



**2014**

# **Annual Activity Report**

**DG Education and Culture**

**March 2015**

## **Foreword**

This is the first annual activity report after the European elections of last May, the entry into office of the incoming College of Commissioners and the entry into force of the 2014-2020 programmes of the European Union, particularly for education, training, youth, sport, innovation, researchers, culture and audiovisual.

In the new architecture DG EAC is a Directorate General with much strength, dealing with policy areas very close to daily lives of citizens, well-known flagship EU programmes contributing to general trust in the EU project, relying on an experienced network of delegated bodies and competent, dedicated staff.

The Juncker Commission has triggered substantial changes in organisation and working methods, which DG EAC has started to implement under the leadership of Commissioner Navracsics. Vice Presidents and Commissioners lead departments by projects, in teams, focussing on a limited number of key priorities: this entails for our DG many more opportunities to cooperate with other Commission departments, to influence key policies such as the new EU Investment plan and the Digital Single Market, to contribute to common objectives, for instance the security agenda, and make a difference in terms of building a knowledge-based society. More than ever, the quality of our contribution to the institution's objectives matters more than the quantity of our individual products.

The reorganisation adopted on 1 November 2014 provides for a more streamlined organisation with clarity on the objectives of all components of the DG and for closer cooperation between them. We also have clearer internal governance, allowing a more focussed decision-making process, based on the Directors Board, the Directors Steering Committee for resources management, the group for the Information and Coordination of Erasmus+, the Task Force on the Investment Plan, the review of the Europe 2020 strategy and the European Semester, the Task Force on the Digital Single Market, Policy Forum with staff, to mention just a few.

In 2014, DG Education and Culture successfully launched a modernised generation of EU programmes with Erasmus+, Creative Europe and parts of Horizon 2020, all of which are already popular; it has contributed to promoting reforms required at national level to unlock the potential of education, innovation and creativity policies and investments and has embraced vigorously the Juncker agenda for Europe which creates new opportunities for the years to come, particularly supporting young people.

This AAR sets out, in part 1, the policy and programme achievements of the DG and gives a flavour about how its multi-faceted portfolio contributes to creating growth, jobs and a better world for the new generations. It accounts as well for the appropriate use of resources allocated to the DG. Parts 2-4 provide assurance on a sound financial management and contain information about our internal control system, the limited error rates found in EU-funded projects and the cost-effective balance that we have stroked between trusting and controlling those we fund. I hope that the report offers a self-explanatory and fair view of our achievements and challenges and that it can give readers further reason to visit our website: [http://ec.europa.eu/dgs/education\\_culture/index\\_en.htm](http://ec.europa.eu/dgs/education_culture/index_en.htm)

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# INTRODUCTION:

## DG Education and Culture in brief

With a view to contributing to a knowledge based Europe reconciling a competitive economy and an inclusive society, DG Education and Culture's mission was in 2014 to foster both equity and excellence in **education** at schools, universities and adult level training (\*), to maximise the potential and well-being of **young people**, to develop the European dimension in **sport**, to promote career development of **researchers** and cross-fertilisation between education, research and market **innovation**, to support **cultural** exchange and cooperation, to enhance the competitiveness of the **audiovisual** (\*) and other cultural and creative sectors, while stimulating the development of skills (\*), and the mobility of individuals and the dissemination of works in each of these fields. The DG acts through policy coordination, country recommendations and spending programmes, at all times supporting multilingualism in all its activities.

*(\*) until 31 October 2014*

DG Education and Culture (DG EAC) is in charge of multiple policy areas, for which the Treaty limits the competence at the European level to **complementary and transnational activities**, such as policy cooperation. The DG's spending programmes implement actions mainly by means of grants funded under Title 15 of the budget complemented with funding from Heading 4 as regards external actions. The administrative implementation of these programmes includes bodies outside the DG such as European Executive Agencies and National Agencies which operate within a given participating country. In addition to the programmes, corporate services are provided to the entire Commission and beyond by the Central Library and the Traineeship Office.

DG EAC remained organised in **six Directorates**:

- Directorates A, B and C were responsible for Education and Training. Directorate A dealt with horizontal policy issues (Europe 2020 strategy, country analysis, skills and qualifications, multilingualism, studies, etc.), Directorate B with sector-based education policies (except higher education) and the overall coordination of the Erasmus+ programme, and Directorate C with higher education, research issues (Marie Skłodowska-Curie actions, EIT) and international cooperation;
- Directorate D was responsible for the implementation of the EU Youth Strategy and the Sport policy. It also managed the Central library and the Traineeship office for the Commission;
- Directorate E covered the Creative Europe programme, as well as related policy activities, and was responsible for the external communications of the DG;
- Directorate R and the horizontal units continued to be responsible for overall coordination and administrative support.

The policies of the DG were supported in 2014 by the following **main programmes**:

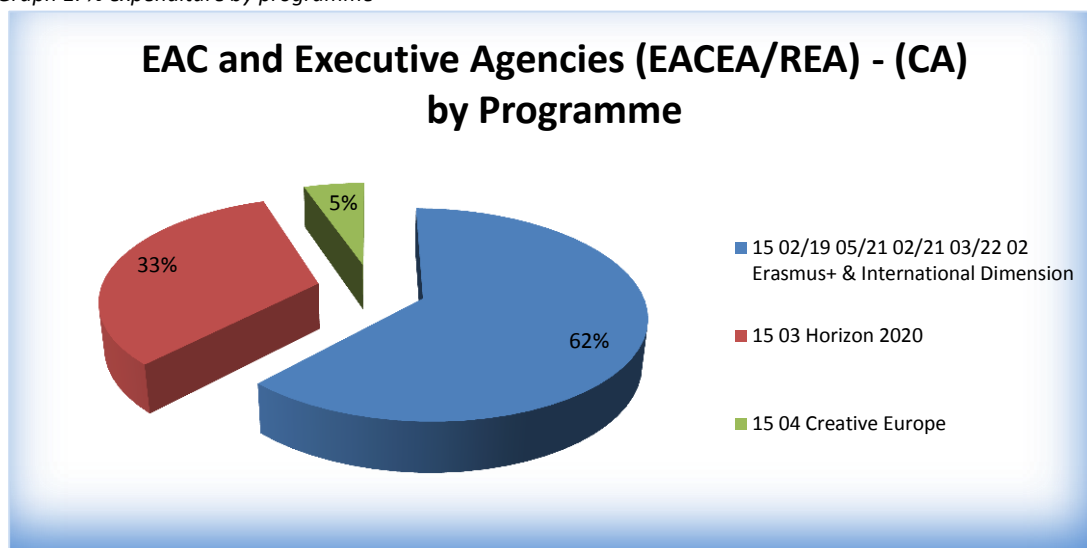
- Erasmus+ with € 1.8 billion in terms of operational expenditures committed and € 249 million for external actions;
- Marie Skłodowska-Curie actions (MSCA) and the European Institute of Innovation and Technology – part of the Research Framework Programme Horizon 2020 with € 1.0 billion;
- Creative Europe programme with € 176 million.

Beyond these programmes, the DG participates, as partner DG, in the activities of three EU Agencies or bodies which have their own discharge procedure (see 2.2 as regards their supervision):

- EIT: the **European Institute of Innovation and Technology** (see 1.1.3) is an independent EU body set up to address Europe's innovation gap.
- ETF: the **European Training Foundation** (Turin, Italy) helps the Union's partner countries develop education and training systems. The ETF also helps transition and developing countries reform their education, training and labour market systems in the context of the EU's external relations policy (see 2.2.2.2 and 1.1.1.5 on international cooperation).
- Cedefop: the **European Centre for the Development of Vocational Training** (Thessaloniki, Greece) is the EU's reference centre for vocational education and training (VET). It provides information on and analysis of E&T systems, policies, research and practice (see 2.2.2.2 and 1.1.2.2 about VET policy results).

The **total available budget** (in commitment appropriations) for the projects and actions in **the Education and Culture domain** amounted in 2014 to **about € 3.5 billion** (+9% as compared to 2013), including administrative budget and the contribution of the European Free Trade Association (EFTA) and participating third countries.<sup>1</sup>

Graph 1: % expenditure by programme



<sup>1</sup> See Annex 2 table 2 for more information on [financial resources](#).

The first pie chart shows the relative importance of the programmes and highlights the predominance of Erasmus+ (see 1.1.2.1 for overall results). DG EAC's own budget, i.e. expenditures which are covered by the assurance of the DG, is narrow and amounts to € 2.1 billion (in commitment appropriations) or € 1.526 billion (in payments made).

DG EAC's main programmes typically contain many diverse actions with a direct interaction with citizens in most cases. The programmes generally finance a high number of small actions and projects with a relatively short duration (rarely more than two years). The main actions can be summarised as follows:

**Mobility** actions, consisting of hundreds of thousands of individual grants, particularly in the Erasmus+ sub-programmes: Erasmus, Leonardo da Vinci and Youth, as well as in Marie Skłodowska-Curie Actions;

**Cross-border Partnerships**, involving schools (Erasmus+: Comenius), VET partners (Erasmus+: Sector Skills Alliances), adult training organisations (Erasmus+: Grundtvig), higher education institutions (Erasmus+: Knowledge Alliances) or youth organisations (Erasmus+: Youth) with other partners, to which several thousands of organisations participate;

**Support for networks** and operational grants to certain organisations (e.g. Erasmus+: sport);

**Policy cooperation and support**, such as peer learning activities, policy experimentation, development of qualification transparency tools, studies and comparative research.

In order to be able to implement such numerous and varied activities, in the 2014-2020 generation of programmes, DG EAC uses **four different implementation modes**, including three forms of externalisation - according to the terminology applied as of 2013:

**Direct management through two EU Executive Agencies:** the Education Audiovisual and Culture Executive Agency (EACEA) and the Research Executive Agency (REA), mainly for those parts of programmes where projects are allocated across Europe based on excellence. DG EAC's responsibility is assumed through the Steering Committee of each Executive Agency. In compliance with the relevant Acts of Delegation, the actions implemented through the Executive Agencies contribute significantly to the objectives of the DG. They represent close to half of the budget (17% by EACEA, 25% by REA). Their solid performance and efficiency indicators have resulted in incremental mandate extensions<sup>2</sup>. In 2014, the implementation of parts of Erasmus+ and Creative Europe were delegated to EACEA, while Marie Skłodowska-Curie actions are managed by REA. It is worth noting that the operational budget of the Executive Agencies are not funds that the DG has entrusted but are funds the Agencies

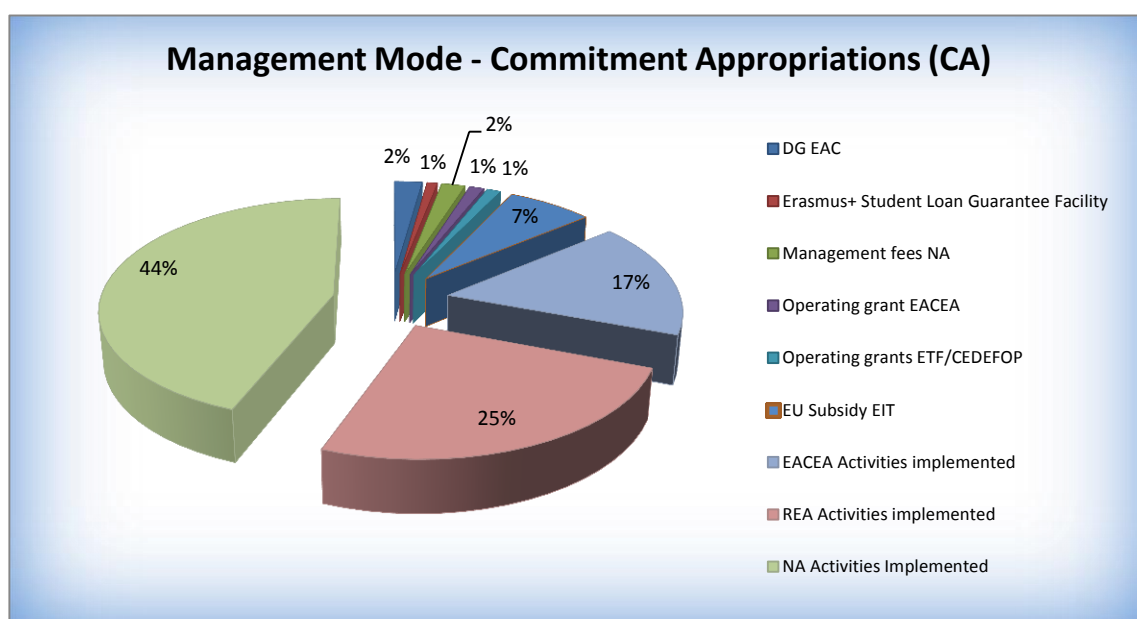
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<sup>2</sup> EACEA and REA are subject to regular cost-benefit analyses of the externalisation through Agencies which demonstrate the cost-effectiveness of this management mode.

have directly received from the Commission. Therefore, the Executive Director of the respective Executive Agency, as Authorising Officer by Delegation<sup>3</sup>, has the responsibility to provide assurance on the operational expenditure in his Annual Activity Report.<sup>4</sup>

**Indirect management through National Agencies (NAs)** appointed and supervised by the National Authorities (NAUs) of the participating countries to the Erasmus+ programme. This implementation mode is mainly used for mass mobility actions, partnerships, and certain cooperation projects. The actions implemented through NAs represent a stable share of about 44% of the budget. National agencies are equipped to manage the large volume of actions of relatively low amounts that require proximity to the beneficiaries. DG EAC retains full responsibility for these parts of the programmes.

**Indirect management through other bodies:** Cedefop, ETF, the EIT and the European Investment Fund (EIF) for the Erasmus+ Student Loan Guarantee Facility represent together some 8% of the budget.<sup>5</sup>



Graph 2: % expenditure by management mode and implementing body

The remaining actions are implemented by **DG EAC under direct management**. This represents 2% of the budget, excluding as of 2014 operating subsidies to agencies (NAs, EACEA, ETF, Cedefop, and EIT) which represent almost six times this amount. These remaining actions consist mainly of administrative expenditure (Central Library of the

<sup>3</sup> Article 66(9) of the Financial Regulation (2012) applicable to the general budget of the European Union.

<sup>4</sup> As far as the operating budget granted by DG EAC to the Agency is concerned, DG EAC remains responsible as Parent DG. Those administrative expenditures are therefore covered by the assurance given in this Annual Activity Report.

<sup>5</sup> See annex 8 on the budget of decentralised agencies.



Commission, Commission trainees, studies, external communication, IT systems, etc.), policy support, politically sensitive and new actions, pilot projects and preparatory actions.<sup>6</sup>

In 2014, 647 persons were allocated to DG EAC. An increasing share of 69% of all staff manages policies and programmes, 21% gives administrative or financial support to DG EAC and about 10% provides the Commission with Corporate support.<sup>7</sup>

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<sup>6</sup> See Annex 3 for more information on DG financial resources. Figures include administrative budget and the contribution of participating third countries.

<sup>7</sup> Source: Sysper's screening values. See annex 2 table 1 for more information on human resources.

## The year 2014 in brief: major changes in working environment

The year 2014 was a **year of European elections**, the last year of the Barroso Commission and the first year of implementation of the 2014-2020 programmes. During this year, the key role of education, innovation and creativity, as drivers for growth and jobs in the framework of Europe 2020 has clearly been pursued.

Despite the late adoption of the Regulations establishing 2014-2020 programmes at the very end of 2013, the **new programmes Erasmus+, Horizon 2020 and Creative Europe** have been rolled out as of 1 January 2014 almost as planned. Even the international dimension of Erasmus+ in higher education, which was held up by the much delayed adoption of the external action instruments, could be launched in 2014 with effect in 2015. However the period has also been marked by the consequences for education research and culture activities of the Swiss referendum "Against Mass Immigration" and the Ukrainian crisis since the annexation of Crimea by Russia. And although negotiations with the European Investment Fund (EIF) on the Erasmus+ Student Loan Guarantee Facility were concluded successfully in December 2014, the emergence of a horizontal issue about tax law affecting all innovative financial instruments prepared by the EU in 2014 has delayed the launch of the new scheme towards banks until February 2015. Lastly, to optimise budget execution over the whole programme duration, it was decided to launch the new financial guarantee facility under Creative Europe as of 2016.

The second half of 2014 brought along major changes in the working environment with the successive appointments of a new Director-General, Mr Xavier Prats Monné as of August, a new Deputy Director-General Mr Jens Nymand-Christensen as of September, and a new Commissioner Mr Tibor Navracsics as of November.

Most importantly, the coming into office of **the new Juncker Commission** led to a refocussing of the EU policy agenda around the 10 Policy Guidelines and entailed substantial organisational changes. The DG has embraced the new policy agenda set by President Juncker. This is an opportunity for DG Education and Culture to take a fresh perspective, to refocus its priorities and to consider new or strengthened paths of cooperation with other policy areas and Commission departments. The DG also got involved in the Investment Plan for Europe proposed by President Juncker, a task obviously not planned in the management plan 2014.

As to the organisational changes, three Units/activity areas are transferred as of January 2015 from DG Education and Culture to DG Employment, Social Affairs and Inclusion (Skills and qualifications policy; Vocational training and Adult education policies) and to DG for Communication Networks, Content and Technology (Creative Europe - MEDIA programme). This occasion has been seized to substantially revise the DG organisational chart, turning DG Education and Culture in a more streamlined, agile organisation clearly focussed on the mandate of Commissioner Navracsics' and policy priorities of the Juncker Commission. This AAR mirrors the Management Plan 2014 of the DG and covers the year 2014 in its entirety under the arrangements prior to the reorganisation of the Commission services.

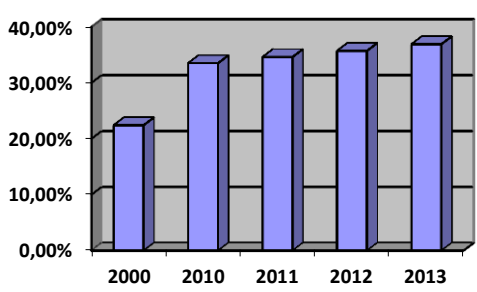
## Executive Summary

The Annual Activity Report is a management report of the Director-General of DG Education and Culture to the College of Commissioners. It is the main instrument of management accountability within the Commission and constitutes the basis on which the Commission takes its responsibility for the management of resources by reference to the objectives set in the management plan and the efficiency and effectiveness of internal control systems, including an overall assessment of the costs and benefits of controls<sup>8</sup> (see part 2).

### Key Performance Indicators 2014

The most relevant key performance indicators of DG Education and Culture are the following. The first four are extracted from the impact indicators presented below (part 1); while the fifth one is based on error rates per management mode (see part 2). All indicators linked to **Europe 2020 headline targets**, namely higher education attainment and early school leaving, as well as the key indicator for fund management showed progress and remained on track/target. As regards the other two indicators, no new results were available in 2014.

Legend: v: on target; X: target missed. Where information is available for more than one year:  
 ↑: trend closer to target; ↔: stable towards target; ↓: trend deviating from target.

KEY PERFORMANCE INDICATORS 2014			
Impact Indicators	Latest known result	Milestones	Long-term targets
<p><b>Tertiary level attainment (Europe 2020 headline target)</b></p> <p>See analysis under 1.1.2.1.</p> <p>1 ↑</p>	<p>2013: <b>36.9%</b></p> <p>2010: 33.5%</p> <p>2000: 22.4%</p>  <p>(Source: Eurostat, Labour Force Survey -LFS)</p>	<p>Milestone 2016: 38%</p>	<p>By 2020, at least 40% of 30-34 year olds should be higher education graduates.</p>

<sup>8</sup> Article 66(9) of Financial Regulation

Impact Indicators		Latest known result	Milestones	Long-term targets
2	Mobility of students or pupils in higher education and in the vocational sector  See analysis under 1.1.2.2.	a) Higher Education: 2011: more than <b>8%</b> of students enrolled came from abroad. In 2010 (bachelor and master level) around 3.6% of students studied in another EU, EEA or candidate country. (Source: Eurostat, DG EAC calculations for the 2012 Education Monitor)	a) Improved Eurostat data by 2015	a) By 2020, an EU average of at least 20 % of higher education graduates should have had period of higher education-related study or training (including work placements) abroad of at least 3 months or 15 ECTS.
		b) Vocational education and training (VET) estimated to be around <b>2-3%</b>	b) Eurostat household survey covering also VET mobility in 2014 (results by 2015).	b) By 2020 an EU average of at least 6 % of 18-34 year olds with an initial vocational education and training qualification should have had an initial VET-related study or training period of at least 2 weeks or less if documented with Europass.
6 ↑	<b>Early school leavers (Europe 2020 headline target)</b>  See analysis under 1.1.2.1.	2013: <b>12.0 %</b> Milestone: 11.5% in 2016 2010: 14.1% 2000: 17.6%		By 2020, less than 10% of 18-24-year-olds have at most lower-secondary education and are not enrolled in education or training.
		<p>(Source: Eurostat, LFS)</p>		
13	Percentage of EU citizens that associate the EU with cultural diversity	2009: <b>19%</b> (Source: Eurobarometer survey- not measured since then)	We aimed at an increase in the percentage <i>by the time of the next survey</i> . No quantified targets had been set. As announced in the Management Plan 2014, a new key performance indicator has replaced this one as of the Management Plan 2015 (see below Impact indicator 12: Access of EU citizens to European cultural works)	
✓  ✓  ✓	Indicator of management: <b>multi-annual residual error rates</b> respectively for: <ul style="list-style-type: none"> <li>direct management by <b>DG EAC</b></li> <li>indirect management through <b>National Agencies</b></li> <li>weighted average of both</li> </ul> See analysis under 2.1 and 2.2.	0.87% over 2011 - 2014 (0.88% over 2011-2013)  0.87% over 2011 – 2014 (0.95% over 2011 – 2013)  0.86% over 2011-2014	Less than 2%	Less than 2%

## Policy / programme highlights of the year (executive summary of part I)

The year 2014 confirmed that the issues addressed by DG Education and Culture (DG EAC) were of high political and economic relevance and very close to the concerns of citizens. The DG contributed to the overall effort of the Commission to help overcome the current economic crisis and restore confidence in the EU, especially among young people. During this year of **European elections**, attention was particularly strong on participation of young people in society (e.g. fourth cycle of Structured Dialogue).

