <p>100% of the proposals are examined by PO to review their technical merit;</p> <p>100% of the EU staff, external experts when involved in the evaluation sign declaration of non- conflict of interest and confidentiality; random checks are performed (on the basis of risk analysis) to verify the accurateness of the declarations.</p>	<p><i>Effectiveness:</i></p> <p>a. % of proposals that successfully challenged the evaluation results/ award decision;</p> <p>b. % of experts excluded as being in a conflict of interest situation;</p> <p>c. number of litigation procedure (s) initiated;</p> <p>d. number of Supervisory control failures (led to exception report);</p> <p><i>Efficiency:</i></p> <p>a. Time to inform applicants on evaluation/award results.</p> <p>b. % of proposals where TTI was within the legal limits.</p> <p>c. Nr of days exceeding legal limits, by unit (programme/call /proposal/case)</p> <p><i>Economy:</i></p> <p>Costs: total FTE costs of staff involved in the evaluation and</p>

Main risks It may happen that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
<p>evaluation and management; confidentiality, integrity and personal data protection of the information included in the system is not adequately protected;</p> <p>f. Members of the opening and/or evaluation committee do not have the technical expertise to properly assess the submitted applications and/or are in situations of conflict of interest;</p> <p>g. External experts that participate in the technical assessment of the proposals (but not as members of the evaluation committee) are in situations of conflict of interest (selection process biased)¹⁷;</p> <p>h. Incomplete checks on absence of conflict of interest in case of self-employed or retired experts, there is a risk to the principles of transparency and equal treatment;</p> <p>i. The preannounced selection and award criteria are not adequately and consistently applied during the evaluation of proposals;</p> <p>j. Unauthorised persons may have access to systems and confidential documents (content of the proposals);</p> <p>k. Eligible and effective projects are not selected;</p> <p>l. The applicants do not have sufficient sources of funding to maintain their activity throughout the period during which the action is carried out;</p> <p>m. The applicants do not have the professional competences and qualifications required to complete the proposed action or work programme;</p> <p>n. The action is not clearly defined in the grant application;</p> <p>o. The grant application does not contain</p>	<p>management system as for Horizon 2020 programmes; the latter is designed to authorise access only to applicants (receiving/using authentication data) and authorised EU staff via the corporate (ECAS) Commission authentication system; integrity of the documents is preserved since audit trail exists for each change whose effectuation is allowed by the system (person/time);</p> <p>f. The members of the evaluation committee are officials of the DG whose programme is managed by the Agency (DG SANTE) and DGs with objectives that relate to those of DG SANTE (e.g. DG RTD). Naturally, these officials are in the best position to understand if the actions included in the proposals received by the Agency are appropriate to meet the policy objectives concerned. All members of the evaluation committee sign a declaration of non-conflict of interest;</p> <p>g. The Agency selects its experts from an AMI list (Call of Expression of Interest); the experts CVs are checked for any professional/personal instances that might be considered conflicting; the experts are requested to sign a declaration of non-conflict of interest and list the projects where he/she has worked before their appointment; both the names of the selected experts and those of their employers' are checked against the applicants that submitted a proposal in response of the Agency's call for proposals; in case it is found that an expert was employed by an applicant, this expert was excluded from the assessment of all proposals submitted in response to the specific call topic (this is relevant for the</p>		<p>selection of proposals; cost of appointment of experts.</p> <p>Benefits: for proposals qualified as non-eligible and rejected the total value of requested EU contribution.</p>

¹⁷ Outside experts assist the evaluation committee by decision of the Authorising Officer in relation to the Public Health Programme (RAP art. 204).

Main risks It may happen that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
<p>all information and supporting documents required for the evaluation;</p> <p>p. A grant is awarded for an action that has been already started without the beneficiary demonstrating a special need for this or a grant has been awarded retroactively for an action already completed;</p> <p>q. Weaknesses in the design of the checks on double funding may result in ineligible expenditure not being detected.</p>	<p>calls for projects that are divided in seven different thematic categories (topics));</p> <p>h. Duly address all identified situations of potential conflict of interest and extend the checks on potential conflicts, to the extent possible, to other contractual relations with applicants, such as consulting services provided by self-employed external evaluators. A provision will be included in next year's model contract for experts for self-employed experts to declare the names of companies for whom they worked. Legal cell already requested REA to amend the model of expert's contract. In the meanwhile expert declare their self-employment by e-mail;</p> <p>i. The technical content of each proposal is evaluated by three external experts; their assessment is reflected in a consensus report that 'merges' their technical assessment. The consensus report is constructed on the basis of the announced award criteria- the evaluation committee applies the same criteria for the overall assessment of all the submitted proposals;</p> <p>j. All proposals are both received and managed electronically within the SEP, SYGMA platforms; access (internally) is granted to authorised staff members via the Corporate Commission authentication system. External people (applicants) are granted access via authentication logs provided by the system; only staff responsible with the administrative management of the proposals, the experts (for the proposals attributed to them) and the evaluators have access to the proposal and the supporting documentation; external expert are checked for potential conflict of interest.</p> <p>k. The eligibility of the applicants is a straightforward criterion to be verified; the effectiveness of the proposals highly depends on the proper specification on the</p>		

Main risks It may happen that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
	<p>action as well as organisation and planning issues; the application form that needs to be filled in by the applicants, requests the applicant to elaborate how those issues will be confronted; Clarifications may be requested by the AO or by the evaluation committee on the basis of art. 200 of the FR,</p> <ul style="list-style-type: none"> <li data-bbox="651 459 1182 638">l. each applicant is assessed for financial viability according to specified parameters so as to ensure that applicants will have the financial capacity to carry out the action (assessment is made by Research Executive Agency but the decision regarding the viability lays with the Agency's AO); <li data-bbox="651 638 1182 798">m. Selection criteria assess professional competence of the applicant organisation/ individuals that will deal with the action on the basis of supporting documents; random checks are made regarding the accuracy of the information provided in the proposals; <li data-bbox="651 798 1182 997">n. The basic elements of the action as well as the expected deliverables are part of the elements of the application form that need to be filled in; during the adjustment phase non-substantial adjustments may be done to ensure that all information pertinent for the implementation of the actions is properly described. <li data-bbox="651 997 1182 1388">o. In line with the principle of proportionality the AO or the evaluation committee may request the applicants to clarify supporting documents (art 203 FR or provide additional information with due observance of the principle of equal treatment. If documents that are indispensable for the assessment of the applications are missing the system does not allow the submission of the proposal; the same goes in case necessary documents requested from the successful applicants (adjustment phase). The system alerts the manager of a project in case of missing documents and sends automatically generated alerts; 		

Main risks It may happen that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
	<p>p. Retroactivity of grants is not, in principle, allowed. In exceptional cases, the AO may decide to do so if the applicant can demonstrate the need for starting the action prior to the signature of the grant (article 193 FR); the absolute necessity of this deviation is assessed before the AO authorises the retroactivity.</p> <p>q. For the checks on double funding, e.g. CHAFEA AGRI Unit checks whether potential beneficiaries appear in ABAC. This list is also sent to DG AGRI, which then checks whether these potential beneficiaries are in the CATS database and sends the information back to CHAFEA. As a result, a list of beneficiaries flagged as a potential risk for receiving double funding is established. The unit develops a procedure with the parent DG where the latter, via its audit unit, checks if other grants are awarded from the CAP budget to the same beneficiaries. During the ex post stage, check of potential double funding will be performed by the competent authorities – in case of simple programmes the MS or DG AGRI audit unit, in case of multi programmes - Chafea's ex-post team. Developing, where applicable, complementary checks at the implementation stage for those beneficiaries flagged with a higher risk of double funding. Where such checks are applicable/feasible, CHAFEA should coordinate with DG AGRI (to benefit from its broader overview on the CAP) and to ensure consistent treatment for dealing with multi and simple programmes.</p>		

Stage 3: Contracting phase: transformation of the awarded proposals to grant agreements

Main control objectives: ensure that grants are signed within the deadlines so that selected actions are promptly initiated (effectiveness, efficiency), ensure that grant agreements are in line with the provisions of the relevant call for proposals and the applicable rules (FR).

Main risks It may happen that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
<ul style="list-style-type: none"> a. The description of the action included in the grant agreement include actions that are not in line with the call for proposals and do not contribute to the attainment of the program's objectives; b. Budget foreseen overestimates the costs that are necessary to carry out the action; c. Grants are not signed within the prescribed deadlines; this may cause delays regarding the action implementation; d. Beneficiary lacks the operational and financial capacity to carry out the agreed action; e. Action is not clearly defined in the grant agreement; f. Financial risks connected with pre-financing but grant agreement does not require the beneficiary to lodge a guarantee in advance. 	<ul style="list-style-type: none"> a. The adjustment phase may only result to non-substantial adjustments during the grant preparation as proposed by the evaluation committee (article 200.4 FR); thus it is unlikely that an action receiving a grant is in non-conformity with the programme's objectives; b. Budget is 'adjusted' to the final version of the action's work programme; detailed budget including personnel, subcontracting and other direct costs per applicant/beneficiary is calculated before the signature of the grant agreement; this calculation uses as basis the work packages that constitute the core of the co-financed action/work programme; c. In line with the Key Performance Indicators announced in the Agency's work programme, the Agency has put in place monitoring system that allows for continuous supervision regarding the internal target deadlines set for the commitment execution. The e-submission and grant management system (SEP/SYGMA) produce statistics related to all efficiency indicators (time to inform applicants / time to grant); the same goes for payment deadlines; d. The operational and financial capacity of the applicant has been assessed at the time of the evaluation of the proposals; reinforced monitoring in case of high-risk beneficiaries is performed; the grant agreement that is signed with a beneficiary includes a clause enabling the Agency to terminate the contract in case of substantial change to the beneficiary's legal, financial or technical situation; e. A technical annex is part of the grant agreement; the annex describes all important implementation aspects of action adjusted in conformity with the comments provided by the evaluation committee; the technical annex is 	<p>100% of the awarded grant agreements are 'adjusted' on the basis of the recommendation of the evaluation committee;</p> <p>100% of the grants under signature are monitored for meeting the target commitment/signature deadlines;</p> <p>100% grants signed are filtered for the necessity of a financial guarantee</p>	<p><i>Effectiveness:</i> Degree of budget consumption: % of the awarded grant agreements that led to the signature of a grant agreement (and evaluation committee proposals accepted).</p> <p><i>Efficiency:</i></p> <ul style="list-style-type: none"> a. Time to Grant. b. % of grant agreements committed and signed within the target and regulatory provided deadline. c. Nr of days exceeding legal limits, by unit (programme/call /proposal/case) <p><i>Economy:</i> Costs: FTEs cost of staff involved in the contracting procedure. Benefits: For proposals awarded, the total value of the difference between requested EU contribution and EU contribution specified in the signed grant agreement.</p>

Main risks It may happen that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
	<p>verified by the responsible staff member regarding its conformity with the comments of the evaluation committee; thus, it is ensured that the co-financed action is properly defined;</p> <p>f. Before the signature of the grant agreement on the basis of a risk assessment, the Agency may include a clause regarding the necessity to lodge a guarantee as a prerequisite for the pre-financing instalment.</p>		

Stage 4: Monitoring of execution of the grant agreements; monitoring of the operational, financial and reporting aspects related to grant management

Main control objectives: ensure that the operational results (deliverables) from the projects are of a good value and meet the objectives and conditions stipulated in the grant agreement (effectiveness& efficiency); ensure that the related financial operations comply with the regulatory and contractual provisions (legality and regularity); controls prevent fraud to occur; appropriate accounting of the operations is ensured (reliability of reporting, safeguarding of assets and information).

Main risks It may happen that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
<p>a. Actions foreseen in the grant agreements are not totally (or partially) carried out in accordance with the technical description and requirements foreseen;</p> <p>b. Non-eligible costs are reimbursed or the Agency reimburses eligible costs in excess of the overall grant ceiling;</p> <p>c. The beneficiary unduly obtains financial profit as a result of systemic errors, irregularities, fraud or breach of obligations;</p> <p>d. The agreed action is not carried out properly or is not carried out timely;</p> <p>e. Changes to grants are not properly documented or authorised;</p> <p>f. Applicable requirements for dissemination of results are not respected;</p> <p>g. Data entry in electronic grant management/ ABAC is inaccurate, EWS is neglected.</p> <p>h. Supporting documents are lost, lack of audit trail;</p> <p>i. Action requires the purchase of goods, works or services, and the beneficiary did not ensure best value for money, or failed to comply with the applicable national law on public procurement (in case beneficiary is a 'contracting authority), or fails to comply with additional conditions specified in the grant agreements for high value purchases (if applicable);</p> <p>j. Subcontracting to linked entities is allowed under Agri promotion MGA provided that there is no profit for the</p>	<p>a. Project officers in charge of the project closely monitor implementation and alert beneficiaries/ Agency's management in case of delays/deviations;</p> <p>b. The types of eligible costs are identified in the grant agreement; they are further specified in the final budget that makes part of the grant agreement; the request of payments are scrutinised by the project officers and financial officers that act as operational initiators; OVA and ex-ante verifying officer make part of the control chain;</p> <p>c. The requests for payments are backed up with supporting documents that are provided for in the guidelines for interim/final payments (certificates, audit reports, etc.). On the spot checks may be considered in case of risky projects. Project officers, financial officers, OVA, FVA make part of the control chain before payment is authorised;</p> <p>d. The evolution of all projects is monitored by the project officer in charge; non optimal evolution of co-financed actions results in enhanced monitoring and enforcement of relevant grant agreement provisions (e.g. payment suspension, reductions, recoveries).</p> <p>e. All pertinent changes regarding the action implementation are implemented via formal amendment; beneficiaries are reminded by the Agency on their contractual obligation to promptly report changes that are</p>	<p>100% of the projects co- financed are controlled both in respect to their technical implementation and the corresponding spending before payment is authorised (in accordance with predefined financial circuits).</p> <p>On the spot checks may be organised for projects that are considered riskier; depth defined according to situation.</p> <p>The grant provides for grant reduction in case, for example, of poor implementation.</p>	<p><i>Effectiveness:</i></p> <p>a. Total value of errors detected during ex-ante controls (over authorised payments).</p> <p>b. number and amount of penalties imposed.</p> <p><i>Efficiency:</i></p> <p>a. Time to pay;</p> <p>b. % of late payments (exceeding legal TTP limits)</p> <p>c. Average Nr of days exceeding legal limits, per payment</p> <p><i>Economy:</i></p> <p>Costs: FTE costs of staff involved in the management of running grant agreements.</p> <p>Benefits:</p> <p>a. value of the costs claimed by the beneficiaries but rejected by the OIA/OVA/FVA.</p> <p>b. Value of penalties / liquidated damages.</p>

<p>linked entity. If this aspect is not checked during analysis of payment requests, there is a risk that the rule as defined in the calls and in the MGA is not observed;</p> <p>k. Agri promotion MGA provides for strict rules on mentioning of origin and brands in communication material. This is translated from the legal base. If the project officers do not check the deliverables carefully, there is a risk that the rules as defined in the legal base are not respected.</p>	<p>envisaged during kick of meeting of the action. amendments are processed through the electronic grant management system;</p> <p>f. The Agency has set up a dissemination policy regarding the results of the actions that have received EU co-funding; A project data basis is available on the Agency's website where projects and results can be consulted- furthermore, the Agency informs its parent DG on the project's deliverables via a special note;</p> <p>g. ABAC users are trained and follow ABAC user's guidelines- in depth training has been provided to the Agency's staff responsible for the evaluation of applications and management of the ensuing grant agreements (SEP/SIGMA).information regarding the new system's functionalities were provided by the Agency to external parties in the context of special 'information days';</p> <p>h. All documents from proposal submission until final payment of a co-financed action are stored in the e- grant management system and an audit trail for each action/person performing it is provided via the system;</p> <p>i. Rules that the beneficiary needs to comply with in relation to the purchase of goods, works or services make part of the provisions of the grants agreement; if these rules are not respected the Agency may consider the expenditure incurred as ineligible;</p> <p>j. Guide for payments to cover the checks on subcontracting to linked entities. Same type of financial reports and supporting documents to be required from such subcontractors as from beneficiaries in order to be able to check if the non-profit rule is observed;</p> <p>k. Guide on approval of deliverables to include a checklist used by project officers.</p>		
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Stage 5: Ex-post controls

Main control objectives: measuring effectiveness of ex-ante controls by the results of the ex-post controls; detect and correct errors or fraudulent actions; (legality and regularity- anti-fraud) assess systemic deficiencies of the ex- ante control system based on the results of the ex-post controls (sound financial management); ensure that the audit results from the ex-post controls lead to effective recoveries (legality & regularity, anti-fraud strategy); ensure appropriate accounting of the recoveries made (reliability of reporting).

Main risks It may happen that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
<p>a. The ex-ante controls as such may not be able to prevent, detect and correct all erroneous payments or attempted fraud;</p> <p>b. Inadequate audit methodology due to lack of in-house expertise of auditors and inadequate audit procedures results in errors, irregularities or fraud not being detected;</p> <p>c. The ex post controls focus on the detection of external errors (made by the beneficiaries) and do not consider any internal errors made by the staff or embedded systematically in the own organisation;</p> <p>d. Errors, irregularities and cases of fraud detected are not addressed or not addressed timely;</p> <p>e. Lessons learnt from the audit results are not exploited so as to reinforce the general internal control system;</p> <p>f. Unwarranted assurance is being provided in the AAR (incorrectly estimated error rates,).</p>	<p>a. The ex-post control strategy aims at detecting possible errors which were not detected at the stage of the ex-ante control chain and draws assessment on the effectiveness of ex-ante controls;</p> <p>b. The ex-post control function is outsourced; the audit firms performing the audits are chosen through a competitive procurement procedure either from DG BUDG Framework Contracts or by Chafea Framework Contracts signed with (multiple) contractors. The audit firms are chosen, amongst other criteria, on the basis of their expertise in the domain; the auditors perform ex-post control covering standardised items described in an audit programme;</p> <p>c. The nature of the errors detected, allow the agency to assess if it was in a position to have detected the error at the time of the ex-ante control procedure; financial and operational initiators/verifiers that performed the given ex ante controls are informed on the concrete cases; if errors point to structural deficiencies, the Agency addresses the situation at management level;</p> <p>d. The ex-post controls are carried out within a predetermined timeframe; the contradictory procedure is organised according to predefine procedure and deadlines; once the findings of the auditors' report are approved, follow up is ensured by the Agency;</p> <p>e. An annual ex-post control report depicts the main results of the audits' findings and is used as reference for the lessons learnt;</p>	<p>Ex-post controls aim at verifying the eligibility and the accuracy of cost items as well as the compliance of cost statements established by the beneficiaries with legal provisions of the grant agreements. The ex-post control strategy consists of annual planning of the number of on-the-spot audits the definition of a sample of transactions (calculation of residual error rate) and selection of transactions that are considered risky;</p> <p>The ex-post controls strategy has a twofold approach:</p> <p>i. random sampling of transactions which aims at building over several years a representative sample of the entire population of transactions per programme managed; the aim is to, enable the Agency to draw statistically valid conclusions regarding the whole population;</p> <p>ii. risk-based sampling targeted to the transactions identified by the responsible operational and financial initiators, as bearing a higher level of risk (e.g. shortcomings during implementation, discrepancies between</p>	<p><i>Effectiveness:</i> residual error rate < 2% Using stratified sample (higher-risk group and low-risk group the authorising officer benefits from increased assurance on the error rate over the total population.</p> <p><i>Efficiency:</i> % of costs for audits over the amount disbursed in grants for the year; Success ratio of recovery orders launched; Number of audit recommendations whose implementation is pending.</p> <p><i>Economy:</i> Costs: FTE costs of staff involved in the controls plus the price of the external services. Benefits: value of errors detected by the auditors for the year, which will result in recoveries;</p>