All indicators linked to **Europe 2020 headline targets**, namely higher education attainment and early school leaving showed progress. The cooperation between Member States at EU level in the field of education and training (ET 2020) and EU funding contribute indirectly to these impacts. Targets remain within reach if efforts are sustained by all. Actions taken by the Commission in 2014 to help achieve them are presented in this report.<sup>9</sup> Furthermore, the level of basic skills, the share of pupils studying at least two foreign languages, the share of adults taking part in lifelong learning or the share of non-EU students or researchers in the EU have increased in the recent past. In contrast, impact indicators related to employability, youth out-of-school or cultural participation rates have registered deterioration over the last years.

The key role of education, training, innovation and creativity as **drivers for growth and jobs** in the framework of Europe 2020 has been pursued by providing significant input in particular to the coordination of economic policies at EU level (European Semester) and the implementation of the Youth Guarantee initiative. The Task Force for the future European Fund for Strategic Investments presented in December to the Council an illustrative list of projects to be funded, where education is well covered. As a follow up to the Council Declaration on the Alliance for Apprenticeships, 22 Member States have submitted to the Commission their commitments to improve concretely the quality of apprenticeships.

Despite the late adoption at the end of 2013 of the Regulations establishing EU programmes for 2014-2020, the **new programmes Erasmus+, Horizon 2020 and Creative Europe**, integrated and well resourced, have been launched by DG EAC together with entrusted bodies without major difficulties, thanks to great efforts and flexibility on all sides. These new programmes increase EU support and impact in key areas for growth and jobs: education, innovation, research, cultural and creative sectors. For instance, whereas one out of two European graduates who studies or trains abroad benefits from Erasmus, a 2014 Erasmus Impact Study across all Programme Countries shows that Erasmus increases the employability advantage over non-mobiles by 45%. A large information campaign on the 2014-2020 programmes including international actions of Erasmus+ was organised in Europe and beyond with a rapidly growing presence on social networks. The demand for mobility was very high compared

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<sup>9</sup> See section 1.1.2.1 (indicator evolutions), 1.1.2.2 (schools) and 1.1.2.2 (higher education).

with the budget available. In close collaboration with a number of delegated bodies, DG EAC has succeeded within a particularly short period of time in designing many new tools and putting in place a number of simplifications, as expected. Meanwhile two new "Knowledge Innovation Communities" (KIC) were selected by the European Institute of Innovation and Technology (EIT), respectively in the field of Healthy living and Raw materials, responding to actual challenges: ageing population in Europe; fall in raw material prices worldwide. DG EAC has also been actively involved in designing a more effective support from the **structural and investment funds** to education, culture and sport in particular in relation to the Europe 2020 agenda.

EU programs 2007-2013 under DG EAC's responsibility showed again **notable results**. For instance, two former Marie Curie project coordinators were awarded the Nobel Prize in Medicine and the Nobel Prize in Chemistry. The Italian film "La Grande Bellezza" (The Great Beauty) supported by the MEDIA programme won the Oscar for Best Foreign Language Film. The results from the 2014 external evaluation of the Traineeships programme showed that its objectives were highly relevant, with would-be trainees facing a lack of similar opportunities on the labour market.

The Commission adopted in the year **new policy outputs** prepared by this DG as lead service, including a *Communication on Cultural Heritage 2020*, a *Communication on the European film in the digital era*, two implementation Reports on the EU Work Plan for Culture 2011-2014, and on the first EU Work Plan for Sport 2011-2014. The Education and Training Monitor 2014 confirmed its EU added value as a benchmark document for policy makers.

As a follow-up to DG EAC's work, in 2014 the **Council of Ministers** adopted the proposed three multiannual EU Work Plans respectively for Youth, for Sport and for Culture, as well as conclusions dealing among other issues with multilingualism (without the proposed EU benchmark for language learning). According to a 2014 Commission survey, 86% of Member States considered that the implementation of the Council Work Plan for Culture 2011-2014 has generally met the expectations of their government.

Looking forward, the ET 2020 stocktaking has been implemented and key tools – such as the Working Groups - have been rationalised, increasing efficiency. The Commission in liaison with the World Health Organization launched in 2014 the network of national physical activity focal points, appointed by Member States. Furthermore, the **Parliament** and the Council adopted the proposed decision on the European Capitals of Culture (ECoC) for the years 2020 to 2033.

Lastly progress has been made in terms of **external policies** in the field of higher education (e.g. extension of quality assurance in Africa) and culture (e.g. co-productions with Korea).

## **Key conclusions on resource management and internal control effectiveness (executive summary on part 2 and 3)**

In accordance with the governance statement of the European Commission, (the staff of) DG Education and Culture conducts its operations in compliance with the applicable laws and regulations, working in an open and transparent manner and meeting the expected high level of professional and ethical standards.

The Commission has adopted a set of internal control standards, based on international good practice, aimed to ensure the achievement of policy and operational objectives. As required by the Financial Regulation, the Director-General has put in place the organisational structure and the internal control systems suited to the achievement of the policy and control objectives, in accordance with the standards and having due regard to the risks associated with the environment in which it operates.

DG Education and Culture has assessed the effectiveness of its key internal control systems during the reporting year and has concluded that the **internal control standards are effectively implemented**. Furthermore, DG Education and Culture has taken measures to further improve the efficiency of its internal control systems (in the area of standards 3, 4, 7, 9 and 12) in order to ensure an effective and coherent implementation of the new (2014-2020) programmes, to respond to the 2013 Staff survey concerns and perceptions by staff on the need for further improvements as well as the inherent risk in implementing the new staff regulation in its first year, to take into account the changes in the delegated tasks and relations with and between Agencies, and improving internal communication (See Part 3 for further details).

In addition, DG Education and Culture has systematically examined the available control results and indicators, including those aimed to supervise entities to which it has entrusted budget implementation tasks, as well as the observations and recommendations issued by internal auditors and the European Court of Auditors. These elements have been assessed to determine their impact on the management's assurance as regards the achievement of control objectives (See Part 2 for further details). In its parent/partner DG capacity, and on the basis of the supervisory processes in place such as management reporting and monitoring, DG EAC considers it has reasonable assurance on its supervision of National Agencies (except one), ETF, Cedefop, and EIT (under close monitoring).

In conclusion, management has reasonable assurance that, overall, suitable controls are in place and working as intended; risks are being appropriately monitored and mitigated; and necessary improvements and reinforcements are being implemented. The Director General, in his capacity as Authorising Officer by Delegation has signed the **Declaration of Assurance without reservation**.

From the assurance elements described in this report, DG Education and Culture concludes that its key internal control objective has been met in 2014. The multi-annual residual error rate is indeed below 2 % in all management modes covered by this Annual Activity Report. As regards DG EAC's direct management, the overall error rate 2011-2014 (0.87%) is below 2% (0.88% over 2011-2013). For the eighth consecutive year, DG EAC will make no reservation on the indirect management through National Agencies, since they present a 2011-2014 error rate of 0.87% (0.95% over 2011-2013). DG EAC does not make either a reservation in the context of its supervision responsibilities in relation to the Executive Agencies EACEA and REA, as their own recurring reservations are balanced overall against other positive considerations, as described below (see 2.2) and especially because of the absence of issue that would point to any weaknesses in terms of EAC's supervision responsibilities. Controls carried out in 2014 were more cost-effective (between 1.0% and 4.8% of the budget managed) in comparison to 2013 (1.2%-5.9%) and control efficiency improved over years.

## **Information to the Commissioner for Education, Culture, Multilingualism and Youth**

The main elements of this report and assurance declaration have been brought to the attention of Commissioner Navracsics, responsible for Education, Culture, Youth and Sport.<sup>10</sup>

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<sup>10</sup> Ares(2015)1289131 of 24.3.2015.



# 1. POLICY AND PROGRAMME ACHIEVEMENTS

## 1.1 Achievement of general and specific objectives: closer to Europe 2020 goals

2014 confirmed that the issues addressed by DG EAC were of high political and economic relevance and very close to the concerns of citizens. All indicators linked to **Europe 2020 headline targets**, namely higher education attainment and early school leaving showed progress. Furthermore, the level of basic skills, the share of pupils studying at least two foreign languages, the share of adults taking part in lifelong learning or the share of non-EU students or researchers in the EU have increased in the recent past. In contrast, other impact indicators (i.e. for the EU society at large) related to employability, youth out-of-school or cultural participation rates have registered deterioration over the last years. The cooperation between Member States at EU level in the field of education and training (ET 2020) and EU funding contribute indirectly to these impacts.

**Efforts to align resources and priorities** have been strengthened in the general context of the implementation of new programmes and staff reduction. With the largest share devoted to education<sup>11</sup>, **human resources** across the DG have been redeployed since 2013, despite overall cuts, towards Europe 2020 priorities e.g. reinforcement as regards country analysis feeding into the overall economic cooperation (European Semester) as well as the development of innovation policy through the EIT. In 2014, there was no such human resources reinforcement, as the DG was expecting the priorities of the next College to be defined. In the coming years, human resources will support the revised policy priorities of the DG, namely the EU investment plan, Europe 2020 review and the Digital Single Market.

In 2014, extra **financial resources** have continued to be allocated to IT development to roll out the 2014-2020 generation of programmes. In contrast, following a reassessment of DG EAC's priorities, budget could be reduced in the field of communication (from € 2.5m to € 1.45m) or representation.

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<sup>11</sup>

See annex 2 table 1 for further information on human resource allocation.

## 1.1.1 Overall achievements

During the year under review, the DG has launched the implementation of the new generation of programmes 2014-2020 and has continued to implement the Europe 2020 Strategy in its remit. It has actively contributed to maintaining the high visibility of its policy areas notably in the context of the European Semester. Overall, the DG has been able to deliver the expected programme outputs - although with delays and certain exceptions described below - and most of the planned policy outputs as long as these were not concerned by the modification of portfolio under the incoming Commission.

### 1.1.1.1 Implementation of the Commission's policy agenda

No initiative in the field of DG Education and Culture had been announced in the Commission Work Programme (CWP 2014). Nevertheless the Commission adopted in the year seven other **policy outputs** prepared by this DG as lead service<sup>12</sup>: a *Communication on Cultural Heritage 2020*<sup>13</sup>, a *Communication on the European film in the digital era*<sup>14</sup> and a proposal for a Council Decision strengthening audio-visual co-productions with Korea.<sup>15</sup> The Commission adopted also two implementation Reports on the EU Work Plan for Culture 2011-2014,<sup>16</sup> and on the first EU Work Plan for Sport 2011-2014<sup>17</sup>, as well as two progress reports respectively on Quality Assurance in Higher Education<sup>18</sup> and on Quality Assurance for Vocational Education and Training (EQAVET).<sup>19</sup> Lastly, the Commission adopted the Education and Training Monitor 2014, as a working document.<sup>20</sup>

Meanwhile DG EAC **contributed** to the implementation of the Commission's growth and jobs agenda – Europe 2020 – by providing among others significant input to the coordination of economic policies at EU level (European Semester, Annual Growth Survey) and the implementation of the *Youth Guarantee* initiative (see 1.1.2.1).

As a follow-up to DG EAC's work, in 2014 the **Council of Ministers** adopted the proposed three multiannual EU Work Plans respectively for Youth, for Sport and for

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<sup>12</sup> The Communication "Towards a renewed consensus on exercising Intellectual Property Rights: An EU Action Plan" was adopted with DG Internal Market as lead service. COM(2014) 392 of 1.7.2014

<sup>13</sup> COM(2014)477 of 22.7.2014

<sup>14</sup> COM(2014)272 of 15.5.2014 (initially planned for the 1st quarter of 2012)

<sup>15</sup> Council Decision about the EU position on the extension of the entitlement to audio-visual co-productions with Korea COM(2014)81 of 18.2.2014

<sup>16</sup> COM(2014)535 of 25.8.2014

<sup>17</sup> COM(2014)22 of 24.1.2014

<sup>18</sup> COM(2014)29 of 28.1.2014 (initially planned for mid-2013)

<sup>19</sup> COM(2014)30 of 28.1.2014 (initially planned for mid-2013)

<sup>20</sup> SWD(2014)337 of 28.10.2014

Culture, as well as resolutions or conclusions dealing for instance with Structured Dialogue with youth, school leadership, education quality assurance, and multilingualism (without the proposed EU benchmark). Furthermore, the **Parliament** and the Council adopted the proposed decision on the European Capitals of Culture (ECoC) for the years 2020 to 2033.

In contrast, DG EAC has **carried over to 2015** the adoption of the following five non-CWP policy outputs initially planned for the 2014 agenda of the College. A *Proposal for Council Decisions on the Agreement on Cultural Cooperation with Colombia and Peru* was postponed due to the challenges faced with a similar agreement with Korea. In view of the transfer of related competences to DG Employment, Social Affairs and Inclusion according to the organisation of the Juncker Commission, a *Report on the European Credit System for Vocational Education and Training (ECVET)*, the *report on the evaluation of the European Centre for the Development of Vocational Training (CEDEFOP)* and the ensuing proposal for revising the CEDEFOP Regulation have all been postponed to 2015. Lastly, two Commission reports had also been planned for adoption by the Commission in 2014. The first one, which will take the form of a *Commission working document on policies tackling low achievement in basic skills*, has been postponed to 2015 to allow for a broader collection of evidence. The second one, a *Report on media literacy*, was put on hold due to the transfer of this activity to the DG for Communications Networks, Content and Technology.

#### 1.1.1.2 Kick-off implementation of the 2014-2010 programmes

Launching new programmes, integrated and well resourced, for the period 2014-2020 was the main priority in 2014 in many respects. The Regulations proposed by the Commission in 2011-2012 and adopted in 2013 increase EU support in key areas for growth and jobs: education, innovation, research, cultural and creative sectors. As from January 2014, they have been implemented by DG EAC together with entrusted bodies, almost as planned, concerning

- The programme **Erasmus+** (+40% with € 14.7 billion from heading 1 –"Smart and Inclusive Growth" and 1.68 billion from heading 4 "Global Europe"), integrating education, training, youth, Jean Monnet activities and sport, including the new Erasmus+ Student Loan guarantee facility and the international dimension of higher education and youth cooperation (see 1.1.2);
- The programme **Creative Europe** (+9% with € 1.46 billion), covering the culture and the audiovisual sectors, including the new guarantee facility for SMEs in the cultural and creative sectors (see 1.1.4);
- The research and innovation programme **Horizon 2020** (€ 77 billion), in which DG EAC is tasked with the implementation of the *Marie Skłodowska-Curie actions* (8% of *Horizon 2020*) and the European Institute of Innovation and Technology - EIT (3.5%) (see 1.1.3);

- DG EAC has also been actively involved in the preparation of the future priorities of the **Cohesion Policy**, in order to design a more effective support from the structural and investment funds to education, culture and sport. The DG has contributed to the process at all stages systematically emphasising conditionality in particular in relation to the *Europe 2020* agenda and providing country specific input into the definition of future investment priorities.

On a cross-programme note, more opportunities are foreseen over 2014-2020 for policy support<sup>21</sup>, for cross-sector projects and for exploitation of results.

In terms of **geographical scope**, Norway, Iceland, Liechtenstein, the former Yugoslav Republic of Macedonia and Turkey are now *fully* participating in *Erasmus+* on an equal footing with the 28 EU Member States ('Programme Countries'). Albania, Bosnia and Herzegovina, Montenegro and Serbia have signed agreements for their *partial* participation in *Erasmus+* actions centrally managed (i.e.: IT supports platforms including eTwinning and support for policy reform). The latter countries, as well as the former Yugoslav Republic of Macedonia, and Turkey also signed Agreements establishing their participation in *Creative Europe*. The Agreements all entered into force the same year, except for Turkey, which will participate in *Creative Europe* as of 2015. The modalities of participation to *Creative Europe* of Turkey, Georgia, Moldova and Ukraine were being agreed between the Commission and the respective national authorities with a view to their possible participation as of 2015. Iceland and Norway are fully participating in *Creative Europe* and fully associated to *Horizon 2020*, including the *Marie Skłodowska-Curie actions*. With regards to the latter actions, Albania, Bosnia and Herzegovina, Montenegro, the former Yugoslav Republic of Macedonia, Serbia, Turkey, Moldova, Israel and the Faroe Islands have signed Association Agreements.

In contrast, **the Swiss participation in programmes has been interrupted** - except as regards *Marie Skłodowska-Curie actions* - following the outcome of the Swiss referendum "Against Mass Immigration", and remains subject to the extension of the free movement of persons to Croatia by Switzerland. As the *Erasmus+* programme is closely linked to the free movement of persons, negotiations on participation of Switzerland as a programme country have been suspended.<sup>22</sup> In May 2014 the EU decided to re-launch negotiations on the institutional agreement with Switzerland and therefore on the Swiss participation in the *Creative Europe* Programme, as it is closely linked to the internal market (in particular the MEDIA sub-programme). However, any kind of agreement remains subject to the extension of the free movement of persons to Croatia. Lastly, an international agreement associating Switzerland to parts of *Horizon 2020* including the *Marie Skłodowska-Curie actions* was signed in December 2014.<sup>23</sup>

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<sup>21</sup> For instance, the DG has developed the concept of Prospective Initiatives and Partnerships with civil society under the cross-sector Key Action (KA) 3 of the Erasmus+ programme.

<sup>22</sup> In the meantime, the Swiss authorities have announced unilateral transitory measures on their participation in Erasmus+ in 2014, similar to the Swiss participation in the Life Long Learning Programme before 2011.

<sup>23</sup> The participation of Switzerland to parts of Horizon 2020 as an associated country applies provisionally from 15 September 2014 and is expected to last until 31 December 2016 (this would then be followed by either full association or no association, i.e. third country status).

In close collaboration with two Executive Agencies (EACEA and REA) and with 60 National Agencies for *Erasmus+*, the mandate of which have been renewed accordingly (see 2.2.1.1 and 2.2.2.1), the **preparation of the new programmes** has been finalised. The first 2014 calls for proposals have been published since December 2013 as well as the Commission decisions on the methodology of lump sums, unit costs and flat rate financing. Guidelines, application and selection procedures have been streamlined. The new programmes have led to many new tools to be progressively used in practice (e.g. guides for applicants, IT tools, monitoring requirements) and in particular as regards *Erasmus+*.<sup>24</sup> In addition, foreseen simplifications have been applied for the first year (e.g. simplified forms of grants, single programme guide, e-applications and reporting) on the basis of new rules. As reported by the Executive Agency as regards *Erasmus+* and *Creative Europe*, the time to contact has been reduced.<sup>25</sup> New Programme Committees have met and the new *Creative Europe* desks have been established. Sixty national agencies for *Erasmus+* have been designated or set up. On the IT side, risks of major delays, mainly related to the changing definition of business requirements, were mitigated in most cases. All these new elements have meant that the initial implementation phases of the programmes have been more time and resource consuming than foreseen. Even if the first year has not been as easy as one could have wished for, a number of problems mentioned below have been tackled during the year (see sections 1.1.2., 1.1.4, 2.1, 2.2).

Although with noticeable delays, **programmes were implemented** in 2014 in all participating countries (no suspension case except in Greece at the end of the year – see 2.2.2.1).<sup>26</sup> Demand for this type of EU support has been strong in most sectors, while often stronger for mobility in comparison to cooperation projects (see under 1.1.2). The IT tools designed have been able to cope with high levels of submission (e.g. 7.000 forms submitted in a day for *Erasmus+*) and of changes in business requirements following feedback in the first year of implementation. Budget execution was nevertheless confronted with a risk of running short of credits, which was avoided at the very end of the year thanks to the adoption of a rectifying budget (see 1.2).<sup>27</sup> The budget execution in 2014 was particularly demanding as it concerned the first year of the new Multi-Annual Financial Framework (MFF) 2014-2020. Due to the late adoption of programme legal bases, commitments under *Erasmus+* and *Creative Europe* have started necessarily much later than in 2013 and budget has not always been executed according to initial forecasts during the year. In particular, mid-2014 the implementation of *Erasmus+* by the DG was substantially below forecast in terms of commitment (-34% for Education and Training and -28% for Youth). However thanks to significant efforts<sup>28</sup>, the delays were reclaimed during the second half of the year (see

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<sup>24</sup> Delegation Agreement, Guide for National Agencies, new role of National Authorities, *Erasmus+*-Link, very first online service to provide linguistic support.

<sup>25</sup> See key performance indicators in EACEA's AAR 2014.

<sup>26</sup> See below section 1.3 about achievements in terms of programmes efficiency.