Main risks It may happen that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
	f. The ex-post control methodology is based on the relevant EC guidelines issued by DG BUDG. Thus, the risk that results of non-reliability of the ex-post control results is considered low.	estimated/actual costs).	
			Economy overall GRANTS a. Cost-effectiveness in % of costs of FTEs involved in controls vs the total funds managed (evolution over time); b. Cost/benefit ratio regarding controls on payments, (evolution over time).

Procurement Direct Management

Stage 1: Planning and definition of needs

Main control objectives: Ensure that the Agency organises the procurement procedures in an effective, efficient and economic manner; the procedures organised comply with the applicable legal and procedural provisions.

Main risks It may happen that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
<p>a. The needs are not well defined (services and budget availability) and the decision to procure was inappropriate to meet the policy objectives; Delays in confirmation by parent DG to implement the procurement procedures;</p> <p>b. The best offer/s are not submitted due to the poor definition of the tender specifications (TS);</p> <p>c. Calls for tender are launched with an insufficient deadline for tender submission (e.g. because of non-consideration of complexity of requested services, call launched very late in the year, etc.);</p> <p>d. Uncertainties regarding the authorising service or the internal "owner" of the procurement initiative could lead to dual or vague ownership;</p> <p>e. The procurement needs have not been clearly defined (i.e. what is to be purchased exactly? Why? When? How?);</p> <p>f. the trigger of the procurement initiative could have an inappropriate internal or external influence;</p> <p>g. Have the stakeholders reviewed the proposed procurement need (informally or via an ISC), e.g.: final users, subject matter, experts; maintenance team, security experts; operational management, etc.;</p> <p>h. For IT procurement, there is a risk that the material to be procured is not compatible with other IT and/or support systems in the EC. for this purpose,</p>	<p>a. A reference to the procurement procedures to be launched during the year is made in the annual work programme; the Agency, in cooperation with the parent DG, drafts detailed tender specifications (TS) including the definition of the relevant evaluation criteria; separate note with justification regarding the (a) price estimation and (b) purpose of the procurement procedure is submitted to the AO before the launch is approved;</p> <p>b. The TS prepared are checked by the legal team of the Agency to verify, among others aspects, the clarity, consistency and relevance of the selection and award criteria; the AO approves the final text of the TS;</p> <p>c. The calls for tenders launched by Chafea comply with the minimum deadlines for tender submission provided by the legislation; the Agency provides for longer deadlines whenever feasible, especially if the starting date for the service execution allows for it. If needed and appropriate, initially foreseen deadlines are extended;</p> <p>d. The annual work programme (AWP) defines who will launch the procedure. The contract notice, TS and model contract duly indicates who will be the contracting authority in charge of the contract. All documents are published through e-tendering tool;</p> <p>e. The AWP only mentions in a very general way the aim of the procurement procedures (e.g. Topic). However, the TS must provide</p>	<p>100% of the procurements based operational expenditure are part of the annual work programme that is implemented by the Agency;</p> <p>100% of the envisaged procurements include a justification on the announced maximum price before they are authorised;</p> <p>100% of procurements above the Directive threshold are checked by the legal department for compliance with public procurement rules.</p>	<p><i>Effectiveness:</i> Number of implemented procedures; Number of procedures discontinued due to lack of use (poor planning); N° of 'open 'procurement procedures where only one or no offers were received; N° of requests for clarification regarding the tender.</p> <p><i>Efficiency:</i> Duration of a procedure.</p> <p><i>Economy:</i> Costs: FTE costs of staff involved</p>

Main risks It may happen that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
<p>appropriate consultations of IT monitoring committees have to take place;</p> <p>i. The required services /supplies/ work could be provided via an already existing procurement contract;</p> <p>j. Other Institutions / Agencies / DGs or Directorates may be interested in procuring the same type of services / supplies / work which could lead to an inter- institutional procurement procedure;</p> <p>k. The negotiated procedure could be not sufficiently justified (Point 11 Annex 1 FR);</p> <p>l. the management would not demonstrate that the decision to launch the procurement is justified and will contribute to the achievement of the DG's objectives;</p> <p>m. Management could demonstrate that it would not be more advantageous to use in-house resources;</p> <p>n. The procurement decisions and supporting justifications could not be adequately documented</p> <p>o. There is no legal basis for the procurement;</p> <p>p. There is no money on the relevant budget line;</p> <p>q. No valid financing decision for the procurement exists;</p> <p>r. No procurement project plan has been established;</p> <p>s. The plan doesn't clearly indicate the estimated timing and deadlines for time-consuming process steps, e.g. the establishment of the TS, the evaluation of the tenders (i.e. in case of complex procurement projects) and translation";</p> <p>t. The plan does not clearly indicate the legal time constraints (e.g. the time limit between dispatch of the contract notice and the deadline for submission</p>	<p>a very clear description of the services to be purchased. At operational level, we apply the four eyes principle for checking the quality of the TS prepared by the Agency. In addition to this, further checks are carried out at level of legal, financial, ex-ante, etc.;</p> <p>f. TS are drafted in a way that the principles of transparency, proportionality, competition, equal treatment and sound financial management are respected. This is also verified during the quality check process;</p> <p>g. Chafea never involved stakeholders or external actors in the preparation of the procurements documents;</p> <p>h. Generally, for IT procurements material is procured through FWC with DG DIGIT and needs assessed in Chafea;</p> <p>i. Before launching a new procedure, we check whether a valid (accessible) FWC covering the field of interest is available;</p> <p>j. We carry out an inter-institutional procurement procedure if a) the contract is of interest of two or more contracting authorities b) there is a possibility of realising efficiency gains;</p> <p>k. We duly implement the provision of the FR and thus we justify the cases according to the rules;</p> <p>l. Risk linked to this phase is quite limited as Chafea is implementing the programmes of parent DGs and the type of procedures are described there;</p> <p>m. As above;</p> <p>n. All the necessary notes, supporting documents and other relevant pieces of information are duly inserted in the procurement file.</p> <p>o. the AWP + Financial Regulation;</p> <p>p. Limited risk as amounts and procedures are defined in the FD and global commitments are done;</p> <p>q. Risk linked to this phase is quite limited as</p>		

Main risks It may happen that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
<p>of the tender or contracting deadlines;</p> <ul style="list-style-type: none"> u. The deadlines are not realistic; v. It may happen that Timing issues could exist and has to solved Timing related issues and management has to solve it by setting up a monitoring process; w. The Agency may have not taken into account the "lessons learned" from previous procurement reviewed (e.g. questions received from tenderers, process weaknesses and case law if available); x. Planning calendar unavailable and cross-link it with grants and other activities could lead to bottlenecks; y. Setting of clear priorities to teams: potential conflicting priorities between administration and operational units might delay processes; z. Human factor & competencies, lack of knowledge of the basic rules; aa. Transition to e-procurement could entail delays; bb. Misuse of contingency; cc. Involvement of interim staff in procurement procedures: confidential statement signature & Code of good administrative behaviour; dd. No tenders received or very low response to the call: carry out a complete analysis on the reasons behind (e.g. publication done during holidays, framework contractors overloaded with the performance of other contracts, etc.). 	<p>Chafea is implementing the programmes of parent DGs</p> <ul style="list-style-type: none"> r. An indicative planning is done by the Unit in agreement with the parent DG and implemented following financing decision publication (general document not specific to action); s. See above. May be variable as depending on parent DG input / approval of specifications; t. See above; u. See above; v. Project officers are in direct contact with all services involved for monitoring the implementation of the procedure. Regular updates sent to HoU; w. This task is done by the ACPC level & programme coordinator. The annual ACPC report lists the main weakness related to procurement identified during the year and propose remedy actions; x. Coordination meetings regarding planning of tenders, summary tables by units including needs by support services. On-going publication of macro planning tables, covering the procurement indicative planning; y. Coordination meetings regarding planning of tenders, summary tables by units including needs by support services. Publication of macro planning tables, covering the procurement indicative planning + coordination meetings; z. Trainings, mentoring; aa. Pilot DG's have experienced first cycle of e-tendering; bb. Rules and approval method for the use of contingency in the contract and tender specifications; cc. 4 eye principle; dd. Better planning of publications and preparation of TS according to market. This analysis is done in the ACPC report 		

Stage 2: Launch of procedure. Evaluation of the offers submitted and award

Main control objectives: Ensure an effective and efficient evaluation having due regard of the applicable regulatory provisions (legality & regularity); ensure that fraudulent behaviour pertaining to the submission of tenders is detected and corrective action is assumed (exclusion of candidates from participation).