<sup>27</sup> Programmes concerned were *Erasmus+* (€ 202 M requested) and MSCA (€ 90 M requested) – see DG Budget's AAR

<sup>28</sup> Publication of conditional calls for proposals subject to the adoption of the programme, prioritisation, closer monitoring, etc.

2.1.3 and 3.3, including about payments shortages) and there was finally no significant discrepancy with forecasts regarding the content of what has been executed.

**Executive Agencies** have reported contributions to all general objectives of the DG throughout the implementation of programmes by taking care of the direct project management and the dissemination of results (see 2.2). Both internal and external evaluations and audits have previously borne out the major contribution of the agencies as an effective delivery approach for Commission policies.<sup>29</sup>

### 1.1.1.3 Finalisation of 2007-2013 programmes

During the 2007-2013 period, DG Education and Culture has managed **the mobility of about 3 million beneficiaries**, through the Lifelong Learning Programme (LLP) for learners and teachers, the Youth in Action Programme (YiA) for young people and youth workers, the Marie Curie actions (MCA) for researchers, and external higher education programmes such as Erasmus Mundus and granted **almost € 870 million to cultural and audiovisual sectors**. In 2014, the projects previously committed under the 2007-2013 programmes have continued to be implemented in parallel to the projects funded under the 2014-2020 programmes (no suspension case since 2012 except as regards Youth in Action in Greece in December). Mid-term evaluations have confirmed that the 2007-2013 programmes managed in the remit of the DG, mainly through agencies,<sup>30</sup> have achieved the expected impact and European added-value.<sup>31</sup> The main weakness of this programme generation has been the missing link between the information on project results and the stimulation of their use, which is a priority over 2014-2020.

### 1.1.1.4 Communication and Valorisation

In 2014, DG Education and Culture contributed to the overall effort of the Commission to help overcome the current economic crisis and restore confidence in the EU, especially among young people.<sup>32</sup> The **promotion campaign for the new programmes** was rolled out across Europe including outreach activities towards National Agencies and other stakeholders, recurrent press work for the Commissioner<sup>33</sup>, programmes on

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<sup>29</sup> See annex 9 of AAR 2013 for performance information included in the evaluation of EACEA.

<sup>30</sup> See below section 2.2.2.1 and Annexes 6 concerning National Agencies, as well as the AARs of the Education Audiovisual and Culture Executive Agency and the Research Executive Agency.

<sup>31</sup> See for instance the AAR 2013 on evaluation results about Marie Curie Actions (p16); see the AAR 2012 about Lifelong Learning Programme (p3), Erasmus Mundus (p 9), and the European Capitals of Culture (p11); see the AAR 2011 about Preparatory Actions Sport (p12).

<sup>32</sup> 60% of Europeans tend to distrust the European Union, according to the Standard Eurobarometer of Spring 2013. This number has doubled over the past six years.

<sup>33</sup> The amount of press work was stable until October 2014 compared to 2013, but decreased considerably following the reorganisation of the Spokesperson's Service in November 2014. The Commission's new approach to engagement with the press has been taken into account in the reorganisation of DG EAC applicable as of 2015.

Euronews<sup>34</sup> and Euranet, streamlined websites<sup>35</sup> and a rapidly growing presence on social networks, especially Facebook (Erasmus+ and Creative Europe) but also Twitter.

#### *Notable Result*

Enhancement of **social media** was a key development of communication for the DG in 2014. The Erasmus+ Facebook page reached 150,000 followers in December 2014, one year after its launch, making it the fourth-largest Commission Facebook page. Furthermore Facebook and Twitter have been used to host chats with both the Commissioner and experts from the DG. Successful chats have reached half a million people.

In 2014, DG EAC took measures to step up the dissemination and **exploitation of the results of studies** it had commissioned. Notably, when new study results become available, not only the key findings but also suggestions how policy conclusions will be used by DG EAC are circulated within the DG. This new practice contributes to coherent policy formulation across the DG and helps make the most of money spent on studies. Any new study is transmitted to the Publications Office in order to be published on the EU Bookshop.

Although it is too early to report achievements in that respect, the **valorisation of project results** is a key orientation of the implementation of 2014-2020 programmes. The system for disseminating programme results (VALOR) has started to be fulfilled with projects information at the end of 2014, at least as regards Creative Europe with the support of the Executive Agency.<sup>36</sup>

### **1.1.1.5 International cooperation: cross-policy results**

Progress has recently been made in relation to **external policies in the field of higher education** (e.g. extension of pilot activities in Africa - see 1.1.2.1) **and culture** (e.g. aforementioned Council Decision on cultural co-productions with Korea – see 1.1.4), in line with DG EAC's specific objectives 1.2 and 1.4 as well as general objective 3. However the period has also been marked by the consequences of the aforementioned Swiss referendum and the Ukrainian crisis for education and research activities.

Over years, the **international cooperation with non-EU countries** has contributed to making European education (see increasing impact indicator 9), research systems and culture (see impact indicator 14) more attractive worldwide, but also to modernising and opening related European systems. As of 2014, the *Erasmus+* programme

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<sup>34</sup> Generation Y, is a TV magazine targeting young people with the aim of promoting education and culture projects across Europe and the new EU programmes. The magazine showcases how EU actions in these policy areas have an impact on the everyday lives of young people and respond to their needs.

<sup>35</sup> In accordance with the Commission-wide Web rationalisation process, all of DG EAC's websites were streamlined by May 2014, resulting in a reduction of content by more than 85%.

<sup>36</sup> The Erasmus+ project results will be available in the VALOR platform as soon as conditions for publication are agreed with National Agencies.

integrates five international cooperation programmes (Erasmus Mundus, Tempus, Alfa, Edulink and the programme for cooperation with industrialised countries), to support better this international cooperation. The *Marie Skłodowska-Curie actions* remain partly open to partner organisations from third countries and fully open to researchers of any nationality worldwide. DG EAC does not refer any more to the Shanghai ranking of higher education institutions (HEIs) to assess this attractiveness, because like most global rankings it takes a narrow approach to ranking, underestimating systematically key factors such as teaching quality or internationalisation of HEIs. This need for a more multidimensional and transparent approach to rankings underlies the DG's efforts to develop the U- Multirank tool (see 1.1.2.2).

In the general context of the measures that the Commission has proposed to help stabilise the situation in Ukraine<sup>37</sup> the EU has foreseen **more opportunities to young Ukrainians** under the new *Erasmus+* programme (2014-2020).<sup>38</sup> Erasmus + has equally funded European Voluntary Service and mobility of youth workers. Ukrainian researchers have also been able to apply for doctoral or post-doctoral fellowships of other research grants available under the *Marie Skłodowska-Curie actions*. Lastly, as mentioned above, the (free) participation of Ukraine to *Creative Europe* has been proposed.

Following its illegal annexation by the Federation of **Russia**, the Commission has explored the possibility to exclude institutions located in Crimea from the ongoing *Erasmus+* or *Horizon 2020* calls. It has also suspended certain on-going projects in the areas of higher education and research in Crimea.

The **Eastern Partnership** Summit Declaration adopted in Vilnius in 2013 acknowledged the importance of cooperation in EAC fields.<sup>39</sup> Emphasis was put on informing neighbouring countries on the potential of the 2014-2020 programmes. The Eastern Partnership Platform 4 work programme 2014-2017 adopted at the end of 2013 has started to expand across the region co-operation in education, youth, research and innovation, culture, the audio-visual sector and information society. In 2014, the Platform focused on cultural issues (May) and higher education reforms (December) allowing sharing information on ongoing reforms and good practices. A regional conference organised in Georgia by the European Training Foundation (ETF), assessed progress in Vocational Education and Training reforms (Torino Process). Separately, the European Parliament proposed a new preparatory action with a budget of € 1 million aiming to create an e-platform for Neighbourhood Region. The Commission has designated the College of Europe to carry out the action.<sup>40</sup>

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<sup>37</sup> MEMO/14/159 of 5 March 2014

<sup>38</sup> It has been estimated that more than 4,000 would benefit from university exchanges and more than 7,000 would take part in youth projects and exchanges. Staff mobility for training and teaching is also promoted. Ukrainian students and universities will continue to participate in high-level joint Master degrees offered by consortia of European universities. Capacity building measures continue to be offered to universities.

<sup>39</sup> DG EAC chairs the multilateral Eastern Partnership (EaP) Platform 4 "Contact between people".

<sup>40</sup> The implementation is entrusted to DG DEVCO through a cross-sub delegation.



Under the **Western Balkans** Platform on Education and Training, a regional conference in Belgrade reviewed the impact of previous programmes (Tempus, Erasmus Mundus, Jean Monnet, and Marie Curie) and produced valuable suggestions for more monitoring of higher education project in *Erasmus+*.

In **Asia**, progress has been made in promoting the *Erasmus+* and *MSCA* programmes in the Republic of Korea and Japan, as well as in Central Asia (information day, Tashkent). In the context of the High Level EU-**China** People-to-People Dialogue (HPPD), since the launch of the dialogue (2012), the two parties embarked in a number of joint initiatives in the fields of education (including languages), culture, researcher mobility and youth.

*Notable result*

In March/April 2014, during the **first visit ever of a Chinese President to the EU**, President Xi Jinping recalled the positive achievements of the EU-China High Level People-to-People Dialogue. The second round of the EU-China HPPD was held in Beijing in September. On that occasion Commissioner Vassiliou and Vice-President Liu Yandong signed an HPPD Joint Communiqué updating the follow-up actions in the above mentioned areas including gender equality which has been added as a new theme.

Progress made during 2014 in the cooperation with **Africa** related to education and training and is reported under the relevant section below (see section 1.1.2.1).

On a cross-cutting note, DG EAC made a number of contributions to other departments so that the main **EU development policy** instruments address education and culture in various aspects i.e. cultural industries, cultural heritage, people-to-people contacts and civil society. DG EAC also contributed to the elaboration of the **revised Visa code** and the recast of the directives on the delivery of visa for students and researchers from third countries.

Meanwhile the EU's cooperation with the **Council of Europe** in the field of education has been developed as regards the Roma population and Human rights education.

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Notwithstanding the fact that the direct influence of the DG's actions on some of the **impact indicators** listed below is often limited, they illustrate that the DG is engaged in all its different policy domains.

**Result indicators** (i.e. for direct beneficiaries of EU action) presented below under each relevant section have been entirely reviewed according to the performance framework set under 2014-2020 programmes. However at the end of the first implementation year of 2014-2020 programmes information on first results is not yet known for a majority of indicators.

*In comparison to the Management Plan 2014, the order and presentation of indicators have been revised so as to follow more literally the adopted legal bases of 2014-2020 programmes. Although the numbering of indicators is in principle the same as in the MP 2014, certain indicators (marked with a letter) have been moved compared to the MP.*

## 1.1.2 Education, Training, Youth and Sport (ABB 15.02-Erasmus+ <sup>41</sup>)

The first general objective of the DG is supported by the *Erasmus+* programme (activity based budget 15.02) and covers education, training, youth and sport policy areas, contributing to a knowledge-based, innovative and inclusive Europe.

*Certain indicators have been laid out –where specified below– either in this legal basis (indicators with an asterisk), or in agreement with Member States in other fora (e.g. Europe 2020, ET 2020<sup>42</sup>, Open Method of Coordination). All other targets were set by DG EAC senior management.*

<b>General objective 1</b>			<input checked="" type="checkbox"/> Spending (ABB ACTIVITY 15.02)
<input checked="" type="checkbox"/> Non-spending			
<p>To contribute to the objectives of the Europe 2020 strategy through the <b>Education and Training</b> strategic framework 2020 (ET2020), including the corresponding benchmarks established in those instruments, to the overall objectives of the renewed framework for European Cooperation in the <b>Youth</b> field (2010-2018), to the sustainable development of partner countries in the field of higher education and to developing the European dimension in <b>sport</b> in line with the Union work plan for sport, with a view to promoting European values and a knowledge-based, innovative, sustainable and inclusive Europe.</p> <p><i>Indicators highlighted with an asterisk (*) below are mandatory (from the Erasmus+ legal basis)</i></p> <p><i>Legend: in comparison with milestone (or baseline where no milestone is set for the relevant year)</i></p> <p>↑ : improvement</p> <p>↓ : deterioration</p> <p>↔ : according to milestone (or baseline)</p>			
<p><b>* Impact indicator 1: Early School Leaving</b> (Europe 2020 headline target)</p> <p><b>Definition:</b> Proportion of 18-24 year olds who have only lower-secondary education and are not enrolled in education or training.</p> <p>The share of the population aged 18-24 fulfilling the following two conditions: (1) who have only at most lower secondary (International Standard Classification of Education (ISCED) level 0, 1, 2 or 3c short); (2) respondents declared not having received any education or training in the four weeks preceding the survey.</p> <p><b>Source:</b> Eurostat,; The Labour Force Survey (annual average based on quarterly data)</p>			
Baseline (2012)	Latest known situation 2013	Milestone 2016	Target 2020 (Europe 2020)
12.7%	↑ 12.0%	11.5%	Less than 10%

<sup>41</sup> As well as 19.05, 21.02, 21.03 and 22.02 as regards the international dimension.

<sup>42</sup> JO C 119 of 28.5.2009, p. 7

**\* Impact indicator 2: Tertiary education attainment (Europe 2020 headline target)**

**Definition:** The share of the population 30 – 34 years who have successfully completed university (or university-like tertiary-level) education that equals International Standard Classification of Education (ISCED) level 5 or 6

**Source:** The Labour Force Survey (annual average based on quarterly data)

Baseline (2012)	Latest know situation		Milestone	Target 2020 (Europe 2020)
	2013		2016	
35.7%	↑ 36.9%		38%	At least 40%

**Impact indicator 3: Employability of young people**

**Definition:** The share of employed people aged 20-34 having successfully completed upper secondary or tertiary education 1-3 years before the reference year of the survey and who are no longer in education or training.

**Source:** The Labour Force Survey (annual average based on quarterly data)

Baseline (2012)	Latest know situation		Milestone	Target 2020
	2013		2016	
76%	↓ 75.5%		79%	82%

**Impact indicator 4: Early childhood education and care**

**Definition:** The share of the population aged 4 to the age when the compulsory primary education starts which are participating in early childhood education and care (ECEC)

**Source:** Eurostat, UOE

Baseline (2011)	Latest know situation		Milestone	Target 2020 (ET 2020)
	2012		2017	
93.2%	93.9%		94%	95%

**Impact indicator 5: Low achievement in basic skills at school**

**Definition:** The share of 15-year old Europeans failing to reach level 2 in reading, mathematics and science as measured by the OECD's PISA

**Source:** OECD's Programme for International Student Assessment (PISA). Results reported every 3 years.

Baseline (2009)	Latest know situation		Milestones		Target 2020 (ET 2020)
	2012		2015	2018	
Reading: 19.6%	↑ 18%		17%	15%	Less than 15% for all indicators
Maths 22.2%	↑ 22%		19%	17%	
Science 17.7%	↑ 17%		16%	14%	

**Impact indicator 6: Linguistic diversity at school**

**Definition:** % of pupils in lower secondary education in the EU (ISCED level 2) that studied at least two foreign languages.

**Source:** UOE Eurostat

Baseline (2011)	Latest know situation		Milestone	Target 2020
	2012		2017	
63%	↑ 64.8%		70%	75%

**\* Impact indicator 7: Learning mobility in higher education**

**Definition:** % of higher education graduates (ISCED 1997 level 5+6) who have had a higher education-related study or training period (including work placement) abroad, representing a minimum of 15 ECTS credits or lasting a minimum three month

**Source:** Eurostat, UOE data collection

Baseline	Latest known situation	Milestones		Target 2020 (ET 2020)
	not applicable	2015	2017	
In 2010 around 3.6% of students studied in another European country. 2011: more than 8% of students enrolled came from abroad.	data availability set to improve (May 2015)	A new data collection for the indicator is under development First pilot results will be available in 2015	17%	20%

**\* Impact indicator 8: Learning mobility in vocational education and training**

**Definition:** % of 18-34 year olds with an initial vocational education and training qualification (ISCED level 3) having had an initial VET-related study or training period (including work placements) abroad lasting a minimum of two weeks.

**Source:** Eurostat

Baseline (2011) <sup>43</sup>	Latest known situation	Milestones		Target 2020 (ET 2020)
	not applicable	2015	2017	
2-3%	data availability set to improve (2015)	A new data collection needed for the indicator is under development. First pilot results	4%	6%

**Impact indicator 9: Share of non-EU students in the EU**

**Definition:** % of students from non-EU Member States enrolled/studying in EU Member States

**Source:** OECD, Eurostat

Baseline (2010)	Latest known situation	Milestone	Target 2020
	2012	2016	
4.6%	↑ 6%	7%	10%

<sup>43</sup> Estimate on available data for annual participation in VET mobility under the Leonardo Da Vinci programme and from certain countries (SWD SEC (2011) 670 on the development of benchmarks on education and training for employability and on learning mobility).

## Impact indicator 10: Youth out-of-school participation

**Definition:** Percentage of young people declaring that they have participated in any out-of-school organisation (youth organisation, NGO, sport club...) during the last year.

**Source:** Eurobarometer, every two years

Baseline (2013)	Latest known situation	Milestone	Target 2020
	2015	2017	
55%	↓ 49%	58%	60%

### 1.1.2.1 Cross-cutting results under general objective 1

The increasing political attention to education and training as key drivers for growth and jobs in the context of the Europe 2020 strategy was confirmed during 2014 through the **European semester**.<sup>44</sup> This was reflected in the increasing number of Country-specific recommendations (CSRs) proposed by the Commission<sup>45</sup> and adopted by the Council in the area of education and training (28 in 2014; 27 in 2013 as in 2012; 16 in 2011) and in the depth of the country-specific analysis provided in the Commission Staff Working Documents. For that purpose, DG EAC provided substantial input, with the support of the Executive Agency EACEA.<sup>46</sup> Different Member States showed different levels of resilience to the shock of the recession, which can be linked among other factors to a stronger investment in lifelong learning. Alongside recommendations for structural reforms, in 2014 three countries (Germany and Netherlands, like last year, and Italy for the first time) were invited to prioritise investment in the field of education and training, while a fourth country (Portugal) was recommended to ensure efficient public expenditure in education. Six further Member States<sup>47</sup> received a general invitation to pursue growth-friendly fiscal policies.

During the second half of 2014 (the "national semester"), the DG also contributed to the preparation of the 2015 **Annual Growth Survey** (AGS). The AGS acknowledges that European education systems are less well equipped and less funded than those of our key competitors, and underlines the need for investment in education infrastructures. More generally, the key role of education and training systems in driving economic growth and fighting youth unemployment is also highlighted. A large amount of recent empirical evidence confirms indeed the crucial role of education for individual and societal prosperity.

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<sup>44</sup> The European Semester of economic policy coordination gives EU guidance for national economies through Country-specific recommendations (CSRs).

<sup>45</sup> COM(2014)400

<sup>46</sup> Including active participation in the work of the SG-led country teams and in the joint missions to the Member States, preparing the high-level bilateral meetings with Member States. Peer reviews provided a useful input to the Semester as well.

<sup>47</sup> CZ, DK, FR, HR, PL, SE

### *Notable Result*

In particular, moving upwards from one country to another along the PISA scale, for every 25-point improvement in education scores per-capita, economic growth is nearly **half a percentage point of GDP higher**. If every EU Member State achieved an improvement of 25 points in its PISA score (which is what for ex. Germany and Poland achieved over the last decade), the GDP of the whole EU would increase by between 4% and 6% by 2090; such 6% increase would correspond to 35 trillion Euro.<sup>48</sup>

The Commission organised several national seminars dedicated to education in the context of Europe 2020 aimed at supporting the reforms which countries have to implement in response to the 2014 country-specific recommendations. The participation levels and the media coverage generated by these events surpassed expectations.

In the last quarter of the year, DG EAC was closely involved in the work of the Special Task Force composed of the Commission, the European Investment Bank, and Member States, to review investment needs and bottlenecks, with a view to identifying projects that can be eligible for funding by the newly-established European Fund for Strategic Investments.

### *Notable Result*

The **Task Force for the European Fund for Strategic Investments** presented in December to the Council (Economic and Financial Affairs) a report that includes an illustrative list of projects. As a logical consequence of the AGS diagnosis, education is well covered in the report. It refers to a broad definition of education infrastructure (infrastructure in early childhood education and care, schools, VET and higher education; IT equipment and standards for teaching and learning; new methods and technological learning solutions; and student loans) as well as to the European Institute of Innovation and Technology (see 1.1.3).

Closely linked to this country-based approach, work on negotiating the **2014-2020 European Structural and Investment Funds** programming documents<sup>49</sup> accelerated in 2014, linking the investment priorities selected by Member States closely to CSRs adopted in the framework of the European Semester.

As a result of European coordination among other factors, the **Europe 2020 headline indicators target** about education performance has shown improvement from 2009, with a decreasing rate of early school leavers and a higher tertiary attainment rate ([see key/impact indicators 1 and 2](#)). Both indicators of the twofold targets are within reach if efforts are sustained but certain Member States are expected to show higher ambition.

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<sup>48</sup> The economic case for education" – Analytical Report for the European Commission prepared by the European Expert Network on Economics of Education (EENEE), 2014 ([www.eenee.de](http://www.eenee.de)).

<sup>49</sup> Partnership Agreements and Operational Programmes submitted by Member States.