Main risks It may happen that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
<p>Step 1: Call for Tenders</p> <ul style="list-style-type: none"> a. Management may not take the necessary measure to identify risk related to limited competition/collusion among tenderers (e.g. monopolistic situation) and risks related to conflict of interests b. The "Declaration of absence of conflict of interest and of confidentiality" is not signed before the evaluation of the tender by all persons involved in the evaluation (including external experts if any). This is not mandatory but considered "best practice" c. Certain tenderers may be illegitimately favoured through "tailored" technical specifications, selection and award criteria or by the contract amount or type of procurement procedure; d. Technical specifications (TS) have not been adequately and unambiguously defined and if necessary, it is suggested to have advice from technical experts; e. The persons involved in the preparation of the call for tender are not sufficiently experienced and qualified f. The time foreseen for establishing the selection and award criteria is insufficient." g. Absence of unambiguous and relevant selection and award criteria and these criteria are not clearly distinguished in the tender specifications; h. There is a risk that the selection criteria don't reduce the risk of accepting tenderers lacking financial viability and technical or professional capacity; 	<p>Step 1: Call for Tenders</p> <ul style="list-style-type: none"> a. As from 2017, the concentration ratio and Herfindhal index will provide the level of competitiveness; b. All members of the evaluation committee must sign a non-conflict of interest and confidentiality declaration; c. The tender specifications (TS) are drafted in a way that the procurement principles are respected. This is an element that is also verified during the quality check process; d. The annual work programme (AWP) only mentions in a very general way the aim of the procurement procedures (e.g. Topic). However, the TS must provide a very clear description of the services to be purchased. At operational level, we apply the four eyes principle for checking the quality of the tender specifications prepared by the Agency. In addition to this, further checks are carried out at level of legal, financial, ex-ante, etc.; in some occasions (mainly in case of FWC) a case study is requested in the tender specifications and evaluated under award criteria; e. The persons involved in the preparation of the call for tender are sufficiently experienced and qualified f. The different evaluation phases are clearly split. g. In most of the procedures launched, the selection and exclusion criteria assessment is completed based on the assessment of the declaration of honour. Only once this is checked the evaluation committee assess the technical offer based on the award criteria. Evidence is requested from the 	<p>100% of procurement procedures with a maximum value above the Directive threshold are scrutinised by the ACPC committee for conformity with the applicable provisions.</p> <p>100% of the documentation submitted with the offers is checked by the Evaluation Committee (exclusion, selection, award criteria).</p> <p>Further cross checks are performed and/ or clarifications required in case of non-substantiated references included in the tender.</p>	<p><i>Effectiveness:</i> Number of procedures challenged during the standstill period. Number of 'valid' complaints or litigation cases filed.</p> <p><i>Efficiency:</i> duration of evaluation and award phase</p> <p><i>Economy:</i> Costs: FTE costs of staff involved in controls. Benefits: total difference between the budgetary allocations for procurement in AWP and the value contracted.</p>

Main risks It may happen that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
<ul style="list-style-type: none"> i. There is a risk to ask a pre-financing guarantee based on the risk assessment carried out internally (pre-financing guarantees are forbidden for the contracts below € 60,000); j. The liquidated damages clause to prevent the risk of delays and poor performance are not adapted in the standard contract; k. Monitoring tasks have not been assigned to appropriate staff; l. The contract would not contain relevant and realistic performance standards and doesn't specify how performance will be monitored and measured and instruments and tools for the performance monitoring are not used; m. Period between launch of "call for tenders" and the "deadline for the submission of tenders" doesn't allow sufficient time to submit a meaningful and complete tender; n. Risk that the draft contract has not been carefully verified as to whether it is consistent with the tender specifications (payment schedule, guarantees if necessary, duration, liquidated damages, intellectual property rights); o. Lack of full consistency between all three tender documents (tender specifications, draft contract, invitation to tender); p. Risk that before launching procurement, the legal base/financing decisions are no longer valid; q. Risk that clarifications requested by tenderers have not been handled in a complete, impartial and transparent fashion (same clarifications sent to all the tenderers at the same time i.e. through a call for tenders web page); r. Delays can occur which could conduct to extend deadlines; 	<ul style="list-style-type: none"> h. Important risk. Even though selection and award criteria are split, capacity of the tenderer is often treated as award criteria. i. Chafea do not pay pre-financing for procurement anymore. j. Liquidated damages' clauses are standard in the general conditions of the contract and not often of use for some specific projects. The special conditions can provide for specificities. But then there is no general practice at Agency level. The risk to put too much burden on the contractor by introducing additional liquidated damages or to foresee inadequate liquidated damages; k. Several actors are involved in the validation process (HoU operational, ACPC, coordinator, legal, ex-ante, FO, etc.); l. Usually the standard service contracts are templates from DG BUDG or from parent DGs. In some Units of Chafea, the TS are prepared by Chafea staff. Standard service contracts do not provide for specific cases. This point needs further analysis, to see if it is to be introduced in the TS or to include a special condition under the model contract. For BTSF it is included in the payment provisions; m. We respect the legal deadlines; n. Different quality checks mechanisms are in place: four eyes principle, ex-ante control and verification by the legal on specific aspects (IPR/liquidated damages, any special conditions); o. Different quality checks mechanisms are in place: four eyes principle, ex-ante control and verification by the legal on specific aspects (IPR/liquidated damages, any special conditions); p. In the launch file - PO note contains reference to the legal base; q. Specific requests clarifications sent to all 		

Main risks It may happen that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
<p>s. Lack of equal treatment of all the tenderers and existence of collusion between them (e.g. in case of site visits);</p> <p>t. Planning calendar unavailable and cross-link it with grants and other activities could lead to bottlenecks;</p> <p>u. Setting of clear priorities to teams: potential conflicting priorities between administration and operational units might delay processes;</p> <p>v. Human factor & competencies, lack of knowledge of the basic rules;</p> <p>w. Transition to E-procurement could entail delays;</p> <p>x. Voluminous offers leading to higher risk in divulging confidential information;</p> <p>y. Misuse of contingency;</p> <p>Step 2: Evaluation of tenders</p> <p>a. The most economically advantageous offer not being selected, due to a biased or inaccurate evaluation process;</p> <p>b. members of the opening /evaluation committee are in situations of conflict of interest;</p> <p>c. Misrepresentations related to misappropriation of facts presented by the tenderers with their offers are not detected;</p> <p>d. Contracts are awarded to entities not having the necessary legal, technical, professional or financial capacities;</p> <p>e. Comments in the evaluation report on the technical quality of a tender do not</p>	<p>FW Contractors at the same time. For open procedures, the publication of replies is done on e-tendering;</p> <p>r. Occasionally. We take a decision on the number of days to be extended on a case to case basis (e. g depending on the delay for the provision of translation);</p> <p>s. Unit's cupboard. This might need to be centralised (and locked);</p> <p>t. Coordination meetings regarding planning of tenders, summary tables by units including needs by support services. Under preparation the publication of macro planning tables, covering the procurement indicative planning of all operational units;</p> <p>u. Coordination meetings regarding planning of tenders, summary tables by units including needs by support services. Under preparation the publication of macro planning tables, covering the procurement indicative planning of all operational units + coordination meetings;</p> <p>v. Trainings, mentoring;</p> <p>w. Pilot DG's have experienced first cycle of e-tendering;</p> <p>x. Risks are linked to voluminous tenders - Revised checklist / procedure - administrative part of the offer can be omitted from contract instead ref to Ares n° should be added- results in reduced volume of the contract;</p> <p>y. Rules and approval method for the use of contingency in the contract and tender specifications.</p> <p>Step 2: Evaluation of tenders</p> <p>a. The evaluation procedure is organised according to predefined rules, announced in the call for tender documentation. The substantial evaluation of tenders is conducted by an appointed evaluation committee. In addition, compliance with all legal and procedural requirements is</p>		

Main risks It may happen that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
<p>adequately reflect the score for quality award criteria;</p> <p>f. There is a risk that the members of the opening committee will not be nominated before the deadline of the tender;</p> <p>g. There is a risk that tenders are not stored in a secure place.</p> <p>h. Modifications could have been made to the tender after the agency received it;</p> <p>i. The risk is that the members of the evaluation committee haven't been formally appointed (compulsory for the contracts over €60,000);</p> <p>j. All the evaluators have not the necessary skills, experiences and qualifications. this could lead to a lack of fully understanding of the tender specifications, exclusions, selection and award criteria if they don't receive sufficient and relevant information about the tender procedure;</p> <p>k. Risk of lack of time by each evaluator to prepare for and carry out the evaluation;</p> <p>l. Risk that no declaration of absence of conflict of interest is signed before the opening of the tender;</p> <p>m. All tenderers would be in any exclusion situation or would not have access to the market;</p> <p>n. Risk that the tenderers have not the necessary financial capacity by checking external databases;</p> <p>o. Lack of organisation in the evaluation and risk that all practical aspects have not been considered;</p> <p>p. Risk that the evaluation report does not include all selection and award criteria;</p> <p>q. Non-respect of equal treatment of all tenders on the basis of the evaluation report because it is not based on a consensus of all members of the evaluation committee and is not drafted in a fully coherent way;</p>	<p>verified by an independent Advisory Committee for Procurement and Contracts (ACPC). The evaluation committee issues a recommendation in the form of a signed evaluation report to the AO to award or not the contract. For contracts above the Directive thresholds, a standstill period applies that allows the interested parties to express any comments relating to the soundness of the procedure;</p> <p>b. The members of the opening and the evaluation committee are appointed by the AO; all of them are required to sign a declaration of non-conflict of interest and confidentiality</p> <p>c. In some cases, supporting documentation is requested together with the offer (CVs, activity reports, references, information on exclusion criteria); the Agency performs checks concerning the accurateness of the information provided with the administrative part of the tender and requires additional information in case this is considered necessary;</p> <p>d. Each call for tender includes selection criteria requiring the minimum legal and regulatory (when applicable), technical, professional and financial capacity; those criteria are set in proportionality with the requested service.</p> <p>e. Evaluation committees receive clear guidelines for carrying out the evaluation and drafting of evaluation reports. The comments of the evaluation report are drafted in a collaborative effort and represent the consensus opinion of the evaluation committee;</p> <p>f. Official appointment from the Authorising officer;</p> <p>g. Unit's cupboard. However this might need to be centralised (and locked);</p> <p>h. No risk. Offers are signed, dated & recorded by opening committee;</p>		

Main risks It may happen that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
<ul style="list-style-type: none"> r. Planning calendar unavailable and cross-link it with grants and other activities could lead to bottlenecks; s. Setting of clear priorities to teams: potential conflicting priorities between administration and operational units might delay processes; t. Human factor & competencies, lack of knowledge of the basic rules; u. Transition to E-procurement could entail delays; v. Misuse of contingency. 	<ul style="list-style-type: none"> i. Formal appointment from the Authorising officer; j. No risk. Evaluators are highly qualified; k. sufficient time has been scheduled for each evaluator to prepare for and carry out the evaluation l. Template included within the official appointment from the Authorising officer; m. This is verified during the evaluation process. Tenderers should submit an original declaration of non-exclusion. In addition to this, before the signature of the contract supporting documents are requested and verified. As an agency we can accept tenders coming from a limited number of countries-we are not covered by the GPA (WTO agreement on government procurement; n. Last closed annual accounts are requested as evidence; o. We have a guide for evaluation, published on Chafea intranet; p. Before starting the evaluation meeting all evaluators are briefed about the evaluation process, including evaluation criteria. No risk q. Conclusions are reached through consensus. There is no voting in procurement. r. Coordination meetings regarding planning of tenders, summary tables by units including needs by support services. Under preparation the publication of macro planning tables, covering the procurement indicative planning of all operational units s. Coordination meetings regarding planning of tenders, summary tables by units including needs by support services. Under preparation the publication of macro planning tables, covering the procurement indicative planning of all operational units + coordination meetings; t. Trainings, mentoring; 		

Main risks It may happen that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
<p>Step 3: Award of contract</p> <ul style="list-style-type: none"> a. Lack of necessary documentary evidence provided by the successful tenderer for exclusion criteria; b. Risk that the latest model of the contract available on BudgWeb is not used and risk of modification of the general conditions; c. The agency has to define a procedure for cases when diverging opinions occur; d. All successful and unsuccessful tenderers have not been simultaneously informed about the award decision by arguing the grounds on which the decision was taken; e. Planning calendar unavailable and cross-link it with grants and other activities could lead to bottlenecks; f. Setting of clear priorities to teams: potential conflicting priorities between administration and operational units might delay processes; g. Human factor & competencies, lack of knowledge of the basic rules; h. Transition to E-procurement could entail delays; i. Misuse of contingency. 	<ul style="list-style-type: none"> u. Pilot DG's have experienced first cycle of E-tendering; v. Rules and approval method for the use of contingency in the contract and tender specifications. <p>Step 3: Award of contract</p> <ul style="list-style-type: none"> a. The letter informing about the positive results of the evaluation requests the submission of the necessary documents to verify that the tenderer is not in a exclusion situation. These documents are verified prior to the signature of the contract; b. We always use Budgweb models as a basis for adapting them to Chafea. Only special conditions are modified; c. This rarely happens. However, there is a limited risk. The procedure for such a case does not exist in Chafea; d. No risk. All letters are sent simultaneously (via email and post); e. Coordination meetings regarding planning of tenders, summary tables by units including needs by support services. Under preparation the publication of a macro planning tables, covering the procurement indicative planning of all operational units; f. Coordination meetings regarding planning of tenders, summary tables by units including needs by support services. Under preparation the publication of a macro planning tables, covering the procurement indicative planning of all operational units + coordination meetings; g. Trainings, mentoring h. Pilot DG's have experienced first cycle of E-tendering; i. Rules and approval method for the use of contingency in the contract and tender specifications. <p>Step 4: Budgetary commitment</p> <ul style="list-style-type: none"> a. Standardised procedure for preparing 		

Main risks It may happen that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
<p>Step 4: Budgetary commitment</p> <ul style="list-style-type: none"> a. Commitment file needs to be complete in order to insure delays are short (Award decision is sometimes circulating in parallel, Annex of A.W.P referring to service, specify location of final offer in common drive to prepare draft contract); b. Lack of accuracy during the input in the ABAC system (e.g. the legal entities and bank account of the successful tenderers, address, bank account, currency used, sub delegation, etc.); procurement procedure) c. Planning calendar unavailable and cross-link it with grants and other activities could lead to bottlenecks; d. Setting of clear priorities to teams: potential conflicting priorities between administration and operational units might delay processes; e. Human factor & competencies, lack of knowledge of the basic rules; f. Transition to E-procurement could entail delays; g. Lack of commitment information to insure use of the right budgetary lines; h. Misuse of contingency. <p>Step 5: Legal commitment</p> <ul style="list-style-type: none"> a. Risk of incoherence between the contract match and the draft contract and tender specifications (e.g. the contract contains all required technical specifications, quality and performance standards, deliverables, deadlines, etc.); b. Lack of accuracy by forgetting contract number, contractor's information (person 	<p>commitment files: Use of checklists, separators on intranet help reminding which documents are needed. Simplified (combined)WF to reduce time and looping) award/commitment/sending out contract;</p> <ul style="list-style-type: none"> b. No risk except for FWC. Creation or search in ABAC done early in the procedure but for FWC the creation is only done at the level of the first specific contracts. Risk of delays -mitigation measure to check at the level of the FWC award; c. Coordination meetings regarding planning of tenders, summary tables by units including needs by support services. Under preparation the publication of a macro planning tables, covering the procurement indicative planning of all operational units; d. Coordination meetings regarding planning of tenders, summary tables by units including needs by support services. Under preparation the publication of a macro planning tables, covering the procurement indicative planning of all operational units + coordination meetings; e. Trainings, mentoring; f. Pilot DG's have experienced first cycle of E-tendering g. Mandatory fields in Note to AO, include respective page of AWP and objective; h. Rules and approval method for the use of contingency in the contract and tender specifications. <p>Step 5: Legal commitment</p> <ul style="list-style-type: none"> a. The final version of the contract must be the same as the one published on the website (only info such as name of the tenderer, administrative info is added). Annexes to the contract are the tender specifications, FAQs and tender. Risks are linked to voluminous tenders - Revised checklist / procedure - administrative part 		

Main risks It may happen that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
<p>authorized to sign, bank account, etc.), annexes, etc.;</p> <p>c. the wording of the contract cannot be changed by the contractor;</p> <p>d. Risk that the contract is not signed by authorised persons (contractor and Chafea AO);</p> <p>e. The final contract is not appropriately registered in ""ABAC Contract"" and doesn't match with the contract hardcopy files;</p> <p>f. Risk that the hardcopy files are not safely stored and protected against unauthorized access</p> <p>g. Risk that the guarantor is not solvent, suitable and trustworthy?</p> <p>h. The complete ten-day standstill period starting on the day following the electronic notification of the award to all tenderers has not elapsed before signing the contract;</p> <p>i. If applicable, lack of publication of the contract award notice;</p> <p>j. Risk that the original contract is not safely stored in order to protect it against theft, unauthorised access, fire and destruction;</p> <p>k. Lack of properly archiving in the procurement file</p> <p>l. Planning calendar unavailable and cross-link it with grants and other activities could lead to bottlenecks;</p> <p>m. Setting of clear priorities to teams: potential conflicting priorities between administration and operational units might delay processes;</p> <p>n. Human factor & competencies, lack of knowledge of the basic rules;</p> <p>o. Transition to E-procurement could entail delays;</p> <p>p. Misuse of contingency.</p>	<p>of the offer can be omitted from contract instead ref to Ares n° should be added- results in reduced volume of the contract;</p> <p>b. Normally yes, but there is a risk of mistake as it is done manually. Mitigation: 4 eyes principle and ex-ante control;</p> <p>c. Low risk. Original contract initialled by Project officer;</p> <p>d. Authorising officer or delegated officers (following delegation act) - AOD/AOSD</p> <p>e. No risk; Within the tasks in Ares & checklists/procedures;</p> <p>f. Unit's cupboard. However this might need to be centralised (and locked). Once completion of process, files are locked in Chafea archive;</p> <p>g. No risk; validation of entity in ABAC and financial capacity assessed when required;</p> <p>h. There is a certain risk to allow signature before the standstill period elapsed. Mitigation: monitoring of deadlines; keep the file with the responsible unit the standstill period elapses and then give it for signature to the AO, Checklist includes description of standstill process monitoring and in the relevant ARES workflow tasks;</p> <p>i. There is a risk of delay due to workload of operational staff;</p> <p>j. Low risk; original scanned in Ares and uploaded in Chafea's Intranet; Original stored in archive room</p> <p>k. No risk; within the tasks in Ares. Physical stored in Chafea archives;</p> <p>l. Coordination meetings regarding planning of tenders, summary tables by units including needs by support services. Under preparation the publication of a macro planning tables, covering the procurement indicative planning of all operational units;</p> <p>m. Coordination meetings regarding planning of tenders, summary tables by units including needs by support services. Under preparation the publication of a macro</p>		

Main risks It may happen that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
	planning tables, covering the procurement indicative planning of all operational units + coordination meetings; n. Trainings, mentoring; o. Pilot DG's have experienced first cycle of e-tendering; p. Rules and approval method for the use of contingency in the contract and tender specifications		

Stage 3: Supervisory measures during contract implementation

Main control objectives: Ensure that contract execution follows the provisions of the signed contracts (legality and regularity); ensure that payments are executed in compliance with the applicable rules; any weakness in the procedure or attempt [of?] document misrepresentation is detected and corrected (legality and regularity& fraud prevention).