There has been a steady increase in tertiary attainment, from 24% in 2002, when the series started, to 37% in 2013 (target 2020: 40%). For early school leavers, there has been a steady decrease, from 17% in 2002 to 12% in 2013 (target 2020: 10%). Sixteen Member States have already met or exceeded their 2020 national targets for at least one indicator (see 1.1.2.2). However, only six of these have already done so for both indicators (Denmark, Cyprus, Latvia, Lithuania, Slovenia and Sweden).<sup>50</sup>

Covering the wider range of ET 2020 benchmarks and indicators (see impact indicators 4 and 5), the third edition of the **Education and Training Monitor** reported on the evolution of education and training systems across Europe.<sup>51</sup> While focused on empirical evidence, each section in the Monitor has clear policy messages for the Member States and back up the country-specific recommendations. Moreover the first *EU Mobility Scoreboard*<sup>52</sup> was published in 2014. This qualitative monitoring work complements the quantitative EU-level targets which have been agreed by Member States to increase learning mobility (see impact indicators 7 and 8). The first edition focuses on factors affecting mobility in higher education, using an approach which can be expanded to cover other sectors.<sup>53</sup> Meanwhile strategic co-operation with OECD was pursued through joint high level launch events. However certain OECD-related activities could not be funded on Erasmus+ (€ 3 million) with negative implication at national level, due to circumstances beyond DG EAC's control. The wider negotiations between the Commission and the OECD to set the general framework for their cooperation could not be finalised in 2014. (see 1.1.2.1).<sup>54</sup>

Under the umbrella of the Europe 2020 agenda, the Council and the Commission have continued in 2014 to implement the **strategic framework for European co-operation in Education and Training (ET 2020)**<sup>55</sup> The EU relies on experts nominated by Member States and key stakeholders, as part of a broader cooperation known as the Open Method of coordination.<sup>56</sup> DG EAC has in particular launched a new generation of six streamlined ET 2020 Working Groups, dealing with School Policy, Vocational Education and Training, Modernisation of Higher Education, Adult Learning, Transversal Skills and Digital and Online Learning. The new Working Groups are responsible for delivering more concrete policy-relevant outputs by 2015 and for providing country-specific

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<sup>50</sup> STAT/14/57 of 11/04/2014

<sup>51</sup> SWD(2014)337 of 28.10.2014. Since 2014, the Education and Training Monitor includes an online visualisation tool for all six operational European benchmarks. [http://ec.europa.eu/education/tools/et-monitor\\_en.htm](http://ec.europa.eu/education/tools/et-monitor_en.htm)

<sup>52</sup> The Mobility Scoreboard, which was agreed by Member States in the 2011 Council Recommendation on learning mobility, serves with new indicators as a basis for monitoring of what countries are doing to create a positive environment for mobility. It focuses on the qualitative environment for learning mobility at national level, including such issues as information and guidance for prospective mobile students and portability of student financial support.

<sup>53</sup> IP 14-9 of 10.01.2014

<sup>54</sup> Education at a Glance.

<sup>55</sup> JO C 119 of 28.5.2009

<sup>56</sup> Co-operation with the Member States is opened via the Open Method of Coordination (OMC), a flexible and non-binding framework which structures cooperation around agreed strategic objectives through peer learning and the exchange of good practice. The Commission provides secretarial and analytical support to the process.

support to clusters of countries facing issues identified during the European Semester. The new Groups replace 11 previous Thematic Working Groups, optimising ET 2020's Open Method of Coordination. With a view to the adoption in 2015 of the ET 2020 Joint Report by the Council and the Commission, in which they set out the ET 2020 policy priorities for the coming years, DG EAC has conducted a vast mid-term stocktaking of ET 2020.<sup>57</sup> Member States contributed to the stocktaking in the form of ET 2020 National Reports. In addition, EAC organised an independent interim evaluation of the strategic framework.<sup>58</sup> Overall, the stocktaking confirmed the great value of having an integrated policy framework for education and training, covering all levels and sectors of education, whether formal, informal or non-formal. At the same time, several constructive suggestions were formulated to further enhance this cooperation framework, notably by synchronising it better with the EU's overall political agenda (in particular the jobs, growth and investment priority), by enhancing its mutual learning component and by making the priorities more operational. These elements will be taken up in the Joint Report.

As a follow-up of the 2013 high-level meeting between Commissioner Vassiliou and the leaders of the **European Social Partners**, DG EAC launched in 2014 a strengthened cooperation framework with these organisations at technical level to support reforms in the Member States and promote an effective uptake of the Erasmus+ programme. The DG has continued to follow-up the 2010 flagship initiatives of Europe 2020 linked to education and training (*Youth on the Move; An Agenda for new Skills and Jobs*), in line with its specific objective 1.1 and with a stronger focus on skills over the recent period. In spite of the high levels of unemployment, bottleneck vacancies occur in high skilled occupations, such as health, IT, scientific and engineering professionals, due both to mismatch in educational choices at high skill level. Thousands of young people have participated in the **Youth on the Move** campaign since its launch. The aim of this flagship is not only to raise the quality and international attractiveness of Europe's higher education (see increasing impact indicator 9), but more generally to improve learning opportunities for young people (see impact indicators 7 and 8) and to facilitate their challenging transition into the labour market (see impact indicator 3). The DG made contributions in that respect to the *Employment Report*.

The **Agenda for new Skills and Jobs** has the objective of creating the right conditions for people to acquire new skills and to raise employment levels. The EU benchmarks related respectively to employability or basic skills in reading, maths or science reflect a mixed evolution between 2008/2009 and 2012 which remain unsatisfactory (see impact indicators 3 and 5, along with the results of the PIAAC survey<sup>59</sup>).

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<sup>57</sup> This included rounds of discussions with the Member States at the High Level Group on Education and Training, at the Directors General meetings (for Schools, Higher Education and Vocational Education and Training), and with stakeholders, in particular European social partners and civil society organisations (notably at the Education, Training and Youth Forum in October).

<sup>58</sup> See annex 9 for more performance information included in this evaluation.

<sup>59</sup> The Survey of Adult Skills (PIAAC) is the first comprehensive international assessment of the skills of the working age population, covering 24 countries, including 17 from the European Union, resulting from model cooperation between the OECD and the Commission. See IP/13/922.



In line with DG EAC's specific objective 1.1 and the Commission Communications *Rethinking Education*<sup>60</sup> and *Opening up Education*<sup>61</sup> through new technologies, the DG has followed-up the European agenda for stimulating innovative ways of learning and teaching through new technologies and digital content, while raising digital skills. A high level Conference was organised for the Council of Ministers. The PIAAC Survey has suggested that many European adults cannot use ICT effectively. The IEA International **Computer and Information and Literacy** Study issued in 2014 is the very first comprehensive<sup>62</sup> study assessing students' computer literacy<sup>63</sup>. It shows that in all participating EU countries (except CZ and DK) 25% of students demonstrate low levels of computer and information literacy and that there is a risk of a digital divide. Being born in a digital era is not a sufficient condition for being able to use technologies in a critical and creative way. Furthermore, on average girls outperform boys. ICILS shows as well that many teachers lack confidence about the use of ICT and that there is a need to upscale good practices.

According to DG EAC's specific objective 1.5 on **multilingualism** (see encouraging impact indicator 6 and result indicator 26) and in response to the disappointing results of the 2013 European Survey on Language Competences, the DG carried out negotiations with the Council in view of adopting the Commission's proposal for a **European language benchmark**<sup>64</sup>. Indeed 14% of 15 years old pupils in participating countries did not reach on average the level of basic user in their first foreign language. The Member States agreed Council Conclusions on multilingualism and development of language competences in May 2014. Although there was not enough common ground for adopting the proposed benchmark, the Council agreed that it will be necessary to improve the effectiveness of language teaching in schools and to assess progress through comparable testing methods at national level, providing results that can be aggregated at European level.

Progress has been registered on the implementation of **EU-level tools for transparency and recognition of skills and qualifications**<sup>65</sup> (see result indicator 22). In 2014 two

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<sup>60</sup> COM(2012)669.

<sup>61</sup> COM(2013)654. The Communication *Opening up Education* focuses particularly on exploiting new technological phenomena like Open Education Resources towards the modernisation of education and training. It aims also to ensure that educational materials produced with public funding are available to all and to offer better ICT infrastructure and connectivity in schools.

<sup>62</sup> Participating EU countries to ICILS were: Croatia, Czech Republic, Denmark, Germany, Lithuania, Netherlands, Poland, Slovak Republic and Slovenia. 60 000 eight graders in more than 3300 schools from 21 education systems were surveyed and assessed.

<sup>63</sup> Computer literacy enables individuals to investigate, create, and communicate with computers.

<sup>64</sup> JO C 119 of 28.5.2009, p. 8

<sup>65</sup> European Qualifications Framework (EQF); European Credit system for Vocational Education and Training (ECVET); European Credit Transfer and Accumulation System (ECTS), European Standards and Guidelines for Quality Assurance in higher education (ESG), European Quality Assurance Reference Framework (EQAVET); EUROPASS is a portfolio of five different documents aiming to contain descriptions of the entire holder's learning achievements, official qualifications, work experience, skills and competences, acquired over time. Users can complete a Europass CV and a Europass Language Passport. They can also create a European Skills Passport, an e-portfolio containing a modular inventory of personal skills and qualifications acquired throughout their lives. The EU Skills Panorama gathers comprehensive intelligence at European level on skills supply and skills needs in various sectors in the labour market.

additional countries referenced their national qualifications to the European levels (23 countries in total). Despite the limited number of additional countries having referenced in 2014, the commitment of participating countries to the EQF objectives remains strong.<sup>66</sup> In addition the Commission has continued to develop the European Skills Passports and the ESCO Portal.<sup>67</sup> Transversal skills such as entrepreneurship, digital, or foreign languages, are often gained in an informal or non-formal setting. Their recognition remains in any case challenging. A study was launched in 2014 to assess the feasibility of a tool for the self-assessment of transversal skills which could help individuals to demonstrate a skill set to employers and to enhance their employability.

Early 2014, the Commission adopted two Reports on **Progress in Quality Assurance in Higher Education** and on the establishment of a European Quality Assurance Reference Framework for Vocational Education and Training (EQAVET).<sup>68</sup> The Commission is required to present periodical reports on progress in these two fields.<sup>69</sup> As regards the first one, this second report analyses new developments since 2009, notably the implementation of the European Standards and Guidelines for Quality Assurance and the European Quality Assurance Register.<sup>70</sup> The report outlines the ways in which Quality Assurance – especially when implemented with the overt purpose of quality enhancement, rather than as a process-driven exercise - can contribute to wider policy goals in higher education, such as widening access, encouraging completion, and reinforcing employability. Similarly in the second field, the Commission plans in its report for instance to develop EQAVET indicators and guidelines for policy makers and providers, which require coordination with other quality assurance initiatives and transparency instruments. Through *Erasmus+*, the EU provides additional support for cross-border EQAVET cooperation through strategic partnerships and sector skills alliances. As mentioned above, the adoption of a similar Report on the European Credit System for Vocational Education and Training (ECVET), as requested in the 2009 ECVET Recommendation, had to be postponed to 2015 due to the reorganisation of Commission services portfolios.<sup>71</sup>

As a follow-up, DG EAC has carried out two studies on the topic covering all Member States and has been closely involved in the discussions of the Council Conclusions on Quality Assurance (QA) approved in May 2014 that for the first time underline the

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<sup>66</sup> See annex 9 of AAR 2013 for more performance information included in respective evaluation of EQF, Europass and EQAVET.

<sup>67</sup> ESCO, a multilingual classification of European Skills, Competences, Qualifications and Occupations allows actors on the labour market and in education/training sector to exchange information (such as job vacancies, CVs, curricula) in identifying, categorising and connecting terms that are relevant to them. <https://ec.europa.eu/esco/>

<sup>68</sup> COM(2014)29 and 30 of 28.01.2014

<sup>69</sup> The Commission is required to present *triennial* reports on progress in the development of Quality Assurance systems in the Member States and on cooperation activities at European level. In addition, the 2009 EQAVET Recommendation of the European Parliament and of the Council invites the Commission to ensure follow-up to its implementation by presenting a report every *four* years.

<sup>70</sup> Allowing registered Quality Assurance agencies to perform their activities across the European Higher Education Area was a recommendation of the Bologna Ministerial conference in Bucharest.

<sup>71</sup> The external evaluation on ECVET was finalised in 2014. See annex 9.

importance of continued quality enhancement in education and training from a cross-sectorial perspective, including pre-school and school sector.

More broadly, in order to explore the possibility to create a **European area of skills and qualifications**, the Commission presented in 2014 the results of a public consultation and a Euro-barometer survey conducted on that topic. The views of stakeholders were collected on the problems faced by learners and workers with regard to the recognition of their skills and qualifications when moving within and between EU Member States, on the adequacy of the related European instruments and on the potential benefits of developing a more integrated response. They confirmed the need to step up the pace of implementation of current European tools, in particular in some Member States, but also to streamline future tools and adapt them to the internationalisation of education and digital technologies. Above all, results have shown the clear necessity to place individuals at the centre of these initiatives in taking down barriers between sectors in order to allow learners and workers to build their own learning pathways in a flexible way.

## **International cooperation for education and youth**

In line with DG EAC's specific objectives 1.2 and 1.4, the **policy dialogue with Partner countries** has been mainly dedicated in 2014 to higher education and tools for transparency and quality assurance to support mutual recognition of qualifications and study periods abroad. *Erasmus+* has also been promoted in each regional context (e.g. Western Balkans conference in Athens) and through a large information campaign both in Europe and beyond (see 1.1.1.4 and *Erasmus+* related section below). This was supported by a small number of targeted actions, most often agreed in bilateral multiannual work programmes, such as studies on obstacles to mobility and seminars on qualifications frameworks or open educational resources. Work on skills (in relation to vocational education and training<sup>72</sup>), youth-centred events, and multilingualism was also undertaken. Experience suggests this format of dialogue provides a good basis for developing structured external relations while monitoring progress and ensuring follow-up.

Although the international dimension of *Erasmus+* as regards higher education could only be launched in the last quarter of 2014 with effect in 2015 (see 1.1.2.2), on the policy side, a first follow-up was given to the 2013 *Commission Communication on European higher education in the world* during 2014 with among other activities a peer learning seminar held with Member States on internationalisation strategies, two particularly relevant events in Africa and Brazil and the creation of a new *Erasmus+* student and alumni association that put under one roof former associations, to give them more visibility and efficiency.

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<sup>72</sup> In particular, the European Training Foundation (ETF) worked in 2014 on recognition of skills; skills dimensions of migration; skills for employment in the intersection between VET and labour market.

### *Notable Result*

In the framework of the Africa-EU Joint Strategy with the aim of agreeing on the **support to harmonisation of higher education across the *whole* African continent**, DG EAC organised a major event together with the African Union Commission about ways to support the harmonisation of African higher education programmes and the creation of a globally competitive African higher education space. While a number of countries had been reluctant in the past, the outcome was a pan-African consensus reflected in the Heads of State Summit Declaration and, as a follow-up; it was decided to extend the current pilot initiatives over the period 2014-2017. In a context of increased enrolments in Africa, the quality of African degrees is indeed so severely threatened by global competition that all stakeholders now appear to accept, as a result of the dialogue with the EU, that the development of a continental framework for quality assurance as an enhancement tool is a matter of high priority.

The EU and **Brazil** held a Joint Forum of Rectors to discuss internationalisation, innovation and entrepreneurship in higher education, back to back with the EU-Brazil Summit. The two sides issued Conclusions, underlining that internationalisation is wider than student mobility and that "internationalisation at home" is crucial in terms of transferring career-enhancing benefits to non-mobile students who form the vast majority in both Brazil (7 million students in total) and the EU (19 million).

Increased commitment by policy-makers and education stakeholders has been confirmed under the **Western Balkans** Platform on Education and Training, especially at Ministerial level to step up education reforms. DG EAC has reallocated additional resources to this region as a priority since 2013 (see 2.1) and fed the policy dialogue with study of 2013 on school teacher training in 2014. The 3rd ministerial meeting focused upon the findings of this study and national reforms which Ministers intend to put in place by 2016.

The Commission has called in its communication on the **enlargement** strategy 2014-15, for candidate and potential candidate countries to step up efforts in education provision. The persistently high unemployment, notably among the youth, as well as the very low participation rate, call for decisive steps to improve the quality of education, especially in Bosnia and Herzegovina and in the former Yugoslav Republic of Macedonia.<sup>73</sup> In 2014, the screening process for Serbia was concluded on chapter 26 and their alignment to EU acquis in education accelerated resulting in draft laws on education, and the adoption of an Action Plan for reforming the education system. Since July 2014, Albania<sup>74</sup> has been invited by DG EAC to all committees/groups (e.g. ET2020 Working Groups) along with the other candidate countries (Turkey, the former Yugoslav Republic of Macedonia, Montenegro and Serbia).

Policy dialogue was pursued with a number of **other key partner countries**, including

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<sup>73</sup> COM(2014) 700 of 08.10.2014

<sup>74</sup> In June 2014, the EU granted Albania the status of candidate country.

**China** (specific youth-centred events; tuning of key higher education sectors); **Australia** (linkages between the European and Australian Qualifications Frameworks); **South Africa** (e.g. Open and Distance learning) and **India** (tuning feasibility study).

## Erasmus+ cross-sector results

Since 2014, the *Erasmus+* programme<sup>75</sup> has effectively integrated seven existing programmes and included new actions in the area of Sport.<sup>76</sup> The integrated programme put a stronger emphasis on EU added value and impact as compared to its predecessors and ensures a close link between the relevant policy agenda's and the actions of the programme. The programme fosters more cross sectorial cooperation across the education, training and youth sectors as it also integrates formal, non-formal and informal learning into a single programme.<sup>77</sup> The integrated nature of the programme has also led to a far reaching simplification beyond an inevitable transition stage (see 1.1.1.2), in particular as regards higher education (see 1.1.2.2). Two-thirds of the *Erasmus+* funding have been allocated to support learning opportunities abroad for individuals, within the EU and beyond (Key Action 1); the remainder support partnerships between educational institutions, youth organisations, businesses, local and regional authorities and NGOs (Key Action 2), as well as support to reforms to modernise education and training and to promote innovation, entrepreneurship and employability (Key Action 3).

During its first year of implementation, the Erasmus+ programme has been **broadly committed as foreseen, although much more slowly than planned** (see 2.1.3 and 3.3 about delays and mitigated risk of future payment shortages) especially as regards the Student Loan Guarantee facility<sup>78</sup> and the international cooperation, both finally foreseen for actual implementation in 2015 (section 1.1.2.2.). The common legal and contractual framework was put in place, including the designation of 60 NAs for 2014-2020. Only 12 Members States have chosen to establish a *single* National Agency to manage the integrated programme.

Due to the accumulation of tasks related to both management of previous programmes and new programmes, significant implementation delays were noticed in the middle of

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<sup>75</sup> Regulation (EU) n. 1288/2013 establishing 'Erasmus+': the Union programme for education, training, youth and sport and repealing Decisions n. 1719/2006/EC, n. 1720/2006/EC and n. 1298/2008/EC.

<sup>76</sup> The Erasmus+ programme 2014-2020 combines actually all the EU's former schemes for education, training, youth and sport, including the Lifelong Learning Programme (Erasmus, Leonardo da Vinci, Comenius, Grundtvig), Youth in Action and five international cooperation programmes (Erasmus Mundus, Tempus, Alfa, Edulink and the programme for cooperation with industrialised countries).

<sup>77</sup> For instance, calls for proposal under Erasmus+ have been launched in the new area of policy experimentation, which will contribute decisively to strengthen these links across sectors (specific objective 1.3), or as regards certain new types of Jean Monnet actions, namely "projects" supporting innovation, cross-fertilisation and the spread of European Union content (specific objective 1.6).

<sup>78</sup> Student Loan Guarantee facility: This new financial instrument will be crucial in providing more opportunities for young Europeans from any social backgrounds to study for a full master degree in another country by offering access to loans for Master's study on favourable conditions.

the year<sup>79</sup>, eventually without impact thanks to efforts to catch up at the year end.<sup>80</sup> The establishment of a new Task Force for the Erasmus+ implementation as from September 2014 has enhanced coordination and business reactivity, reducing significantly the risk of further delays. All three Key Actions of the programme as well as the chapter Sport and Jean Monnet actions<sup>81</sup> (see output/result indicators 27 and 28) were eventually implemented according to plan.

The first year of implementation has triggered **high interest in the programme**. More than 45.000 organisations have registered in the new Unique Registration Facility (URF) and about 42.000 applications have been received following the Calls for Proposals published. The demand in the various actions has been diversely high: for instance, the number of applications received in the new field of Sport was much higher than expected, reflecting the interest in cross-border collaboration on sport, and following successful outreach events. In contrast, the call for proposals for Key Action 2 (partnership type activities) received a lower number of applications than expected, with the notable exception of Knowledge Alliances for which the success was slightly above 4%.<sup>82</sup>

In line with specific objectives 1.1 and 2.1, **Key action 1** has focussed on intra-EU learning mobility, be it of learners and staff from Higher Education or Vocational Education and Training sectors, staff from Adult or School Education sectors or young people and youth staff (see increasing output indicators under specific objectives 1.1 and 1.1.y). The implementation of Key action 1 is reported further under each sector-related section below.

*Notable Result*

The demand for mobility was higher in comparison to baseline and very high compared with the budget available (about 21.000 projects submitted in the Education and Training field and more than 11.000 for Youth).

Under **Key action 2**, 1,445 Strategic Partnerships (target 2020: 25,000), 36 Capacity building projects in the field of Youth, 10 Knowledge Alliances and 6 Sector Skills Alliances (targets 2020: 150 each) were selected.

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<sup>79</sup> For instance, in March 2014, the deadline of the first call for proposal concerning Key Action 1 of Erasmus+ had to be extended due to organisational and technical difficulties with the first use of the corporate tool registering organisations (PDM/URF). National Agencies, as well as beneficiaries were informed about this extension, which has allowed applications to be submitted. Improvements were put in place, so that the registration process was stable and reliable as of the next call.

<sup>80</sup> For instance on the IT side, the Mobility Tool and the Management Reporting system for Erasmus+ faced some important delays in the delivery of the functionalities mainly due to late and unstable requirements but also due to technical resource shortages. Corrective actions have allowed fulfilling the needs of the business users after a while and avoiding further delays.

<sup>81</sup> Meanwhile a 2014 conference launched the process of reviewing the Jean Monnet actions with regard to their reach out and making offer and demand better match in the field of EU studies.

<sup>82</sup> 10 projects could be funded out of 230 applications for Knowledge Alliances, whereby 3 of these projects could only be funded, thanks to the allocation of some additional budget.

### *Notable Result*

The new European Tertiary Education Register (ETER) published its first results in 2014. For the first time at European level, this data base provides stakeholders with updated and comparable data on higher education institutions such as university size, subjects and degree levels, and information about research, international activities and funding. As well as providing valuable detailed information for policy-makers, it will also help universities to identify opportunities for research collaboration or specialisation. ETER complements data on university performance, such as U-Multirank (see 1.1.2.2), as well as system-level higher education statistics (UNESCO-UIS/OECD/Eurostat). ETER covers more than 2,600 higher education institutions hosting more than 16 million students covering 36 countries including all EU Member States. It was set up with EU funding from the former Lifelong Learning programme.

Under **Key action 3**, 286 applications were selected for funding in 2014, notably in the action fostering the "Dialogue between young people and policy makers" (169), the Civil society Cooperation in the field of Education and Training (20), the Civil society Cooperation in the field of Youth (79) and in the "Policy experimentations" in the area of the prospective initiatives (8). Given the unprecedented approach for an EU education programme, the selection appeared in particular very promising as regards European Policy Experimentations: three ministerial level authorities involved in each project selected representing the vast majority of Programme countries and covering almost all sectors. The budget available had even to be slightly increased to fund all the quality proposals. This should help this new type of action to produce tangible impacts at systemic level in the future.

Furthermore, the **European Structural and Investment Funds** will increasingly be used to mainstream and upscale tools and experimentations developed and tested successfully under *Erasmus+*.

Last but not least, the expanded programme puts more emphasis on **linguistic support**, as well as specific additional support for **people with special needs**, from disadvantaged backgrounds and remote areas. The activities have increasingly targeted people with fewer opportunities, (see output indicator 19.b and 19.b.y increasing more than previously although less than planned). To ease reaching out to young people with fewer opportunities, a renewed Inclusion and Diversity Strategy in the field of Youth was elaborated. More generally, in order to support individuals linguistically prior to their learning mobility and to monitor the contribution of the programme to fostering language skills, the DG and the Agency EACEA have launched, in time for the academic year 2014/2015, a new online service testing linguistic progress achieved by participants over their mobility period and offering them optional relevant online courses.

## 1.1.2.2 Sector-based results

### Schools

A new ET2020 Working Group on **School Policy** has been launched in 2014 in the framework mentioned above (see 1.1.2.1), with a view to identifying successful policies (a) to reduce early school leaving and (b) to improve the quality of initial teacher education. In 2014, the group set its priorities in a work programme and conducted in-depth country-specific analysis<sup>83</sup> and mapping with a view to producing final outputs by the end of 2015. As mentioned above, Council Conclusions on school leadership were adopted. In addition to the strengthened support of the Erasmus+ programme for schools and their staff (see output indicator 19.a), the following main actions have been pursued by DG EAC this year.

(a) The Europe 2020 target on **early school leaving** (ESL) defines a key focus at EU level (see 1.1.2.1 and improving impact indicator 1).

#### *Notable Result*

The EU average early school leaving has further decreased and reached 12.0% in 2013, down 1.4 percentage points from 2011; 18 countries have achieved the 10% target, although some large countries still show stagnating or even increasing rates. As a consequence, monitoring has resulted in eight Member States receiving a recommendation on ESL in 2014, while 3 took part in a peer review of policies to reduce ESL.<sup>84</sup>

2014 peer review on early school leaving confirmed that countries need to invest more for that purpose and in a long-term strategic framework.<sup>85</sup> A new study on the 'effective use of early childhood education and care (ECEC) in preventing early school leaving' confirmed the fundamental role of the former for the latter, as early school leavers tend to lack competences which are developed in early years. The study provided policy recommendations on how to embed ECEC into the education and training continuum.

Concerning the ET2020 objective of reducing the proportion of **low achievers** to below 15% by 2020 (see progressing impact indicator 5), the 2013 Commission analysis of the latest PISA survey showed that EU performance in term of basic skills was slightly better than that of the United States, but lagged behind that of Japan. The EU is seriously lagging behind in maths, but could be on track to achieve its 2020 target in science and reading.<sup>86</sup> The survey revealed mixed results for Member States.<sup>87</sup> These results are a

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<sup>83</sup> Three in-depths country focus workshops: Governance of initial teacher education (September, Croatia); School governance and collaborative approaches (November, Portugal); Collaborative learning communities (November, Malta)

<sup>84</sup> Belgium (French-speaking and Flemish communities), Greece, Hungary.

<sup>85</sup> A new Eurydice/Cedefop report published in November 2014 revealed that evidence-based, comprehensive strategies are still lacking in many countries.

<sup>86</sup> A country's performance in financial literacy is overall very similar to its performance in reading and mathematics. This is what revealed the OECD in July 2014 with the very first PISA 2012 assessment of financial literacy of 15 year-olds covering 11 EU Member States among other countries.



reminder that investment in quality and equity<sup>88</sup> in education is fundamental for Europe's future, if it is to avoid falling behind other economies. If Member States reduced the share of low-achievers in basic skills to below 15%, the gains by 2090 would be worth 25 trillion Euro.<sup>89</sup> Results of the aforementioned PIAAC survey showed as well that policies need to focus on improvement at school level, as beyond that it is usually too late to compensate for missed opportunities. To this end, the need for new curricula and standards, teacher education and more autonomy for schools in dealing with diversity in class was underlined at a 2014 meeting of the Directors General responsible for schools policy.

The European Policy Network of National **Literacy** Organisations (ELINET) was launched in 2014 by the Commission for two years, after having overcome initial delays<sup>90</sup>. ELINET collects information about literacy levels, identifies good practices and policies to tackle low literacy, and develops awareness raising activities at national and European level.

In parallel, the Commission has pursued its work on improving access and quality of **early childhood education and care** (ECEC), as foreseen in the Communication and Council Conclusions of 2011, through 10 related Country Specific Recommendations (CSRs). The thematic working group on ECEC delivered its proposal for a related Quality Framework under the Greek presidency (see progressing impact indicator 4) based on in-depth country reviews and on latest cross-national research evidence. Meanwhile a 2014 peer review revealed the challenges of addressing the double objective of improving access and quality of ECEC simultaneously and that in some countries, there is still a need to work on the parental attitudes so as to enrol children in ECEC.

(b) The **teaching profession** was the main other focal concern of school policy work in 2014. The European Commission disseminated its own analysis of the implications for policy making of the results of the 2014 Teaching and Learning International Survey (TALIS) published by the OECD<sup>91</sup>. This confirms that shortages of qualified teachers hinder quality teaching. A complementary study compared policy measures to increase attractiveness of teaching profession and found that while in most European countries the teaching profession has lost much of its capacity to attract the best candidates, only very few countries have a coherent policy to remedy this problem. Furthermore

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<sup>87</sup> Ten Member States (BG, CZ, DE, EE, IE, HR, LV, AT, PL and RO) have achieved significant progress in diminishing their share of low achievers across all three basic skills since 2009. But five EU countries (EL, HU, SK, FI, and SE) have seen an increase in the number of low achievers. Other achieved mixed results. IP/13/1198 of 3 December 2013.

<sup>88</sup> The 3rd European Education, Training and Youth Forum, held in 2014, identified the social dimension as one of the main challenge for education and training, for example the provision of equal access to training opportunities for all, and the provision of civic competences against the background of growing mistrust of the EU – especially among young people - and of rising extremism.

<sup>89</sup> "The economic case for education", EENEE, 2014

<sup>90</sup> As a follow-up to the High Level group on literacy that concluded its work in 2012, this network gathers currently 79 partner organisations from 24 EU Member States.

<sup>91</sup> First launched in 2008, the TALIS survey aims to capture the voice of teachers and school leaders on teaching, career conditions, and school environments. 19 EU countries and regions have participated in TALIS. <http://www.oecd.org/edu/school/talis.htm>

according to a 2014 Eurydice report carried out for the European Commission,<sup>92</sup> school teachers in 2013/2014 saw their salaries increase in half of EU countries compared with the previous school year.<sup>93</sup> However in about half of the 33 European countries featured in the report, teachers' purchasing power in 2014 is still below the 2009 level and in certain countries teachers saw a fall in purchasing power of more than 10%.<sup>94</sup> In this context, the necessity to link remuneration and promotion to teacher assessment was stressed by the Directors General for schools.

The new **Erasmus+** Programme supports school policies, through all three Key Actions. Preliminary results of the 2014 Call for proposals show a sustained interest for mobility projects under Key Action 1, as well as high demand for funds for establishment of Strategic Partnerships (Key Action 2), according to specific objectives 1.1 and 1.2 respectively<sup>95</sup>. In line with specific objective 1.3, the priorities of the Erasmus+ calls published in 2014 under Key Action 3 and relevant to schools have included the assessment of transversal skills and practical entrepreneurial experiences in schools (start-up phase of policy experimentation), as well as measures to get the most suitable teachers in particular by developing alternative pathways to teaching (all projects to be initiated by 2016). According to a 2013 study, more than eight in ten people involved in EU centralised actions for schools (formerly Comenius) say they experienced a lasting impact through a better access to best practice and innovation, and improved professional skills in ICT, languages and management. Teachers have improved their skills, their relations with pupils, and their professional networks. Pupils felt more empowered and were better at team working.

In 2014, **eTwinning**<sup>96</sup> again experienced an increase in the number of registered teachers (+61,000) resulting in 131,000 schools with 280,000 teachers participating. eTwinning has opened its platform to single country projects to encourage collaboration of teachers and students from the same country. This is especially interesting for countries with decentralised competences for school education, with more than one official language or a network of schools abroad. It gives users the possibility to familiarise themselves with collaborative learning in their own language before making the leap into international projects.

Under Key Action 1 and Key Action 2, the **School Education Gateway** (SEG) was tested at the end of 2014, according to plan. Building on the success of eTwinning, this web-based platform has been designed to function as a one-stop shop for everything that teachers and other education actors need in terms of learning, networking,

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<sup>92</sup> IP/14/1082

<sup>93</sup> BE, DK, DE, EE, FR, HR, LU, HU, MT, AT, SK, FI, UK, as well as NO, MK, TR

<sup>94</sup> Decrease by 13% to 17% in IE, ES, RO (secondary education), SI and IS. The biggest decrease was in Greece with a fall of around 40%.

<sup>95</sup> Preliminary selection results indicate that 9,210 applications have been received for mobility projects in school education, with 27% being selected for funding. The interest is also high for Strategic Partnerships, with 3,705 applications submitted in the school education field and 17% approved projects to date.]

<sup>96</sup> [eTwinning](#) is a free Web platform for teachers to develop collaborative projects and to share ideas in Europe.

collaborative project and mobility opportunities, etc. Its wide reach among education actors is expected to improve the links between policy, job market and practice in education. The SEG will be opened to course providers and to the public in early 2015.

## Higher education

In the field of **higher education**, attention remained in 2014 on how to support Member States, including through the Erasmus+ programme, in implementing reforms as foreseen in the EU modernisation agenda for higher education<sup>97</sup> (see impact indicators 2, 3 and 7 and result indicators 17, 18, 20, 23 and 27) and the 2013 *Communication on European Higher Education in the World*<sup>98</sup> (see impact indicator 9 and result indicators 23, 25 and 28). To deal with these topics DG EAC has launched a new ET 2020 Working Group, in the framework mentioned above (see 1.1.2.1).

The work done in 2014 should particularly be remembered for a number of breakthroughs made on the assessment of pivotal aspects of performance in the field of higher education. For the first time, the **impacts of Erasmus mobility on employability**, skills development (linked to specific objective 1.1, see result indicators 17 and 18), and the internationalisation of higher education institutions (linked to specific objectives 1.2 and 1.4, see result indicators 23 and 25) were objectively measured thanks to an innovative study.<sup>99</sup> This shows that:

### *Notable Result*

Whereas one out of two European graduates who studies or trains abroad benefits from Erasmus, Erasmus increases the employability advantage over non-mobiles by 45% in total. The share of employers who consider international experience important doubled between 2006 (37%) to 2013 (61%). The risk of long-term unemployment is half or even less for mobiles compared to non-mobiles. More specifically, the unemployment rate of Erasmus students is 23% lower than of non-mobile students five years after graduation. More than one in three Erasmus trainees is offered a position at the enterprise where they did their traineeship and 1 in 10 has started their own company. Later in their career, chance of having attained a managerial position 10 years after graduation is 44% higher for Erasmus students. 40% of former Erasmus students have changed their country of residence at least once since graduation, which almost double the number of those who were not mobile during studies.

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<sup>97</sup> <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2011:0567:FIN:EN:PDF>

<sup>98</sup> COM(2013)499

<sup>99</sup> Erasmus Impact Study, September 2014, based on a large sample of respondents across all Programme Countries; IP/14/1025.

Secondly, in the framework of the modernisation agenda for higher education and in line with DG EAC's specific objective 1.2, **U-Multirank**<sup>100</sup> was launched in 2014, providing the public with performance results on HEIs which have never been published before. It has received extensive media coverage and public interest and has continued to expand and improve.<sup>101</sup> U-Multirank highlights the strengths and weaknesses of more than 850 higher education institutions, a number above target. Already well perceived by most stakeholders, it appears a very promising tool for policy-makers and institutional leaders as well as for students looking to study abroad.

Thirdly, **HEInnovate**, the new online self-assessment tool launched by the European Commission in collaboration with the OECD for higher education institutions (HEIs) interested in developing their entrepreneurial capacities has become in less than one year a reference framework for HEIs, resulting in more than 500 HEIs from more than 100 countries using the tool world-wide.<sup>102</sup> The improved release of the tool includes testimonials from users, offering an opportunity for HEIs to share their stories of success on the website.<sup>103</sup> DG EAC organised several Thematic Fora on **University - Business Cooperation**, including hands-on workshops on HEInnovate, to promote the cooperation between higher education and other relevant players.<sup>104</sup> The events in the Member States have allowed to take into account the specific national contexts and to get access to stakeholders that would normally not attend events in Brussels.

Lastly, linked to specific objectives 1.2 and 1.3, efficiency of spending in education remains vital against the backdrop of fiscal consolidation in Europe. The Commission-funded **Cost-sharing impact study**<sup>105</sup> released in 2014 has shown that tuition fees at moderate levels can be part of a sustainable funding system for countries embarking on HEI funding reform<sup>106</sup> as long as adequate student support mechanisms are in place. It

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<sup>100</sup> U-Multirank is a new independent tool to compare universities in Europe and across the world. It uses multi-dimensional indicators, measuring a wider range of university activities than other available ranking systems, in research, teaching and learning, regional engagement, knowledge transfer and internationalisation. One of the key features is that it allows users to decide which performance indicators are important for them, so that the ranking can be tailored to their needs. U-Multirank has received start-up funding from the Lifelong Learning Programme.

<sup>101</sup> In the first 48 hours, almost 100,000 users visited the U-Multirank Website (2.5 million page views).

<sup>102</sup> HEInnovate allows the (self-) assessment of an HEI in terms of its entrepreneurial and innovative capabilities in relation to seven dimensions: Leadership and Governance; Organisational Capacity, People and Incentives; Entrepreneurship development in teaching and learning; Pathways for entrepreneurs; HEI – business/external relationships for knowledge exchange; The Entrepreneurial HEI as an internationalised institution; Measuring the impact of the Entrepreneurial HEI

<sup>103</sup> <https://heinnovate.eu/>

<sup>104</sup> In Stockholm, (Sweden), Swansea (UK), Madrid (Spain), Rome (Italy), Berlin (Germany).

<sup>105</sup> The Cost-sharing impact study, as a follow-up of the Modernisation Agenda for Higher education, has analysed the impact of different models of cost-sharing in higher education (the split between public and private contributions to HE funding) on completion in third-level education over the past 15 years in Austria, Canada, UK-England, Finland, Germany, Hungary, Poland, Portugal and South Korea (IP/14/709).

<sup>106</sup> Levels of student tuition fees, grants and loans continue to highlight stark differences across Europe, according to a report published in 2014 by the Eurydice network. The report, covering 33 European countries, reveals that fee systems have remained relatively stable across the continent, despite some notable exceptions. Germany is the only country to recently abolish tuition fees, despite introducing them only in 2007. Estonia significantly changed its funding system in 2014, linking fees to study performance: only students who fail to stay on track with their studies (i.e. do not achieve the required number of credits each year) are charged. Fees are similarly linked to poor performance in other countries including the Czech Republic, Spain, Croatia, Hungary, Austria, Poland and Slovakia.

underlines that loans are crucial for offsetting negative consequences of high fees on university enrolments, particularly from vulnerable groups. However the study shows new income from fees is not always invested by HE institutions in ways – such as additional teaching posts - that directly improves the student experience and neither does it seem to make them more responsive to changing demand, e.g. by developing new curricula.

The integrated feature of the *Erasmus+* programme has resulted in the creation of a **one-stop shop for higher education institutions** for EU and non EU mobility and cooperation with common rules for cooperation, ensuring stability and predictability beyond the transition period (see below about delays and 1.1.2.1). The intensive information provided in 2014 to Universities is expected to stimulate participation as of 2015.

Progress with the implementation of the **Erasmus sub programme** has contributed to the DG's specific objectives 1.1 in relation to fostering larger mobility (see impact indicator 7) and supporting cooperation between higher education institutions. Since September 2014 under Erasmus+, student and staff mobility is possible not only within Europe, but also with partner countries from the rest of the world. Since the inception of the Erasmus programme, the target of 3 million students was reached in the academic year 2012/2013 with, for the first time in 2012/13, close to 270,000 students (+6%), including more than 55,000 placements in enterprises (+16%).<sup>107</sup> This accounts for 5% of the annual overall number of European graduates. One out of two who studied or trained abroad benefited from Erasmus.<sup>108</sup> Staff mobility also continued to increase (+13%) in 2012-2013. On a qualitative note, 97% of former Erasmus students consider having studied abroad an advantage on the job market (2011). As well as contributing to a sense of belonging to the European family, the skills which Erasmus promotes also help students to boost their employability and career prospects, as demonstrated by the impact study mentioned above (see notable result).

While loans under the new Erasmus+ **Student Loan Guarantee Facility**<sup>109</sup> did not become available during 2014, they should come on stream for the academic year 2015/2016. Negotiations to delegate the implementation of this innovative financial instrument (€ 28 million committed) to the European Investment Fund were concluded successfully in December 2014. However the emergence of a horizontal issue about tax law affecting all innovative financial instruments foreseen by the EU in 2014 has delayed the launch of the new scheme towards banks until February 2015 (see 2.2.2.3 and

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<sup>107</sup> The three most popular destinations for Erasmus students in 2012-2013 were Spain, Germany and France. Countries sending the highest number of students as a proportion of their graduate population were Luxembourg, Liechtenstein, Finland, Latvia and Spain. (IP/14/821)

<sup>108</sup> The average Erasmus grant in 2012/2013, designed to cover part of the costs of living abroad and travel, was €272 per month, a 9% increase on the previous year (€250). The grant is topped up in some countries by national, regional or institutional funds.

<sup>109</sup> **Student Loan Guarantee facility:** This innovative financial instrument is a new initiative by the European Commission in cooperation with the European Investment Fund (EIF). Leveraging around 500 million € of Erasmus+ funding, the Guarantee facility will provide up to 3 billion EUR in loans through financial institutions for students completing a full Master's degree abroad (1 or 2 years). An estimated 200,000 students will benefit from this new scheme by 2020.

3.2.1). This new scheme will be crucial in providing more opportunities for young Europeans from any social backgrounds to study for a full master degree in another country by offering access to loans for Master's study on favourable conditions.<sup>110</sup> The scheme will help address the existing market gap whereby it is difficult for students in many countries to access adequate finance in order to pursue further studies abroad.