Main risks It may happen that...	Mitigating controls	Coverage, frequency and depth of controls	Cost effectiveness indicators (three E's)
Step 1: Monitoring a. Lack of necessary skills, experience and qualifications of the persons performing the monitoring of the supply services; b. Risk that the monitoring is not based on contractual terms and conditions (deadlines, quality requirements, contractually agreed monitoring tools, etc.); c. If applicable, risk that any subsequent contract amendments have not been duly justified, authorised, registered and documented; d. There is a risk of misinterpretation of the contract by the operational staff particularly in relation to reduced payments and penalties. There is a risk of legal proceedings by the contractor if the imposed penalties are not accepted;	Step 1 : Monitoring a. <i>Risk related to long absences of staff</i> (illness, accident), heavy workload of back up - simplification of procedures and paperless files could help; b. The monitoring is based on contractual terms and conditions (deadlines, quality requirements, contractually agreed monitoring tools, etc.); c. All amendments are duly discussed, justified, registered and documented; d. The reporting requirements are described in the TS, which are bound as part of the contract; Reports are linked to payments and meetings with Chafea linked to implementation of the SC. In case of poor performance reduced payments and penalties have been applied (PHP); e. Following the tender specifications	100% of the deliverables and payments linked to services contracts are verified before the payment authorisation.	<i>Effectiveness:</i> % of errors prevented (amount of errors/irregularities averted over total payments) Number of control failures; Number/amount of liquidated damages. <i>Efficiency:</i> Average cost per open project. % cost over annual amount disbursed; Time-to-payment; Late interest payment and damages paid by the Agency. <i>Economy:</i> Costs: FTE costs of staff involved+ cost for the contracts for the year. Benefits: amount of overpayments

Main risks It may happen that...	Mitigating controls	Coverage, frequency and depth of controls	Cost effectiveness indicators (three E's)
<p>e. There is a risk that internal progress reports are not established on a regular basis (especially for long lasting procurement projects);</p> <p>f. there is a risk that the performance and progress made on a regular basis are not monitored;</p> <p>g. Planning calendar unavailable and cross-link it with grants and other activities could lead to bottlenecks;</p> <p>h. Setting of clear priorities to teams: potential conflicting priorities between administration and operational units might delay processes;</p> <p>i. Human factor & competencies, lack of knowledge of the basic rules</p> <p>j. Transition to e-procurement could entail delays;</p> <p>k. Misuse of contingency;</p> <p>l. Errors, irregularities or fraud are not prevented, detected or corrected by ex-ante control prior to payment;</p> <p>m. Delays in the execution of task.</p>	<p>requirements;</p> <p>f. But again, this is defined in the tender specifications;</p> <p>g. Coordination meetings regarding planning of tenders, summary tables by units including needs by support services. Under preparation the publication of macro planning tables, covering the procurement indicative planning of all operational units;</p> <p>h. Coordination meetings regarding planning of tenders, summary tables by units including needs by support services. Under preparation the publication of macro planning tables, covering the procurement indicative planning of all operational units + coordination meetings</p> <p>i. Trainings, mentoring</p> <p>j. Pilot DG's have experienced first cycle of E-tendering</p> <p>k. Rules and approval method for the use of contingency in the contract and tender specifications</p> <p>l. Importance is attributed to the assessment of the deliverables so that the contractor is only paid the full price if what is agreed was fully executed.</p> <p>m. Timetables including due dates for deliverables are defined in the Tender Specifications. If parent DGs are involved in approval of deliverables, they are made aware of any time sensitive input requirements.</p>		<p>prevented by the controls; amounts detected and associated with fraud and error/ systematic weaknesses corrected</p>
<p>Step 2 : Approval of deliverables or supplies</p> <p>a. Lack of checks to know if supplies/ documents received are appropriately registered, safeguarded and correspond to relevant contractual terms and conditions (e.g. quantity, timing, criteria for measuring quality, etc.);</p> <p>b. There is a risk that the services/ supplies/ work provided have not been approved by</p>	<p>Step 2: Approval of deliverables or supplies</p> <p>a. No risk for registration. For safeguarding if Ares registration is insufficient, Units cupboard. However, this might need to be centralised (and locked). Electronic versions are also requested. Timing for delivery is sometimes not respected - liquidated damages not often applied;</p> <p>b. clear procedures and financial workflows;</p>		

Main risks It may happen that...	Mitigating controls	Coverage, frequency and depth of controls	Cost effectiveness indicators (three E's)
<p>the authorised person;</p> <p>c. Risk that the invoice has not been timely registered in ABAC-Invoice and in accordance with the Commission's Accounting Officer's instructions;</p> <p>d. Risk that the invoice is not legally correct as per contractual provisions and with VAT;</p> <p>e. Invoices received from the contractor do not reconcile with the contract (e.g. contractor, bank account, deliverables, etc.);</p> <p>f. Risk that all required supporting documents have not been provided for approval (e.g. the technical report);</p> <p>g. risk that the invoice is approved and paid twice or lost invoices;</p> <p>h. Lack of match the contract hardcopy files with information in ABAC;</p> <p>i. Planning calendar unavailable and cross-link it with grants and other activities could lead to bottlenecks;</p> <p>j. Setting of clear priorities to teams: potential conflicting priorities between administration and operational units might delay processes;</p> <p>k. Human factor & competencies, lack of knowledge of the basic rules;</p> <p>l. Transition to E-procurement could entail delays;</p> <p>m. Misuse of contingency.</p> <p>Step 3: Interim Payment</p> <p>a. Lack of checks to ensure that the services/supplies/work delivered, the technical reports and invoices are duly approved;</p> <p>b. Risk of delays in each payment on the basis of the legal and contractual requirements;</p> <p>c. Risk that ABAC has not been updated with complete and accurate information;</p> <p>d. Lack of match the contract hardcopy files</p>	<p>c. clear procedures and financial workflows;</p> <p>d. No risk - 4 eye principle;</p> <p>e. No risk - 4 eye principle;</p> <p>f. No risk - 4 eye principle;</p> <p>g. No risk - 4 eye principle;</p> <p>h. No risk; within the tasks in Ares;</p> <p>i. Coordination meetings regarding planning of tenders, summary tables by units including needs by support services. Under preparation the publication of macro planning tables, covering the procurement indicative planning of all operational units;</p> <p>j. Coordination meetings regarding planning of tenders, summary tables by units including needs by support services. Under preparation the publication of macro planning tables, covering the procurement indicative planning of all operational units + coordination meetings;</p> <p>k. Trainings, mentoring;</p> <p>l. Pilot DG's have experienced first cycle of E-tendering;</p> <p>m. Rules and approval method for the use of contingency in the contract and tender specifications.</p> <p>Step 3 : Interim Payment</p> <p>a. No risk; 4 eye principle;</p> <p>b. We try to respect the legal deadlines, although in some occasions delays occur. Monitoring table is in place;</p> <p>c. No risk; 4 eye principle;</p> <p>d. No risk; 4 eye principle;</p> <p>e. Target time monitoring table in place;</p> <p>f. Coordination meetings regarding planning of tenders, summary tables by units including needs by support services. Under preparation the publication of macro planning tables, covering the procurement indicative planning of all operational units;</p>		

Main risks It may happen that...	Mitigating controls	Coverage, frequency and depth of controls	Cost effectiveness indicators (three E's)
<p>with information in ABAC;</p> <p>e. Risk that payment time limits have not been respected;</p> <p>f. Planning calendar unavailable and cross-link it with grants and other activities could lead to bottlenecks;</p> <p>g. Setting of clear priorities to teams: potential conflicting priorities between administration and operational units might delay processes;</p> <p>h. Human factor & competencies, lack of knowledge of the basic rules;</p> <p>i. Transition to E-procurement could entail delays;</p> <p>j. Misuse of contingency.</p> <p>Step 4: Final Payment</p> <p>a. Risk that deliverables have not been provided according to the contract which lead to a final payment too high;</p> <p>b. Planning calendar unavailable and cross-link it with grants and other activities could lead to bottlenecks;</p> <p>c. Setting of clear priorities to teams: potential conflicting priorities between administration and operational units might delay processes;</p> <p>d. Human factor & competencies, lack of knowledge of the basic rules;</p> <p>e. Transition to E-procurement could entail delays</p> <p>f. Misuse of contingency;</p> <p>g. The contractually foreseen services are not or only partially provided; the amount paid exceeds the contractually foreseen maximum amount.</p>	<p>g. Coordination meetings regarding planning of tenders, summary tables by units including needs by support services. Under preparation the publication of macro planning tables, covering the procurement indicative planning of all operational units + coordination meetings;</p> <p>h. Trainings, mentoring;</p> <p>i. Pilot DG's have experienced first cycle of E-tendering;</p> <p>j. Rules and approval method for the use of contingency in the contract and tender specifications.</p> <p>Step 4 : Final Payment</p> <p>a. We apply penalties in rare occasions where the operational unit identifies poor execution and lack of delivery; a reflection must be done in order to increase legal certainty when applying reduction of payment;</p> <p>b. Coordination meetings regarding planning of tenders, summary tables by units including needs by support services. Under preparation the publication of macro planning tables, covering the procurement indicative planning of all operational units;</p> <p>c. Coordination meetings regarding planning of tenders, summary tables by units including needs by support services. Under preparation the publication of macro planning tables, covering the procurement indicative planning of all operational units + coordination meetings;</p> <p>d. Trainings, mentoring;</p> <p>e. Pilot DG's have experienced first cycle of E-tendering;</p> <p>f. Rules and approval method for the use of contingency in the contract and tender specifications;</p> <p>g. The execution of each contract is monitored from the technical point of view;</p>		