The first opportunities for **international cooperation in higher education under Erasmus+** were launched in 2014 (call for proposals). For the first time all international actions have been integrated under a single programme, sharing common and more user-friendly implementation rules (see 1.1.1.2). Notwithstanding initial delays, significant progress was made in agreeing with the European Parliament and the Council a contribution to the programme from the EU external instruments for the participation of partner countries around the world<sup>111</sup> (see result indicators 24 and 25). With the exception of Sub-Saharan Africa, Caribbean and Pacific<sup>112</sup>, all new international actions were opened to countries across the globe.<sup>113</sup> The aim until 2020 is to support mobility for over 135,000 students and staff and approximately 1000 capacity building projects. Meanwhile in 2014, bilateral programmes with Industrialised Countries were pursued<sup>114</sup>, although in a reduced manner with the U.S. and Canada in the aftermath of the economic crisis.<sup>115</sup> Furthermore around 2300 students, doctoral candidates and university staff continued to receive an Erasmus Mundus scholarship. According to mid-term evaluation, the joint masters and doctoral programmes funded on Erasmus Mundus offered overall considerable added value by facilitating the success of graduates when looking for work and/or further research positions. International experiences and intercultural competence are indeed considered as the most important assets that distinguish Erasmus Mundus beneficiaries from other graduates.

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<sup>110</sup> Conditions such as no need for provision of collateral; lower than market rate interest rate; provision for 'payment holidays'.

<sup>111</sup> The implementation of the Heading 4 related activities in *Erasmus+* was initially delayed due to the late adoption of these instruments. During 2014 the related decisions have nevertheless been adopted and the split of amounts into different actions is broadly in line with initial projections (€ 1.68 million in total). Relevant external committees and an inter-service group have been set up to monitor the Heading 4 actions.

<sup>112</sup> The 11th European Development Fund which is to contribute financially to Erasmus+ for higher education (indicatively 85 million €) was still under negotiation with Member States. It is hoped that these negotiations will be concluded before the general Erasmus+ call in autumn 2015.

<sup>113</sup> The international opening of the "Erasmus" mobility action, the supplementary scholarships under the Erasmus Mundus Joint Masters Degrees and the new capacity building action in higher education (which replaced Tempus, Alfa and Edulink).

<sup>114</sup> A total of 8 bilateral projects were selected in 2013 between the EU and Japan, South Korea, Australia and New Zealand.

<sup>115</sup> See AAR 2011 and AAR 2012

## Vocational education and training

The main priority in the field of **vocational education and training (VET)** in 2014 has been to address skills mismatches, as a follow-up to the commitment made in the Communication *Rethinking Education*. The country specific recommendations on vocational training were followed up through peer review and web-based consultations. Meanwhile the Erasmus+ programme started to support European cooperation on VET (see section 1.1.2.1) with a particular focus on the Sector Skills Alliance. The DG published *Guiding principles on professional development of trainers in VET*, as a contribution to the objective set in the Bruges Communiqué.

A new **ET 2020 Working Group on VET** was launched in 2014, in the framework mentioned above (see 1.1.2.1), to develop policy guidance on reforming apprenticeships systems, supporting specific objective 1.3. The Greek presidency Conference "Addressing skills mismatches through work-based learning in Vocational Education Training" agreed on the need to share responsibility with the social partners and the private sector for skills mismatch through innovative partnerships cooperation such as the *European Alliances for Apprenticeships* funded as of 2014 under the Erasmus+ programme.<sup>116</sup>

### *Notable Result*

As a follow up to the Council Declaration on the **Alliance for Apprenticeships**, 22 Member States have submitted to the Commission their commitments to engage with the Alliance, so as to improve concretely the quality and attractiveness of apprenticeships. Furthermore, around 45 pledges have been made from VET stakeholders including actions such as increasing the number of apprenticeships or initiating pilot projects in countries that are introducing a dual VET pathway. Among these, is a business alliance of some 200 companies pledging to provide at least 100,000 jobs and training opportunities for young people by 2018.

An achievement for the future was the agreement on a **new set of short-term deliverables for the period 2015-2017** under the review of the Bruges Communiqué. Endorsed in December by the Advisory Committee for Vocational Training, this work will feed into the draft ET 2020 Joint Report.

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<sup>116</sup> The European Alliance for Apprenticeships (EAfA), jointly coordinated by DG Education and Culture and DG Employment, Social Affairs and Inclusion, aims to bring together public authorities, businesses, social partners, VET providers, youth representatives, etc. in order to promote apprenticeship schemes across Europe. The success of the initiative lies with the commitment of its partners, notably through a network of ambassadors and pledges by stakeholders.

The contribution of the European Centre for the Development of Vocational Training (**CEDEFOP**) to VET policy, which had overall been positively evaluated in 2013<sup>117</sup> with recommendations made to improve its governance and collaboration with other agencies, was strongly confirmed throughout 2014 in relation to the Alliance for Apprenticeships.<sup>118</sup> The proposal for a possible recast of the CEDEFOP Regulation was postponed to 2015 due to the entry into force of a new Commission organisation, which turned DG Employment, Social Affairs and Inclusion into CEDEFOP's partner DG.

The support of Erasmus+ to vocational education and training has materialised<sup>119</sup> according to specific objective 1.1. (see impact indicator 8). 85% of the participants in **Leonardo da Vinci** mobility found that their training placements had been beneficial for their career (2011). The Commission had to cancel the Call for the Erasmus+ VET Mobility Charter that was published in 2014, as there had arisen some legal doubts as to its nature. However, following improvements, the Charter Call was published again in December 2014. The Charter aims to improve the quality of funded mobility and should be up and running to be used for applications under Erasmus+ in 2016.

In line with DG EAC's specific objective 1.2, the innovative concept of **Sector Skills Alliances**, which are directly targeted at addressing the skills mismatch in specific economic sectors, were launched on a larger scale through Erasmus+.<sup>120</sup> Emerging requirements of the workforce are more or less the same across borders for a given sector and continuing VET can react more flexibly to emerging skills needs than initial VET.<sup>121</sup> Therefore the role of Sector Skills Alliances could be to develop rapidly continuing VET at European sector level. As agreed in 2014 through various events, more enterprises, in particular SMEs, need to be involved in the delivery of apprenticeships. This is why other Commission services have ensured interaction between Sector Skills Alliances and ongoing cooperation and dissemination in their sectors.

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<sup>117</sup> See annex 8 on the CEDEFOP budget and annex 9 of AAR 2013 for performance information from the evaluation of CEDEFOP.

<sup>118</sup> In particular through a conference to steer countries towards new partnerships on apprenticeships, reviews of VET and apprenticeship systems in Lithuania and Malta, technical support to the ET 2020 Working Group on VET and the development of papers such as a Briefing Note on Developing Apprenticeships.

<sup>119</sup> Preliminary selection results indicate that 6,105 applications have been received for mobility projects in vocational education and training, with 44% being selected for funding. The interest is also high for Strategic Partnerships, with 1,302 applications submitted in the vocational education and training field and 18% approved projects in January 2015.

<sup>120</sup> Building on the lessons learned from the Leonardo da Vinci programme, Sector Skills Alliances (SSAs) develop vocational skills from the perspective of labour market needs, ensuring cooperation between education and employment within a specific sector of the economy. In 2014, 28 multilateral projects were funded on LLP and 6 wider Sector Skills Alliances on Erasmus+.

<sup>121</sup> Conclusion from a conference held in April 2014 on the follow-up of the Pilot Sector Skills Alliances in terms of European policy.



## Adult learning

As regards **adult education**, following the findings of the international Survey of Adult Skills (PIAAC) 2013, the urgency to support around 70 million adults with low skills in the EU has gained momentum.

### *Notable Result*

In 2013, 10.5 % of adults (age group 25-64) **participated in lifelong learning**. This is a very positive step in comparison to 2011 (8.8%), even if it might not be enough to reach the ET 2020 benchmark of 15% by 2020.

In response, the nomination of National Coordinators since 2012 has facilitated the implementation of the European Agenda for Adult Learning<sup>122</sup> applicable until 2014. In line as well with specific objective 1.3, Erasmus+ funding was awarded to a consortium of eight countries to undertake policy experimentation for adults at local level.

At EU level, a **new ET2020 Working Group on Adult Learning Policy** was launched in 2014 in the framework mentioned above (see 1.1.2.1), with a remit to identify successful adult education policies in particular addressing adult basic skills and to recommend more effective use of digital technologies in adult learning. The group has started in-depth country analysis and should deliver its final findings by 2015.

Meanwhile the Erasmus+ programme started to provide adult education staff with concrete training opportunities<sup>123</sup> according to specific objective 1.1 (see 1.1.2.1). As from 2014, the mobility of adult learners has been dismissed so as to focus mobility support rather on staff. In particular, the **Electronic Platform for Adult Learning in Europe** (EPALE) was launched in 2014 with a view to becoming a reference tool to improve the quality of adult learning provision in Europe. National Support Services were appointed by National Authorities and EPALE has started offering learning resources and a calendar of events from across Europe targeted to adult learning professionals, as well as interactive features for exchanges. In line with DG EAC's specific objectives 1.2 and 1.3, the platform supports as well capacity building for adult education organisations and provides policy-makers with a space for cooperation.

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<sup>122</sup> Council Resolution, OJ C 372, 20.12.2011.

<sup>123</sup> Preliminary selection results indicate that 2,332 applications have been received for mobility projects in adult education, with 14% being selected for funding. The interest is also high for Strategic Partnerships, with 1,076 applications submitted in the adult education field and 12% approved projects in January 2015.

## General objective 1

Spending (ABB ACTIVITY 15.02)

Non-spending

To contribute to the objectives of the Europe 2020 strategy through the **Education and Training strategic framework 2020 (ET2020)**, including the corresponding benchmarks established in those instruments, to the overall objectives of the renewed framework for European Cooperation in the Youth field (2010-2018), to the sustainable development of partner countries in the field of higher education and to developing the European dimension in sport in line with the Union work plan for sport, with a view to promoting European values and a knowledge-based, innovative, sustainable and inclusive Europe.

*NB: In contrast to the Management Plan 2014, the first four specific objectives have been split between Education/Training and Youth and the order and presentation of indicators has been revised so as to follow more literally the adopted legal basis of Erasmus+. Although the numbering of indicators is in principle the same as in the MP 2014, certain indicators (marked with a letter) have been moved or split compared to the MP.*

**Specific Objective 1.1:** To improve the level of key competences and skills, in particular through increased opportunities for **learning mobility** and strengthened cooperation with the world of work in education and training with particular regard to the relevance of these key competences and skills for the labour market and their contribution to a cohesive society;

*Indicators highlighted with an asterisk (\*) below are mandatory (from the programme legal basis). Their definition is included in the legal basis, however where additional specifications were added these are in italic.*

**Preliminary comment:** Breakdown for target groups emerge for the 1<sup>st</sup> time in Erasmus+, therefore there is no baseline and the individual milestones and the final target 2020 are under construction. They will be determined for the first time when all 2014 contractualisation processes are finalised for all actions. Reliable data are expected for mid-2015. On a regular basis, future reporting on the performance of the programme in a specific year (n) - including detailed reports (breakdown) foreseen by the basic act - will be produced by Q2 of the following year (n+1) and published on the Erasmus+ website.

Programme-based (Erasmus+)  
 Non programme-based

**Management mode:**  Direct DG  Direct Executive Agencies  Indirect (through National Agencies)

### \* Output indicator 15: Learning mobility opportunities through Erasmus+

**Definition:** Number of students and trainees participating in the Programme, by country, sector, action and gender.<sup>124</sup>

**Source:** EU reporting through Erasmus+ IT tool

Baseline (2013)	Latest known situation	Milestones						Target 2020
	2014 <sup>125</sup>	2014	2015	2016	2017	2018	2019	
HE <sup>126</sup> : 260 (in 1000)	↑ 269	244	239	248	270	319	356	412
VET: 41 (in 1000)	↑ 104	70	78	80	87	99	121	131

<sup>124</sup> See preliminary comment as regards breakdown.

<sup>125</sup> Planned number of participants - Provisional data at awarded level. Definitive data will be provided based on all National Agency Yearly reports in the second quarter of the year of writing.

<sup>126</sup> HE: higher education (including Joint Master degree and Erasmus+ Student Loans), VET: vocational education and training

**\* Result indicator 17: Better skills for participants (Erasmus +, education and training)**

**Definition:** % of Erasmus + participants declaring that they have improved their key competences *and/or their skills relevant for employability*

**Source:** Individual participant report to be submitted under Erasmus+

Baseline (pre-2014)	Latest known situation	Milestones		Target 2020
		2015	2017	
81% <sup>127</sup>	Not available at application stage, but at the end of each project	83%	85%	88%

**Result Indicator 18: Employability of participants (Erasmus +)**

**Definition:** % of Erasmus + participants indicating that participation in the programme contributed to finding a job

**Source:** Second individual participant report to be submitted under Erasmus+

Baseline (pre-2014)	Latest known situation	Milestones		Target 2020
		2015	2017	
42% <sup>128</sup>	Not available at application stage, but at the end of each project	44%	46%	50%

**\* Output indicator 19a: Staff supported by the programme (Erasmus +, education and training)**

**Definition:** Number of staff supported by the Programme, by country<sup>129</sup> and *in the sector of education and training*

**Source:** EU reporting through Erasmus+ IT tool

Baseline (2013)	Latest known situation	Milestone	Target 2020
		2014 <sup>130</sup>	
HE <sup>131</sup> : 46 (in 1000)	↑ 49	50	70
VET <sup>132</sup> : 9 (in 1000)	↑ 23	11	15
Schools: 13 (in 1000)	↑ 21	15	20
Adult: 2 (in 1000)	↑ 6	3	5

<sup>127</sup> According to the Erasmus impact study published in September 2014, "81% of Erasmus students perceive an improvement in their transversal skills when they come back".

<sup>128</sup> The 2014 Erasmus impact study established a link between the participation in mobility programmes and subsequent employability. "Based on their personality traits (participants) have a better predisposition for employability even before going abroad. By the time they return they have increased their advantage by 42% on average".

<sup>129</sup> See preliminary comment as regards breakdown.

<sup>130</sup> Planned number of participants - Provisional data at awarded level. Definitive data will be provided based on all National Agency Yearly reports in the second quarter of the year of writing.

<sup>131</sup> HE: higher education

<sup>132</sup> VET: vocational education and training

**\* Output indicator 19b: Participants with special needs or fewer opportunities (Erasmus +, education and training)**

**Definition:** Number of participants with special needs or fewer opportunities supported by the programme

**Source:** EU reporting through Erasmus+ IT tool

Baseline (2013)	Latest known situation	Milestone	Target 2020
	2014 <sup>133</sup>	2017	
Special needs (LLP): 8 (in 1000)	↑ 9	15	40

Main outputs	
Target	Current situation (2014)
<b>a) Main Commission policy outputs to be delivered in 2014</b>	
See under specific objective 1.3	
<b>b) Final outputs (by which delivery other actors are involved) or other relevant activities to be implemented in 2014</b>	
See under specific objective 1.3	

<p><b>Specific Objective 1.2:</b> To foster quality improvements, innovation excellence and internationalisation, in particular through enhanced transnational cooperation <b>at the level of institutions/organisations</b> between education and training providers and other stakeholders</p> <p><i>Indicators highlighted with an asterisk (*) below are mandatory (from the programme legal basis). Their definition is included in the legal basis, however where additional specifications were added these are in italic.</i></p> <p><b>Preliminary comment:</b> Breakdown for target groups emerge for the 1<sup>st</sup> time in Erasmus+, therefore there is no baseline and the individual milestones and the final target 2020 are under construction. They will be determined for the first time, when all 2014 constructualisation processes are finalised for all actions. Reliable data are expected for mid-2015. On a regular basis, future reporting on the performance of the programme in a specific year (n) - including detailed reports (breakdown) foreseen by the basic act - will be produced by Q2 of the following year (n+1) and published on the Erasmus+ website.</p>	<input checked="" type="checkbox"/> Programme-based (Erasmus+) <input checked="" type="checkbox"/> Non programme-based
<p><b>Management mode:</b> <input checked="" type="checkbox"/> Direct DG <input checked="" type="checkbox"/> Direct Executive Agencies <input checked="" type="checkbox"/> Indirect (through National Agencies)</p>	

<sup>133</sup> Planned number of participants - Provisional data at awarded level. Definitive data will be provided based on all National Agency Yearly reports in the second quarter of the year of writing.

<b>Result indicator 20: Innovation from participating organisations (Erasmus +)</b>					
<b>Definition:</b> % of organisations that have developed/adopted innovative methods and/or materials, improved capacity; outreach methodologies, etc.					
<b>Source:</b> Final report to be submitted by the beneficiary organisations under Erasmus+					
Baseline (2012)	Latest known situation		Milestones		Target 2020
			2015	2017	
50%	Not available at application stage, but at the end of each project		55%	65%	70%
<b>* Output indicator 20a: Users of Euroguidance</b>					
<b>Definition:</b> The number of users of Euroguidance					
<b>Source:</b> EACEA					
Baseline (2013) <sup>134</sup>	Latest known situation		Milestones		Target 2020
	2014				
2 921 925 hits on Euroguidance websites 11 411 participants in Euroguidance seminars/workshops	↑ 3.561.668 visitors consulted the Euroguidance Centre's website ↓ 7.643 participants in events;		5 million  10.000		Not yet available (ongoing work by EACEA).
<b>* Output indicator 20b: Organisations and projects (Erasmus+, all areas)</b>					
<b>Definition:</b> Number and type of organisations and projects supported by the programme, by country and by action <sup>135</sup>					
<b>Source:</b> EU reporting through Erasmus+ IT tool					
Baseline (2014)	Latest known situation		Milestones		Target 2020
	2014 <sup>136</sup>				
Actions managed by National Agencies (in 1000) Projects : 11 / organisations: 32  Actions managed by EACEA (in 1000) Projects : 0.8 / organisations: 4	11 - 32  0.8 - 4		To be defined in 2015		
<b>Main outputs</b>					
<b>Target</b>			<b>Current situation (2014)</b>		
<b>a) Main Commission policy outputs to be delivered in 2014</b>					
See under specific objective 1.3					
<b>b) Final outputs (by which delivery other actors are involved) or other relevant activities to be implemented in 2014</b>					
See under specific objective 1.3					

<sup>134</sup> Based on 2013 final reports.

<sup>135</sup> See preliminary comment as regards breakdown.

<sup>136</sup> Planned number of participants - Provisional data at awarded level. Definitive data will be provided based on all National Agency Yearly reports in the second quarter of the year of writing.

**Specific Objective 1.3:** To promote at **policy level**, in particular through enhanced policy cooperation, the dissemination of good practices and better use of Union transparency and recognition tools in education and training: the emergence of a European area of skills and qualifications, policy reforms at national level for the modernisation of education and training systems in a lifelong perspective, and digital learning;  
*Indicators highlighted with an asterisk (\*) below are mandatory (from the programme legal basis). Their definition is included in the legal basis, however where additional specifications were added these are in italic.*

- Programme-based (Erasmus+)
- Non programme-based

**Management mode:**  Direct DG  Direct Executive Agencies  Indirect (through National Agencies)

**Result indicator 21: Impact of EU coordination on national policy development (Education and training; youth)**

**Definition:** Number of Member States making use of the results of the OMC in their national policy developments measured by the aggregate progression rate of Member States implementing European transparency tools in education and training (recommendation on the European Qualification Framework (EQF) and recommendation on the validation of non-formal and informal learning).

**Source:** DG EAC

Baseline (2012)	Latest known situation	Milestone	Target 2020
	2014	2018	
Aggregate progression rate: 24%	↑ 33% <sup>137</sup>	80%	100%

**Result Indicator 22: Implementation of European Transparency tools in vocational education and training (ECVET and EQAVET)**

**Definition:** Number of countries having established a national approach to quality assurance in line with the European Quality Assurance for Vocational Education and Training (EQAVET)

**Source:** EQAVET secretariat survey

**Definition:** Number of countries introducing European Credits for Vocational Education and Training (ECVET) in their national systems through a political decision and/or tests. (An evaluation of ECVET will be carried out in 2014, following which the concept may be revised; milestones have therefore not been defined beyond 2015).

**Source:** Cedefop monitoring survey

Baseline (2013)	Milestones						Target 2020
	Latest known situation (2014)	2015	2016	2017	2018	2019	
ECVET: 10	↑ 12	15	n.d.	n.d.	n.d.	n.d.	All MS
EQAVET: 23	↑ 24	25	28	28	28	28	All MS

<sup>137</sup> This progression is mainly due to the positive evolution of two elements out of five aggregated in this indicator: 17 Member States (61%) have referenced to the EQF; 14 Member States (50%) have implemented the recommendation on the validation of non-formal and informal learning.