Main risks It may happen that...	Mitigating controls	Coverage, frequency and depth of controls	Cost effectiveness indicators (three E's)
<p>Step 5: De-commitment</p> <ul style="list-style-type: none"> a. Risk that unused balances of the budgetary commitment are not de-committed before the end of the financial year; b. Planning calendar unavailable and cross-link it with grants and other activities could lead to bottlenecks; c. Setting of clear priorities to teams: potential conflicting priorities between administration and operational units might delay processes; d. Human factor & competencies, lack of knowledge of the basic rules; e. Transition to E-procurement could entail delays; f. Misuse of contingency. <p>Step 6: Feedback</p> <ul style="list-style-type: none"> a. Risk that the services/ supplies/work provided by the contractor have not been used in an optimal way; b. Planning calendar unavailable and cross- 	<p>deliverables clearly defined in the contract are due within predefined deadlines; in case of late delivery or delivery of poor results the agency imposes contractual penalties provided for in the contract (e.g. proportionate reduction of the agreed price, liquidated damages) and may also terminate a contract; all deliverables are assessed for their conformity with the tender specifications before a payment is authorised (payments are linked with the execution of deliverables).</p> <p>Step 5 : De-commitment</p> <ul style="list-style-type: none"> a. Internal rules on intranet for de-commitments not always followed and occur after internal deadlines resulting to open/sleeping commitments; b. Coordination meetings regarding planning of tenders, summary tables by units including needs by support services. Under preparation the publication of macro planning tables, covering the procurement indicative planning of all operational units; c. Coordination meetings regarding planning of tenders, summary tables by units including needs by support services. Under preparation the publication of a macro planning tables, covering the procurement indicative planning of all operational units + coordination meetings; d. Trainings, mentoring; e. Pilot DG's have experienced first cycle of e-tendering; f. Rules and approval method for the use of contingency in the contract and tender specifications. <p>Step 6: Feedback</p> <ul style="list-style-type: none"> a. Our main counterpart is the Commission, all reports/ deliverables are duly shared with 		

Main risks It may happen that...	Mitigating controls	Coverage, frequency and depth of controls	Cost effectiveness indicators (three E's)
<p>link it with grants and other activities could lead to bottlenecks;</p> <p>c. Setting of clear priorities to teams: potential conflicting priorities between administration and operational units might delay processes;</p> <p>d. Human factor & competencies, lack of knowledge of the basic rules;</p> <p>e. Transition to e-procurement could entail delays;</p> <p>f. Misuse of contingency.</p>	<p>them;</p> <p>b. Revisions of EU financial rules are duly examined and implemented (Trainings, DG BUDG guides, mentoring);</p> <p>c. Coordination meetings regarding planning of tenders, summary tables by units including needs by support services. Under preparation the publication of macro planning tables, covering the procurement indicative planning of all operational units;</p> <p>d. Coordination meetings regarding planning of tenders, summary tables by units including needs by support services. Under preparation the publication of macro planning tables, covering the procurement indicative planning of all operational units + coordination meetings;</p> <p>e. Trainings, mentoring;</p> <p>f. Pilot DG's have experienced first cycle of E-tendering;</p> <p>g. Rules and approval method for the use of contingency in the contract and tender specifications.</p>		
			<p>Economy overall PROCUREMENT</p> <p>a. Cost-effectiveness in % of costs of FTEs involved in controls vs the total funds managed (evolution over time);</p> <p>b. Cost/benefit ratio regarding controls on payments, (evolution over time).</p>

ANNEX 7: Specific annexes related to "Financial Management"

Chafea continues improving the internal procedures of managing transactions within the delegated programmes, basing on the analysis of risks and the results of earlier ex-post and internal controls. The evaluation of grant proposals must ensure that the best proposals are chosen through a competent, objective, impartial and transparent evaluation and award. Particular attention is paid to the implementation of grants, especially in regard to timely and proper preparation of amendments and submission and assessment of deliverables, as well as the verification of payment requests and execution of payments in order to ensure that payments are authorised in time and as a result of objective, necessary and sufficient controls.

Table Y - Overview of DG's/EA's estimated cost of controls at Commission (EC) level:

The absolute values are presented in million EUR.

Title of the Relevant Control System (RCS)	Ex ante controls			Ex post controls			Total	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
	EC total costs	related funds managed/concerned*	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)
N°1. Grant management	3,69	229,132	1,61%	0,19	18,21	0,92%	3,88	1,69%
N°2. Procurement management	3,10	80,85	3,83%	n/a	n/a	n/a	3,10	3,83%
OVERALL total estimated cost of control at EC level	6,79	309,217	2,19%	0,19	18,21	0,92%	6,98	2,25%

* related funds managed/concerned = payments made, revenues and/or other significant non-spending items such as e.g. assets, liabilities, etc

ANNEX 8: Specific annexes related to "Assessment of the effectiveness of the internal control systems"

ICF assessment

The overall assessment of the internal control system carried out during November 2019 and updated in February 2020 concluded that all the internal control principles are present and functioning and the identified weaknesses are of minor severity. The number of the identified deficiencies lowered to 9 against 26 in February 2019 and the level of all identified deficiencies was assessed as minor.

Taking into account that during the first semester 2020, the Internal audit service (IAS) was conducting an audit of Chafea internal controls, the management decided not to undertake a mid-term assessment of the state of the internal control system before receiving the results of the IAS' audit.

The annual assessment of ICF was conducted in October-November 2020, with the objective to benchmark the state of Chafea internal control with the characteristics of ICF principles and deficiencies detected during the previous year self-assessment exercise, in order to identify and assess possible internal control deficiencies that might affect the functioning of the agency and achieving of the agency's objectives.

During the assessment various sources were considered, the main of which is the analysis of the current state, with a reference to the assessment conducted in the previous year. This self-assessment is based on:

- Review of the measures and activities that assure availability and functioning of the principles;
- Indicators selected by Chafea and reviewed by DG BUDG at the beginning of the year. 49 indicators are observed covering in total 50 characteristics of each principle under each component of ICF.
- Review of documents, such as procedures reports, etc.
- Exceptions and non-compliance events reported to the management and introduced into the register of exceptions and non-compliance events.
- Analysis of the implementation of control and anti-fraud strategies.

The self-assessment was complemented with the information and data obtained from other sources, namely:

- Staff survey (conducted by EC HR 2018 ,results produced in 2019)
- ICAT-based surveys among Chafea staff and Chafea middle management.
- Mid-term risk review and annual risk assessment; ad-hock assessment of risks caused by covid19.
- Audit findings and recommendations.

The assessment of the state of implementation of ICF principles took into account the arrangements and measures caused by covid19 crisis, as well as of the forthcoming transition of the programme management to executive agencies in Brussels. As a result of the 2020 assessment 5 deficiencies were closed and 4 were kept in the register.

Risk management

In line with Chafea risk management procedure, a mid-term risk review was conducted in May 2020. The review targeted the risks that might emerge during the transfer of Chafea activities to two agencies based in Brussels (EASME and REA) and the resulting closure of Chafea. The transfer needs to be conducted in the situation of the crisis caused by 2020 pandemics which reduces the flexibility in arrangements necessary for the timely transition. The assessment was focused on potential risks in the management of changes.

Potential risks to objectives of business continuity and staff engagement were assessed. scope implementation of the activities needed to ensure adequate transfer of Chafea programmes to the successor agencies; challenges the transfer of the programmes causes to Chafea staff; timely phasing out of Chafea as a legal entity. Internal and external communication in the times of changes, and supervision and control over the change process relate to each of the mentioned aspects. Considering that the risk related to change management is already in Chafea Risk Register 2020 it was suggested not to introduce the transition related risk as a new separate item in the Risk Register. Actions proposed to prevent / lessen the identified risks will be added to the risk mitigation activities already specified in the Register.

In May – June, a targeted review handling of sensitive documents (excluding personal data) was conducted. The IT related risk had been introduced into the corporate risk register in 2017 and steps for its mitigation were taken in 2018 through 2020.