* <b>Result indicator 16: Formal recognition of participation</b> (Erasmus +; education and training)				
<b>Definition:</b> % of Erasmus + participants who have received a certificate, diploma or other kind of formal recognition of their participation in the Programme				
<b>Source:</b> EU reporting through Erasmus+ IT tool				
Baseline (2013)	Latest known situation	Milestones		Target 2020
		2015	2017	
HE 100%	Not available at application stage	100%	100%	100%
VET 65%	Not available at application stage	68%	70%	75%
Main outputs				
Target		Current situation (2014)		
<b>a) Main Commission policy outputs to be delivered in 2014</b>				
<u>Commission Report</u> on a <u>Policy framework to increase achievements in basic skills</u> (April 2014)		Postponed to 2015 (to collect further evidence)		
<u>Commission Report</u> on the implementation of the Recommendation of the European Parliament and the Council of 18 June 2009 on the establishment of a <u>European Credit System for Vocational Education and Training</u> (ECVET) (June 2014)		Postponed to 2015 (due to the new organisation of the Commission)		
<u>Commission Report</u> on the evaluation of the European Centre for the <u>Development of Vocational Training</u> (CEDEFOP) (March 2014) and <u>Recast</u> of the CEDEFOP Regulation		Postponed to 2015 (for the same reason)		
<u>Staff Working Document</u> on the quality and efficiency of <u>adult learning</u>		Cancelled		
<b>b) Final outputs (by which delivery other actors are involved) or other relevant activities to be implemented in 2014</b>				
<u>European Semester</u> outputs including Country Specific recommendations and Council conclusions		Adopted		
<u>OMC: ET 2020</u> working group deliverables, peer reviews on national policy developments and ET 2020 stocktaking		Delivered		
Adoption of a European <u>benchmark on foreign language learning</u>		Not adopted		
European <u>network of National literacy organisations</u> to start delivering		Launched		
Erasmus+ <u>Programme Committee</u> and renewed mandates for the Executive Agency EACEA		Adopted		
Contributing to the planning of <u>European Structural Investment Funds 2014-20</u> (Partnership Agreements, Operational Programmes) to ensure that the funding follows the policy priorities defined under Europe 2020, ET2020 and the Youth Strategy		Delivered		

<p><b>Specific Objective 1.4:</b> To support the Union's external action, including its development objectives, through targeted capacity-building in partner countries, cooperation between Union and partner-country institutions or other stakeholders and the promotion of mobility, and to enhance the <b>international dimension</b> of activities in education and training by increasing the attractiveness of European higher education institutions;</p> <p><i>Indicators highlighted with an asterisk (*) below are mandatory (from the programme legal basis). Their definition is included in the legal basis, however where additional specifications were added these are in italic.</i></p>	<input checked="" type="checkbox"/> Programme-based (Erasmus+) <input checked="" type="checkbox"/> Non programme-based
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**Management mode:**  Direct DG  Direct Executive Agencies  Indirect (through National Agencies as from 2015)

**\* Result indicator 23: Involvement of non-EU higher education institutions from partner countries**<sup>138</sup>  
(Erasmus+)

**Definition:** The number of partner country higher education institutions (HEIs) involved in *credit and degree* mobility and cooperation actions, *i.e. capacity building projects under the Erasmus+ programme and having signed an institutional agreement with an EU HEI*

**Source:** The mobility tool used by NAs for decentralised actions and the EACEA Pegasus database

Baseline (2013)	Latest known situation	Milestones <sup>139</sup>		Target 2020
	2014	2016	2018	
1 000	↓ 0 (international actions were only launched at the end of 2014)	1 100	1 200	1 300

**\* Output Indicator 25: EU students and staff going to partner countries and vice versa** (Erasmus+)

**Definition:** Number of higher education students *and staff*<sup>140</sup> receiving support (*a scholar ship*) to study in a partner country, as well as the number of students *and staff* coming from a partner country to study in a Programme country

**Source:** The mobility tool used by NAs for decentralised actions and the EACEA Pegasus database

Baseline (2013)	Latest known situation	Milestones					Target 2020
	2014	2014&15	2016	2017	2018	2019	
HE students <i>and staff</i> going to a partner country (in 1 000) ( <i>revised</i> )	↓ 0 (for the same reason)	3,8	4	4,3	3,6	3	3,9
HE students <i>and staff</i> coming from a partner country (in 1 000) ( <i>revised</i> )	↓ 0 (for the same reason)	15	16	17	14	15	15

<sup>138</sup> Erasmus+ is divided between Programme countries that contribute financially to the Programme and have a National Agency, and Partner countries (those countries outside the Programme countries, that participate without financial contribution).

<sup>139</sup> These figures come from the numbers of non EU HEIs having participated in EM and Tempus from 2009 to 2013.

<sup>140</sup> Under Heading 4, students as well as staff are supported.



Main outputs	
Target	Current situation (2014)
<b>a) Main Commission policy outputs to be delivered in 2014</b>	
See under specific objective 1.3	
<b>b) Final outputs (by which delivery other actors are involved) or other relevant activities to be implemented in 2014</b>	
See under specific objective 1.3 Regional and bilateral policy dialogue with key <u>partner countries</u> : In 2014 these key partners will include, but not be limited to countries covered by the Neighbourhood Policy, Southern Mediterranean, Eastern Partnership, Western Balkans, Africa and the BRICs.	Delivered
Joint public presentation of the outcomes of cooperation with key <u>partner organisations</u> (e.g. OECD)	Delivered
	The international Erasmus+ actions were only launched with the 2015 call. The only international actions in Higher Education were the Erasmus Mundus joint Master degrees. Around 23,000 Erasmus Mundus scholarships were awarded to students, doctoral candidates and scholars.

**Specific Objective 1.5:** To improve the teaching and learning of **languages** and promote the Union's broad linguistic diversity and intercultural awareness

*Indicators highlighted with an asterisk (\*) below are mandatory (from the programme legal basis). Their definition is included in the legal basis, however where additional specifications were added these are in italic.*

Programme-based (Erasmus+)  
 Non programme-based

**Management mode:**  Direct DG  Direct Executive Agencies  Indirect (through other)

**\* Result indicator 26: Language skills of participants (Erasmus+, Education and Training)**

**Definition:** % of Erasmus+ participants in long-term mobility declaring that they have increased their language skills  
**Source:** Individual participant report to be submitted under Erasmus+

Baseline (2010) <sup>141</sup>	Latest known situation	Milestones		Target 2020
	2014	2015	2017	
HE: 94%	Not available at application stage, but at the end of each project	95%	96%	98%
VET: 81%	N/A for the same reason		87%	90%

<sup>141</sup> In order to compare data, "long-term" mobility is considered here as from 2 months and over across all sectors.

Main outputs	
Target	Current situation (2014)
<b>a) Main Commission policy outputs to be delivered in 2014</b>	
See under specific objective 1.3	
<b>b) Final outputs (by which delivery other actors are involved) or other relevant activities to be implemented in 2014</b>	
See under specific objective 1.3	Launch of the on-line linguistic support platform for Erasmus+ participants on 1 October 2014
<u>OMC</u> : ET 2020 working group deliverables, peer reviews on national policy developments in the field of languages in education	Delivered

<p><b>Specific Objective 1.6:</b> To promote excellence in teaching and research activities in European integration through <b>Jean Monnet</b> activities worldwide</p> <p><i>Indicators highlighted with an asterisk (*) below are mandatory (from the programme legal basis). Their definition is included in the legal basis, however where additional specifications were added these are in italic.</i></p>	<input checked="" type="checkbox"/> Programme-based (Erasmus+) <input checked="" type="checkbox"/> Non programme-based
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**Management mode:**  Direct DG  Direct Executive Agencies  Indirect (through other)

**\* Output indicator 27: Students trained through Jean Monnet activities (Erasmus+)**

**Definition:** Number of Students receiving training through Jean Monnet activities

**Source:** Online Reporting Tool for the Jean Monnet Programme (which in the future should be connected to Pegasus to allow the creation of statistics)

Baseline (2007)	Latest known situation	Milestones					Target 2020
	2014	2015	2016	2017	2018	2019	
120 000	↑ 215 000	235 000	260 000	285 000	310 000	335 000	360 000

**Result Indicator 28: Worldwide scope of Jean Monnet activities (Erasmus+)**

**Definition:** Number of countries where Jean Monnet activities have been performed successfully, increasing knowledge in partner countries

**Source:** Online Reporting Tool for the Jean Monnet to be connected to Pegasus

Baseline (2013)	Latest known situation	Milestones					Target 2020
	2014	2015	2016	2017	2018	2019	
78 countries	↔78	80	81	82	83	84	85

Main outputs	
Target	Current situation (2014)
<b>a) Main Commission policy outputs to be delivered in 2014</b>	
See under specific objective 1.3	
<b>b) Final outputs (by which delivery other actors are involved) or other relevant activities to be implemented in 2014</b>	
See under specific objective 1.3 Jean Monnet window within the framework of Erasmus+ (contribution to ABB activity 19.05)	Delivered(covering Brazil, Japan, Mexico, Russia, Taiwan, Singapore and US)

## Youth

The Council of ministers adopted in May 2014 for the first time a **Work Plan for Youth**, identifying three priorities to be dealt with until the end 2015 in the wider framework of the EU Youth Strategy: a) development of youth work and non-formal and informal learning to address the effects of the crisis on young people; b) enhanced cross-sectorial cooperation; c) empowerment, with a special focus on access to rights, autonomy, participation and active citizenship within and outside the EU.

As regards the first priority, the year 2014 confirmed that the economic crisis has continued to hit young people harder, with decreasing but persistently high youth unemployment in the EU (21.9% in November 2014). In line with DG EAC's specific objective 1.1.y, the focus in 2014 has remained on the contribution of youth work and non-formal activities to addressing the effects of the crisis on young people, in particular in term of **employability** (see decreasing impact indicator 3 and indicators under specific objective 1.1.y). Inclusive economic growth initiatives as pursued by the Europe 2020 Strategy (*Youth on the Move* flagship initiative; *Youth Employment Package* including the *Youth Guarantee*) strive to help youth find new jobs. DG EAC has continued to contribute in particular to the 2012 *Youth Opportunity Initiative* by supporting placements of volunteers (see also section 1.1.5.2 on the Traineeship Office).

In line with specific objective 1.3.y, peer learning has intensified. Expert groups have been set up to work on a framework for quality assurance in **youth work** and on the role of youth work in addressing challenges of young people today. Reports are foreseen to be delivered in 2015.

### *Notable Result*

An EU-wide comparative study<sup>142</sup> offered for the first time a mapping of the situation and **value of youth work across Europe**. Youth workers are providing support for instance within schools, libraries or hospitals. Through this diversity, youth work results in a range of measured positive outcomes for young people, enabling them to develop skills and competences, strengthen their network and social capital, and change particular behaviours. It is furthermore considered to bring an effective contribution to the implementation of the Youth Guarantee. (See output indicator 19.a.y.)

Concerning the two other priorities, DG EAC has continued to mainstream a **youth dimension in EU policy-making** along the eight fields of action of the Youth Strategy (2010-2018), promoting particularly in 2014 youth participation in democratic life (see decreasing impact indicator 10 and result indicator 19). Meanwhile the EU's cooperation with the Council of Europe in the youth field has benefited from an improved method, with the adoption in 2014 of the EU-Council of Europe Framework Partnership Agreement. The partnership actively disseminates findings among the two institutions' stakeholders on emerging issues such as innovative forms of youth

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<sup>142</sup> [http://ec.europa.eu/youth/news/2014/20140219-youth-work-study\\_en.htm](http://ec.europa.eu/youth/news/2014/20140219-youth-work-study_en.htm)

participation or social inclusion, as a basis for policy development.

In the meantime, attention is needed to address the social ramifications of high sustained youth unemployment rates. In a comparative policy brief on the **social situation of young people in Europe**,<sup>143</sup> the Eurofound Agency<sup>144</sup> revealed in 2014 that the economic crisis has forced a growing number of young people to continue to live at home, with serious implications for their transition into adulthood and on their perceived levels of social exclusion.<sup>145</sup>

Particularly in a year of European elections, DG Education and Culture has paid a specific attention to **political participation of young** people and the implementation of the democratic principles of the Treaty. Young people were less likely to trust institutions in 2011 than they did in 2007. In spite of efforts made, the youth participation in the latest European elections, which depends from many external factors, has remained disappointing. This had nonetheless been a communication priority in the first half of the year. For instance, DG EAC ensured the active participation of the Commission in an additional European Youth Event<sup>146</sup>, some weeks before the European elections. As an outcome, newly elected MEPs have received a proposal for action on the future of Europe in July 2014.<sup>147</sup>

Based on a Resolution adopted in May by the Council, following the review of the **Structured Dialogue**<sup>148</sup> organised by the Commission in 2013, DG EAC has started applying the strengthened architecture of the Dialogue. In parallel, the **EU Youth Portal**<sup>149</sup> is being further developed to reach out to young people and increasingly to promote youth participation online. For instance, the Portal has been made compatible for mobile devices and enriched with a new "Volunteering Portal". The later in particular has increased significantly the usage of the site by the end users.

Against the background of the first year of the **new EU programme for youth, Erasmus+**, DG EAC reported to the Member States on the achievements of Youth non-formal learning activities supported by the EU over 25 years, with around 2.5 million young people and youth workers having participated in such activities.<sup>150</sup> Concerning

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<sup>143</sup> Based on Eurofound's European Quality of Life Survey (EQLS), a representative survey of those aged 18 and over in the EU and some acceding, candidate and potential candidate countries: <http://www.eurofound.europa.eu/publications/>

<sup>144</sup> The European Foundation for the Improvement of Living and Working conditions ([Eurofound](http://www.eurofound.europa.eu)) is a tripartite European Union Agency, whose role is to provide knowledge in the area of social and work-related policies. Eurofound was established in 1975 by Council Regulation (EEC) No. 1365/75.

<sup>145</sup> For instance the number of people 18-30 in the EU living at home with their parents has increased from 44% to 48% between 2007 and 2011. Moreover, nearly half of them live in households experiencing some form of deprivation with 27% at moderate levels and 22% experiencing serious deprivation.

<sup>146</sup> The [European Youth Event](http://www.europarl.europa.eu/eve2014/en/news.html) was an important gathering of around 5 000 young people in Strasburg, organised by the European Parliament. DG EAC took direct responsibility for a part of the programme aimed at identifying "Ideas for a Better Europe".

<sup>147</sup> <http://www.europarl.europa.eu/eve2014/en/news.html>

<sup>148</sup> The [Structured Dialogue](http://www.europarl.europa.eu/eve2014/en/news.html) involves regular consultations of young people and youth organisations, as well as a dialogue between youth representatives and policy makers (EU Youth Conferences organised, European Youth Week).

<sup>149</sup> The [EU Youth Portal](http://www.europarl.europa.eu/eve2014/en/news.html) identifies opportunities for young people across Europe, to work, travel or participate in volunteering, civic, social or cultural activities.

<sup>150</sup> Activity report for the Youth in Action programme presented at the Programme Committee in December 2014.

more specifically the latest programme, Youth in Action, more than 1.1 million young people and youth workers<sup>151</sup> have taken part in more than 57 000 projects (out of more than 110 000 projects submitted) over the period 2007-2013. As regards the Youth sector, the possibilities offered by the Erasmus+ (Youth) Programme in non-formal learning have been made more visible with the ring fencing of a 10% specific budget line in the legal basis. In line with specific objective 1.1.y, Erasmus+ aims to support more opportunities for young people in education and employment (with particular support for *non-formal* learning experiences with a European dimension), to improve their full participation in society (including in terms of European citizenship) and to foster solidarity among the youth and between generations, in order to reinforce social cohesion in the EU (e.g. European Voluntary Service). In many countries no such programmes of cross-border mobility exist. In 2014, the Erasmus+ programme has confirmed its attractiveness in the field of youth (see encouraging indicators under specific objective 1.1.y).

With a view to implementing the programme in a manner as inclusive as possible, DG EAC has elaborated an **Inclusion and Diversity Strategy for the youth sector**. According to the 2011 monitoring survey, 67% of participants believe that their job chances have increased thanks to their experience funded by the EU youth programme (61% in 2010). According to specific objective 1.3.y (see output indicators 16.y and 20.a.y), Youth in Action has contributed to the effective recognition of non-formal learning with notably 343 000 Youthpass - the YiA learning opportunities certificate - delivered since 2007. Youthpass has been adapted to remain a tool for recognition under the new programme. According to the 2013 survey on the impact of *Youthpass*, approximately 80% of previous participants agreed that *Youthpass* has increased the usefulness of projects funded in certifying their non-formal learning outcomes.

The latest available (mid-term) **evaluation** of the previous programme Youth in Action and a 2011 beneficiary survey largely confirmed the sustainable impact of such an EU support afterwards e.g. on continued work for NGOs and increased mobility for participants. The activities would likely not find funding elsewhere. They have increasingly targeted young people with fewer opportunities, a unique feature compared to other programmes (see increasing output indicator 19.b.y). They have been considered relevant by the participating young people and other stakeholders, comparing positively with youth programmes organised in Member States.

Beyond its individual benefits, youth mobility triggers also **systemic changes** in youth work and organisation in Europe in line with specific objectives 1.2.y and 1.4.y (see encouraging output indicator 20.a.y and result indicator 24). According to specific objective 1.3.y, Erasmus+ pursues to ensure due consideration of youth issues within EU policy-making and helps bringing the European Union closer to young people. A recent example was provided by the evaluation of the European Youth Forum, funded by the programme.<sup>152</sup> The Forum was found a useful instrument to the Commission because of

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<sup>151</sup> In 2013 specifically, close to 275 000 young people and youth workers took part in Youth in Action.

<sup>152</sup> See annex 9 of AAR 2013 for more performance information included in this evaluation.

its structured opinions on youth-related topics and the most suitable mechanism to channel communication at EU level with a broad range of young people and organisations in Europe. The 2014 European Education Training and Youth Forum provided added value to the review of ET2020. It is the first time that these different stakeholder groups have been asked to discuss future priorities at the same event.<sup>153</sup> Their views will contribute to tackling one of the most urgent challenges identified by President Juncker for the EU: “a state of people without jobs”.

<b>General objective 1</b>								<input checked="" type="checkbox"/> Spending (ABB ACTIVITY 15.02) <input checked="" type="checkbox"/> Non-spending
<p>To contribute to the objectives of the Europe 2020 strategy through the Education and Training strategic framework 2020 (ET2020), including the corresponding benchmarks established in those instruments, to the overall objectives of the renewed framework for European Cooperation in the Youth field (2010-2018), to the sustainable development of partner countries in the field of higher education and to developing the European dimension in sport in line with the Union work plan for sport, with a view to promoting European values and a knowledge-based, innovative, sustainable and inclusive Europe.</p>								
<p><b>Specific Objective 1.1.y:</b> To improve the level of key competences and skills, in particular through increased opportunities for <b>learning mobility</b> and strengthened cooperation with the world of work in <b>the field of youth</b> including for young people with fewer opportunities, those active in youth work or youth organisations and youth leaders with particular regard to participation in democratic life in Europe and the labour market, active citizenship, intercultural dialogue, social inclusion and solidarity.</p> <p><i>Indicators highlighted with an asterisk (*) below are mandatory (from the Erasmus+ legal basis). Their definition is included in the legal basis, however where additional specifications were added these are in italic.</i></p> <p><b>Preliminary comment:</b> Breakdown for target groups emerge for the 1<sup>st</sup> time in Erasmus+, therefore there is no baseline and the individual milestones and the final target 2020 are under construction. They will be determined for the first time when all 2014 contractualisation processes are finalised for all actions. Reliable data are expected for mid-2015. On a regular basis, future reporting on the performance of the programme in a specific year (n) - including detailed reports (breakdown) foreseen by the basic act - will be produced by Q2 of the following year (n+1) and published on the Erasmus+ website.</p>								<input checked="" type="checkbox"/> Programme-based (Erasmus +) <input checked="" type="checkbox"/> Non programme-based
<p><b>Management mode:</b> <input checked="" type="checkbox"/> Direct DG <input checked="" type="checkbox"/> Direct Executive Agencies <input type="checkbox"/> Indirect (through other)</p>								
<p><b>* Output indicator 15y: Learning mobility opportunities through Erasmus+ (Youth)</b></p> <p><b>Definition:</b> Number of young people engaged in mobility actions supported by the Programme, by country, sector, action and gender.<sup>154</sup></p> <p><b>Source:</b> EU reporting through Erasmus+ IT tool</p>								
Baseline (2012)	Latest known situation	Milestones					Target 2020	
	2014 <sup>155</sup>	2017	2016	2017	2018	2019		
Youth: 59 (in 1000)	↑ 98 (target: 62)	70	70	77	92	107	124	

<sup>153</sup> 369 participants from 35 countries attended the Forum.

<sup>154</sup> See preliminary comment as regards breakdown.

<sup>155</sup> Planned number of participants - Provisional data at awarded level. Definitive data will be provided based on all National Agency Yearly reports in the second quarter of the year of writing.

**\* Result indicator 17y: Better skills for participants (Erasmus +, youth)**

**Definition:** % of Erasmus + participants declaring that they have improved their key competences *and/or their skills relevant for employability*

**Source:** Individual participant report to be submitted under Erasmus+

Baseline (2012)	Latest known situation	Milestone		Target 2020
	2014	2016		
youth: 75%	Not available at application stage, but at the end of each project	77%		80%

**Result Indicator 19: Social and political participation of young people (Erasmus +)**

**Definition:** % of Erasmus + young participants declaring being better prepared to participate in social and political life

**Source:** Individual participant report to be submitted under Erasmus+

Baseline (2011)	Latest known situation	Milestones		Target 2020
	2014	2015	2017	
78%	Not available at application stage, but at the end of each project	80%	80%	80%

**\* Result indicator 26y: Language skills of participants (Erasmus+, youth)**

**Definition:** % of *Erasmus+* participants in voluntary actions declaring that they have increased their language skills

**Source:** Individual participant report to be submitted under Erasmus+

Baseline (2010) <sup>156</sup>	Latest known situation	Milestones		Target 2020
	2014	2015	2017	
87%	Available in 2015 (as on-line linguistic support tool was launched on 1 October 2014)	90%	92%	95%

**\* Output indicator 19ay: Staff supported by the programme (Erasmus+, youth)**

**Definition:** Number of staff (e.g. youth workers) supported by the Programme (*EU 28*), by country and *for the sector youth*<sup>157</sup>

**Source:** EU reporting through Erasmus+ IT tool

Baseline (2013)	Latest known situation	Milestones					Target 2020
	2014 <sup>158</sup>	2015	2016	2017	2018	2019	
22 (in 1000) (revised)	↔ 21	21	22	23	24	25	26

<sup>156</sup> In order to compare data, "long-term" mobility is considered here as from 2 months and over across all sectors.