Mid-June, the Secretariat-General and DG Budget launched a targeted risk assessment exercise related to the Covid-19 crisis and mitigating actions taken by the Commission, with the involvement of all Commission services including Executive Agencies. This risk assessment focuses on the impact of the crisis and the Commission responses to it on the control, audit and assurance aspects in relation to the EU budget. It covers the performance and the compliance objectives, and is based on the Commission's standard risk management methodology tailored for this particular purpose. The aim is to define the possible measures to be taken, either at the level of the Directorates-General or at corporate level for all services, to secure the discharge for the Commission and the executive agencies for the following years. Chafea conducted the review in accordance with DG BUDG request and guidance and identified Covid-19 related risks to the budget implementation, and as regards budget compliance, considering the crisis-related lighter procedures and/or difficulties to carry out controls and audits in the normal way which may create additional risks for the assurance building process (e.g. higher risk of fraud, insufficient audit coverage, etc.). The identified risks were assessed and mitigating measures defined. 5 risks were listed, none of them critical or high. The risks were communicated to the central services in July 2020. Later in the second semester, at the instruction of DG BUDG the risks were updated and linked to the Agency single risk register

to be taken into account when processing financial transactions and managing legal commitments

Exception and non-compliance register

During 2020, 6 deviations (2 exceptions and 4 non-compliance events) were recorded in the register (vs 10 deviations in 2019). None of the deviations bears material risks and they relate mainly to internal procedures and inter-institutional agreements. Rectifying and preventive steps were taken on the registered deviations, e.g. appointing the budget officer to enhance budget monitoring; linking ABAC payment and EMI (expert management tool in COMPASS) for monitoring and reporting purposes. The exception and non-compliance register indicates through the past three years one repetitive error related to budget annuality and caused by insufficient financial commitments in administrative budget. However the deviations of this kind relate to inter-service SLAs and bear no practical risk. Measures are defined to prevent such occurrences in future.

ANNEX 9: Reporting – Human resources, digital transformation and information management and sound environmental management

Human Resources Management Indicators

Objective (mandatory): The Agency deploys effectively its resources in support of the delivery of the Commission's priorities and core business, has a competent and engaged workforce, which is driven by an effective and gender-balanced management and which can deploy its full potential within supportive and healthy working conditions.		
Indicator 1: Percentage of female representation in middle management positions <i>Source of data: Chafea HR statistics, 12/2020</i>		
Baseline (2017)	Target	Results Chafea 2020
66%	A target of 40 % is set up for Commission services for 2019	75 %
Indicator 2 Percentage of staff who feel that Chafea cares about their well-being <i>Source of data: Commission staff survey (CSS)</i>		
Baseline CSS 2016	Target 2020	Last available result CSS 2018
33 %	≥EC average at the next staff survey	53 %
Indicator 3: Staff engagement index <i>Source of data: Commission Pulse survey 13-14 results (2020)</i>		
Baseline 2020	Target 2020	Last available result 2020
68,7%	≥EC average at the next staff survey	72%

Information Management Indicators

Objective: Information and knowledge in Chafea is shared and reusable by other Chafea Units. Important documents are registered, filed and retrievable		
Indicator 1 Percentage of registered documents that are not filed (ratio) <i>Source of data: Hermes-Ares-Nomcom (HAN) statistics</i>		
Baseline (2014)	Target (2020)	Latest known results (2020)
4.88 %	1.5 %	1.29 % (2020) 1.70 (2019) - 2.09 % (2018)
Indicator 2 Percentage of non filed documents registered by other services and sent to Chafea <i>Source of data: Ares reports</i>		
Baseline (2014)	Target (2020)	Latest known result (2020)
-	10.0%	7.25% (2020), 9.75% (2019), 11.60% (2018)
Indicator 3 Number of HAN files readable/accessible by all units in the DG <i>Source of data: HAN statistics</i>		
Baseline (2019)	Target (2020)	Latest known results Auto-evaluation 2020
99.35 %	N/A	99%

Indicator 4 Number of HAN files shared with other Commission services*Source of data: HAN statistics*

Baseline (2019)	Target (2020)	Latest known results Auto-evaluation 2020
4.81%	-	6.61%

External Communication**Communication activities by programme**

Chafea external communication and dissemination activities focus on the “information necessary to, and resulting from, the execution of the programmes” it manages.

In its communications the Agency targets programmes beneficiaries, potential applicants and other programmes stakeholders, using direct channels and relevant multipliers, though paying attention to remain accessible to the EU citizens broader public.

To secure its contribution to a positive public perception of the EU, Chafea cooperates on a permanent basis with its parent DGs, its communication plans and actions are aligned to the parent DGs wider communication strategies and DG COMM recommendations and guidance.

Chafea external communication reflects the variety and peculiarities of each programme entrusted to the agency. It ranges from the promotion of EU funding available, to the dissemination of projects outcomes and results, including the publicity of calls and guidance, the promotion of cross-border networking, and more, with a constant eye on expanding the outreach of the programmes to new potential beneficiaries and stakeholders.

Health programme

The focus of Chafea’s dissemination activities was on disseminating the results of the third EU Health Programme and the communication priorities indicated by DG SANTE, namely measures to fight the COVID-19 pandemic, vaccination, cancer, affordable medicines, antimicrobial resistance, medical devices and eHealth.

The Covid-19 crisis prevented all physical meetings and conferences which were planned for 2020; several of these were cancelled altogether while others were replaced by virtual events. For example Chafea organised two sessions and a virtual stand at the (virtual) 16th World Congress on Public Health 2020.

Chafea produced and disseminated online info sheets on Cancer, Integrated care, and Substances of Human Origin (SoHO) presenting the actions funded so far under the EU Third Health Programme. Two EU webinars were held to inform stakeholders and potential applicants on the 2020 funding opportunities. Similarly, virtual national info days were organised in Italy and Sweden. One additional info day meeting was organised to inform interested EU countries

In 2020 Chafea published more than 220 news items on its web page (up from over 120 in 2019), many of which were aimed at boosting the visibility of Commission initiatives related to the Covid-19 crisis.

Better training for safer food initiative (BTSF)

Communication of BTSF activities, in 2020, continued via the Chafea website and BTSF Academy platform, as well as through 2 editions of the BTSF newsletter, the publication of the BTSF annual report 2019. In addition, Chafea organised 3 info days, 2 of which online due to the exceptional situation caused by the Covid-19 pandemic.

Promotion of agricultural products

In spite of the difficult sanitary context due to Covid 19 pandemic, the technical support services to facilitate the participation of stakeholders in the information and promotion policy started in 2016, continued in 2020 and contributed to efforts to facilitate the participation of stakeholders in the information and promotion policy.

The portal for technical support services was regularly updated, along with the frequently asked questions, the latest of which referred to the impact of Covid-19 on on-going co-financed programmes. Statistics show between 3.700 and 7.500 unique visitors each month and 1655 registered users at the end of the year. The majority of the registered users signed up to receive Chafea newsletters, 8 of which were sent during 2020.

Also as part of technical support services, 4 market entry handbooks for Thailand, South Africa, Malaysia and USA, were produced and published on Chafea portal with the aim to help potential grant beneficiaries and in general European SMEs by providing up-to-date market research and clear guidance on how to approach third countries' markets.

18 market reports currently available on the portal are downloaded approximately 145 times each month, with the highest number of downloads recorded for reports on Vietnam (182), South Korea (171) and Japan (162). An evaluation survey was conducted in August 2020 to evaluate the usefulness of the handbooks with a view to tailoring them even better in future. 94% of survey participants praise the quality and usefulness of handbooks confirming that they represent an important and useful tool for their organization.

Consumers programme

In line with the Commission political priorities of empowering consumers, Chafea promoted the activities undertaken under the 2020 Consumer AWP through its external communication activities, consisting in particular in the update of Chafea website on a regular basis, the provision of hands-on support to applicants, and the publication on the website of information mainly related to the launch of new calls for tender or calls for proposals, including the update of questions and answers.

During 2020, albeit to a lesser extent due to the limitation imposed by health measures relating to Covid -19, several activities were organised by Chafea to promote the programme (Alternative Dispute Resolution (ADR) Info Day, Consumer Protection Cooperation (CPC) workshops, etc.). Some of these communication activity aimed at raising awareness of specific consumer rights among young consumers and general public, and empowering them to become more informed buyers.

Chafea, in cooperation DG JUST, provided for the organisation of the Consumers Summit to be held in 2021 in collaboration with the Portuguese Presidency.

Communication indicators

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

Indicator 1 : Percentage of EU citizens having a positive image of the EU

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

Baseline November November 2018	Target 2020	Latest known results August 2019
Positive": 43% of Europeans have a positive image of the EU "Neutral": 36% "Negative": 20% "no opinion": 1%	Positive image of the EU ≥ 50%	45 percent of Europeans have a positive image of the EU (2% increase since autumn 2018) "Neutral": 37% "Negative": 17% ("no opinion": 1%

Main outputs in 2020:

Description	Indicator	Target	Latest known results (2020)
Chafea (new) Website	Unique visit	Set 2020 as baseline	165,070
Chafea (new) Website	Unique downloads	Set 2020 as baseline	18,667
Info-days (digital)	Number implemented	12	12
Publications (digital)	Number produced	8	36

Annual communication spending on administrative budget

Besides the communication activities implemented by the delegated programmes, Chafea external communication activities resume to combined simple activities and service support. Due to Covid-19 pandemic the 2020 communication spending was lower due to cancellation or reduction of most of the planned activities.

Annual communication spending (based on estimated commitments):

Baseline (2019):	Target (2020):	Total amount spent	Total of FTEs working on external communication
EUR 352,000	EUR 352,000	156.956,64 (44,6%)	2.0

ANNEX 10: Implementation through national or international public-sector bodies and bodies governed by private law with a public sector mission (if applicable)

NOT APPLICABLE

ANNEX 11: EAMR of the Union Delegations (if applicable)

NOT APPLICABLE

ANNEX 12: Decentralised agencies and/or EU Trust Funds (if applicable)

NOT APPLICABLE