<sup>157</sup> See preliminary comment as regards breakdown.

<sup>158</sup> Planned number of participants - Provisional data at awarded level. Definitive data will be provided based on all National Agency Yearly reports in the second quarter of the year of writing.

**\* Output indicator 19by: Participants with special needs or fewer opportunities**

**Definition:** Number of participants with special needs or fewer opportunities supported by the programme (*Erasmus+, youth*)

**Source:** EU reporting through Erasmus+ IT tool

Baseline (2013)	Latest known situation		Milestone	Target 2020
	2014 <sup>159</sup>		2017	
Fewer opportunities: 18,7 (in 1000)	↑ 47		21.6	37
<b>Main outputs</b>				
<b>Target</b>			<b>Current situation (2014)</b>	
<b>a) Main Commission policy outputs to be delivered in 2014</b>				
<b>b) Final outputs (by which delivery other actors are involved) or other relevant activities to be implemented in 2014</b>				
See under specific objective 1.3y				
<u>Youth portal</u> : further development			Delivered (Implementation of new functionalities for the Structured Dialogue and entry into force of a Volunteering platform to ease access to volunteering opportunities)	
			Third cycle of Structured Dialogue with young people: Delivered (Conclusions of the third cycle - on social inclusion - were taken into account in the Council conclusions of May 2014)	

<sup>159</sup> Same comment as for previous output indicator.



**Specific Objective 1.2.y:** To foster quality improvements, innovation excellence and internationalisation, in particular through enhanced transnational cooperation **at the level of institutions/organisations**<sup>160</sup> between organisations in the youth field and other stakeholders.

*Indicators highlighted with an asterisk (\*) below are mandatory (from the programme legal basis). Their definition is included in the legal basis, however where additional specifications were added these are in italic.*

**Management mode:**  Direct DG  Direct Executive Agencies  Indirect (through other)

Programme-based (Erasmus +)  
 Non programme-based

**\* Output indicator 20ay: Users of Eurodesk**

**Definition:** The number of users of Eurodesk  
**Source:** Eurodesk Brussels Link

Baseline (2013)	Milestones						Target 2020
	2014	2015	2016	2017	2018	2019	
140 000 information enquiries answered through the Eurodesk network	↔ 140 000 (on target)	140 000	140 000	140 000	140 000	140 000	140 000

**Main outputs**

Target	Current situation (2014)
<b>a) Main Commission policy outputs to be delivered in 2015</b>	
See under specific objective 1.3y	
<b>b) Final outputs (by which delivery other actors are involved) or other relevant activities to be implemented in 2015</b>	
See under specific objective 1.3y	

<sup>160</sup> As regards breakdown by type of organisations/country/sector, the public source of the reporting on indicators stipulated in the legal basis is to be defined.

**Specific Objective 1.3.y:** To promote at **policy** level, in particular through enhanced policy cooperation, the dissemination of good practices and better use of Union transparency and recognition tools in the field of youth: evidence-based youth policy, as well as the recognition of non-formal and informal learning, with a view to complementing policy reforms at local, regional and national level

- Programme-based (Erasmus +)  
 Non programme-based

*Indicators highlighted with an asterisk (\*) below are mandatory (from the programme legal basis). Their definition is included in the legal basis, however where additional specifications were added these are in italic.*

**Management mode:**  Direct DG  Direct Executive Agencies  Indirect (through other)

**\* Result indicator 16y: Formal recognition of participation (Erasmus +, youth)**

**Definition:** % of Erasmus + participants who have received a certificate (for example a Youthpass), diploma or other kind of formal recognition of their participation in the Programme

**Source:** EU reporting through Erasmus+ IT tool

Baseline	Latest known situation	Milestones		Target 2020
		2015	2017	
Youth (2010): 26%	Not available at application stage, but at the end of each project	35%	45%	65%

Main outputs	
Target	Current situation (2014)
<b>a) Main Commission policy outputs to be delivered in 2014</b>	
See under specific objective 1.3	
<b>b) Final outputs (by which delivery other actors are involved) or other relevant activities to be implemented in 2014</b>	
Grand Coalition for Digital Jobs	Delivered

**Specific Objective 1.4.y:** To support the Union's external action, including its development objectives, through targeted capacity-building in partner countries, cooperation between Union and partner-country institutions or other stakeholders and the promotion of mobility, and to enhance the **international dimension** of activities in the field of youth in particular as regards the role of youth workers and support structures for young people.

- Programme-based (Erasmus +)  
 Non programme-based

*Indicators highlighted with an asterisk (\*) below are mandatory (from the programme legal basis). Their definition is included in the legal basis, however where additional specifications were added these are in italic.*

**Management mode:**  Direct DG  Direct Executive Agencies  Indirect (through other)

**\* Result indicator 24: Involvement of EU and non-EU youth organisations (Erasmus+)**

**Definition:** Number of youth organisations from both Programme countries and partner countries involved in international mobility and cooperation actions under the Erasmus+ programme

**Source:** The mobility tool used by NAs for decentralised actions and the EACEA Pegasus database

Baseline (2011)	Latest known situation	Milestones			Target 2020
	2014	2014	2016	2018	
5 300	↔ 5 500	5500	5600	5800	6 000

**Main outputs**

Target	Current situation (2014)
<b>a) Main Commission policy outputs to be delivered in 2014</b>	
See under specific objective 1.3y	
<b>b) Final outputs (by which delivery other actors are involved) or other relevant activities to be implemented in 2014</b>	
Regional and bilateral policy dialogue with key <u>partner countries</u> : In 2014 these key partners included, but were not be limited to countries covered by the Neighbourhood Policy, Southern Mediterranean, Eastern Partnership, Western Balkans, Africa and the BRICs.	Delivered with exceptions mentioned under sections 1.1.1.5 and 1.1.2.1 High level People-to-people Dialogue with China pursued in the Youth field (seminar on youth social inclusion in December 2014)
Joint public presentation of the outcomes of cooperation with key <u>partner organisations</u> (e.g. OECD)	Delivered

## Sport

In the field of Sport, in line with DG EAC's specific objectives 1.7 to 1.9, the Commission has continued to implement the 2011 Communication *Developing the European Dimension in Sport*<sup>161</sup> with for the first time the support of the *Erasmus+* programme. Work was focused on the follow-up of the achievements of the first EU Work Plan (2011-2014), such as the implementation of guidelines for dual careers in sport (see result indicator 30). In parallel, the DG has been actively involved in the preparation of the **new European Union Work Plan for Sport (2014-2017)**, which the Council adopted in May 2014. As a consequence, the DG has launched 5 new expert groups to contribute in fields such as education and training, good governance (see result indicator 30), economic dimension in sport, match-fixing (see result indicator 29), and health-enhancing physical activity (see result indicator 31). The Work Plan stresses in addition new subjects such as mega sport events and human rights.

Based on the negotiation directives adopted by the Council in 2013 and in line with specific objective 1.7, the Commission (DG EAC in the lead) negotiated on behalf of the Union the **Convention of the Council of Europe to combat the manipulation of sports results** with the objective of aligning the convention with EU law and policies in the areas of sport, online gambling and fight against corruption. The Convention was adopted in June 2014. Most Member States as well as the EU<sup>162</sup> are expected to sign the Convention.

Concerning specific objective 1.9, the results of a 2014 Eurobarometer<sup>163</sup> have confirmed the need to promote the **practice of sport and physical activity** as part of people's daily lives. Compared to the last Eurobarometer survey (2009), the trend is not positive: 59% of European Union citizens never or seldom exercise or play sport, while 41% do so at least once a week. Northern Europe remains more physically active than the South and East.<sup>164</sup> The survey also shows that local authorities in particular could do more to encourage citizens to be physically active. In order to tackle the social and economic costs of physical inactivity and as a contribution to the well-being of European citizens, DG EAC has facilitated the implementation of the Council Recommendation on Health-Enhancing Physical Activity, (HEPA) adopted in 2013.<sup>165</sup>

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<sup>161</sup> COM(2011)12 of 18.01.2011.

<sup>162</sup> DG EAC will draw up a proposal to the Council for the Commission to sign the Convention on behalf of the EU.

<sup>163</sup> IP/14/300 of 24.03.2014

<sup>164</sup> 70% of respondents in Sweden said they exercise or play sport at least once a week, just ahead of Denmark (68%) and Finland (66%), followed by the Netherlands (58%) and Luxembourg (54%). At the other end of the scale, 78% never do so in Bulgaria, followed by Malta (75%), Portugal (64%), Romania (60%) and Italy (60%).

<sup>165</sup> The 2013 Council Recommendation on health-enhancing physical activity (HEPA), the very first EU recommendation in the field of sport, addresses the high rate of physical inactivity and its significant costs in Europe. Member States are invited to develop and implement national strategy and action plans across all relevant policy sectors, including new measures, to promote physical activity. A monitoring framework is promoted by the Commission to help Member States to assess national trends in cooperation with the World Health Organization (WHO).

### *Notable Result*

The Commission in liaison with the World Health Organization launched in 2014 the **network of national physical activity focal points**, appointed by Member States as foreseen by the Recommendation. They will provide data corresponding to 23 indicators on HEPA levels and HEPA policies defined to follow-up the implementation of the Council Recommendation.<sup>166</sup>

Furthermore, the new *Erasmus+: Sport* programme provides funding since 2014 for transnational initiatives to promote sport and physical activity (see 1.1.2.1). This topic has been one of the communication priorities identified by DG EAC. The planned European Week of Sport, to take place the first time in September 2015, will be a key tool for that purpose, by coordinating existing and new initiatives under one EU umbrella. Requested both by the Parliament and the Council, the Commission has publically discussed and specified the concept during 2014.

According to latest **evaluation** findings, the transnational projects funded under the 2009-2013 Preparatory Actions in the field of sport demonstrated significant EU added value, in particular through addressing issues with a cross-border dimension, developing the European dimension in sport, strengthening networks and kick-starting co-operation between organisations working on sport around Europe. For these reasons, since 2014, **Erasmus+: Sport** has been focusing on grassroots sport activities in the Member States (see result indicator 31.a) and promotes European policy cooperation in the field of sport. It supports European networks, providing opportunities for cooperation among stakeholders and the exchange of know-how in different areas relating to sport and physical activity.

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<sup>166</sup> [http://ec.europa.eu/sport/policy/societal\\_role/health\\_participation\\_en.htm](http://ec.europa.eu/sport/policy/societal_role/health_participation_en.htm)

## General objective 1

To contribute to the objectives of the Europe 2020 strategy through the Education and Training strategic framework 2020 (ET2020), including the corresponding benchmarks established in those instruments, to the overall objectives of the renewed framework for European Cooperation in the Youth field (2010-2018), to the sustainable development of partner countries in the field of higher education and to developing the European dimension in sport in line with the Union work plan for sport, with a view to promoting European values and a knowledge-based, innovative, sustainable and inclusive Europe.

Indicators highlighted with an asterisk (\*) below are mandatory (from the Erasmus+ legal basis)<sup>167</sup>

- Spending (ABB ACTIVITY 15.02)  
 Non-spending

**Specific Objective 1.7:** To tackle cross-border **threats to integrity of sport** such as doping, match-fixing, violence as well as all kind of intolerance and discrimination

Programme-based (Erasmus+)

Indicators highlighted with an asterisk (\*) below are mandatory (from the programme legal basis). Their definition is included in the legal basis, however where additional specifications were added these are in italic.

Non programme-based

**Management mode:**  Direct DG  Direct Executive Agencies  Indirect (through other)

### \* Result indicator 29: Results used to fight against threats to sport

**Definition:** Increase in the number of participants (expressed as Erasmus+ sport organisations) that use the results of cross-border projects to combat threats to sport

**Source:** Final reports to be submitted by the beneficiary organisations under preparatory actions and then Erasmus+ sport

Baseline (year)	Latest known situation	Milestone	Target 2020
(Preparatory Actions 2009-2013)	2014	2017	
36.6	6.6%	50%	75%

Main outputs	Target	Current situation (2014)
<b>a) Main Commission policy outputs to be delivered in 2014</b>		
<b>b) Final outputs (by which delivery other actors are involved) or other relevant activities to be implemented in 2014</b>		
EU Work Plan for Sport (adopted by the Council in May 2014)		

<sup>167</sup>

The indicators for Sport aim at measuring the improvement that the Erasmus+ programme brings in reaching relevant organisations, compared to the Preparatory Actions in the field of Sport (2009-2013). The baselines are therefore being computed from the Preparatory Actions in the field of sport. The thematic areas in the Preparatory Actions were different each year, but correspond for the whole period 2009-2013 to the specific objectives 1.7 to 1.9, which are the Erasmus+ objectives. As soon as information is available over the whole period 2009-2013, baselines will be set using a comparable annual figure based on the yearly average of the total number of organisations having benefited from funding over 5 years.

**Specific Objective 1.8:** To support **good governance in sport** and dual careers of athlete  
*Indicators highlighted with an asterisk (\*) below are mandatory (from the programme legal basis).  
 Their definition is included in the legal basis, however where additional specifications were added  
 these are in italic.*

Programme-based  
 (Erasmus+)  
 Non programme-  
 based

**Management mode:**  Direct DG  Direct Executive Agencies  Indirect (through other)

**\* Result indicator 30: Results used to improve good governance in sport and dual careers**

**Definition:** % of participants (*expressed as % of Erasmus + sport organisations*) who have used the results of cross-border projects to improve good governance and dual careers

**Source:** Final reports to be submitted by the beneficiary organisations under preparatory actions and then Erasmus+ sport

Baseline	Latest known situation	Milestone	Target 2020
(Preparatory Actions 2009-2013)	2014	2017	
37.6	9%	50%	75%

**Main outputs**

Target	Current situation (2014)
<b>a) Main Commission policy outputs to be delivered in 2014</b>	
<b>b) Final outputs (by which delivery other actors are involved) or other relevant activities to be implemented in 2014</b>	
See under specific objective 1.7	

<p><b>Specific Objective 1.9:</b> To promote voluntary activities in sport, together with social inclusion, equal opportunities and <b>health-enhancing physical activity</b> through increased <b>participation in, and equal access to sport</b></p> <p><i>Indicators highlighted with an asterisk (*) below are mandatory (from the programme legal basis). Their definition is included in the legal basis, however where additional specifications were added these are in italic.</i></p>	<input checked="" type="checkbox"/> Programme-based (Erasmus+) <input checked="" type="checkbox"/> Non programme-based
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**Management mode:**  Direct DG  Direct Executive Agencies  Indirect (through other)

**\* Result indicator 31: Results used to enhance social inclusion, equal opportunities and sport participation rates**

**Definition:** % of participants (*expressed as % of Erasmus + sport organisations*) who have used the results of cross-border projects to enhance social inclusion, equal opportunities and participation rates

**Source:** Final reports to be submitted by the beneficiary organisations under preparatory actions and then Erasmus+ sport

Baseline (year)	Latest known situation	Milestone	Target 2020
(Preparatory Actions 2009-2013)	2014	2017	
80	available in 2015	50%	75%

**\* Result indicator 31a: Size of membership of sport organisations**

**Definition:** Size of membership of sport organisations (*% of small grassroots less than 1000 members*) applying for, and taking part in, the Programme, by country<sup>168</sup>

**Source:** Final reports of the Erasmus+ Sport awarded projects

Baseline (year)	Latest known situation	Milestone	Target 2020
		2017	
Available as of 2015 (new EU action)	Available as of mid-2015 once all 2014 contracts are signed	30%	50%

Main outputs	
Target	Current situation (2014)
a) Main Commission policy outputs to be delivered in 2014	
b) Final outputs (by which delivery other actors are involved) or other relevant activities to be implemented in 2014	

<sup>168</sup> Reporting on the performance of the programme in a specific year (n) including detailed reports (breakdown) on the indicators annexed to the basic act will be produced by Q2 of the following year (n+1) and published on the Erasmus+ website



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The DG has implemented the necessary corrective and preventive actions to mitigate identified risks in relation to objective 1. These were mainly linked to the launch of the new Erasmus+ Programme. Close supervision and monitoring also allowed minimising those risks linked to the delegation of most budget execution to the Executive Agency and National Agencies.

Both policy and programme activities under objective 1 were implemented according to plan and are on course to meet their multiannual objectives. However since the source of information for most indicators will only be available when project owners issue their final reports, they cannot indicate yet whether the programme has, or not, achieved its performance in the reporting year. Final reports will be analysed by the Executive Agency when a critical mass of final reports is gathered in 2017-18.

### 1.1.3 Researchers and Innovation (ABB 15.03-Horizon 2020/MSCA and EIT)

Contributing to a knowledge-based and innovative Europe, the following second general objective of DG Education and Culture is supported by parts of the *Horizon 2020* programme (activity based budget 15.03) which aim at improving the skills and mobility of researchers on the one hand and at boosting innovation from education and research to the market.

<b>General objective 2</b>			
<input checked="" type="checkbox"/> Spending <small>(ABB ACTIVITY 15.03)</small> <input checked="" type="checkbox"/> Non-spending			
<p><b>To foster training and career of researchers through international and cross-sector mobility and to develop the innovation capacity in Europe with a view to promoting a knowledge-based, innovative, sustainable and inclusive Europe</b></p> <p><i>Through this general objective, DG Education and Culture contributes to all following General Objectives of DG Research and Innovation:</i></p> <ul style="list-style-type: none"> <li>• <i>To boost research and innovation in the EU and optimise its impact</i></li> <li>• <i>To establish the right framework conditions for research and innovation</i></li> <li>• <i>To increase investment in research and innovation</i></li> </ul> <p><i>Other impact indicators from Horizon 2020 legal basis : see management plan of DG Research and Innovation</i></p> <p><i>Legend: in comparison with milestone (or baseline where no milestone is set for the relevant year)</i></p> <p>↑ : <i>improvement</i></p> <p>↓ : <i>deterioration</i></p> <p>↔ : <i>according to milestone (or baseline)</i></p>			
<p><b>Impact indicator 11: Share of researchers in the EU</b></p> <p><b>Definition:</b> Share of researchers in the EU active population - Researchers are professionals engaged in the conception or creation of new knowledge, products, processes, methods and systems, and in the management of the projects concerned.</p> <p><b>Source:</b> Eurostat</p>			
Baseline (2009)	Latest known situation 2011	Milestone 2017	Target 2020
0,99%	↑ 1.06%	1%	1,15% <i>On the basis of recent trends</i>

## Marie Skłodowska-Curie actions

With a determined view to contributing to the research effort of Europe<sup>169</sup> through its human resources (see impact indicator 11 in progress), the **Marie Skłodowska-Curie actions** (MSCA)<sup>170</sup> have been implemented, as planned, for the first time in 2014 according to specific objective 2.1.<sup>171</sup> The previous actions over 2007-2013 supported about 50,000 researchers of 136 different nationalities working in more than 81 countries (see output indicator 32). More than 50% of funded research projects directly address the major societal challenges as defined in the Europe 2020 Strategy (e.g. climate change). The current Actions have continued to address three 2020 flagship initiatives, namely the *Innovation Union*, *Youth on the Move* and *An agenda for new skills and jobs*.

To that end, DG EAC has pursued its collaboration with the Research Executive Agency (REA), which has contributed fully to implement the MSCA objectives by taking care of the direct project management (see 2.2.1.1).<sup>172</sup> In 2014, the Agency signed for instance the **first RISE proposals**, a new Action intended to support exchanges of staff within partnerships of different universities, research institutions, SMEs, etc. across Europe and beyond. Meanwhile, communication<sup>173</sup> and dissemination<sup>174</sup> have been strengthened since 2013, as recommended by the internal auditors.

The results of their Interim **Evaluation** (2013) revealed the high added value of Marie-Curie actions with respect to building international networks between research institutions and individual researchers, as well as between academia and business.<sup>175</sup> Moreover, the high added value has also been acknowledged in terms of providing beneficiary researchers with better career development and mobility opportunities, increasing the volume and scope of research, and providing an example of good practice for national authorities. Moreover, the results disclose that the Marie-Curie actions facilitate transfer of knowledge, as well as access to high-quality research infrastructure and industrial facilities.<sup>176</sup> Some 10% of individual fellows were more likely than other researchers of working under a permanent contract, a proxy for MCA fellows'

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<sup>169</sup> See key performance indicator in the AAR of DG Research and Innovation. The Communication of the Commission *Research and innovation as sources of renewed growth* note significant progress in keeping the EU at the Research and Innovation forefront with other research inventive countries (COM(2014)339 of 10.06.2014).

<sup>170</sup> Marie Skłodowska-Curie actions are supervised by DG EAC as part of the Framework Programme for Research, Horizon 2020.

<sup>171</sup> Of the total final amount set (€ 6.062 billion) (EU28), an amount of € 106 million has been frontloaded to the MSCA 2014 budget, which has allowed opening all MSCA calls in 2014 (Innovative Training Networks (ITN), Individual Fellowships (IF), Research and Innovation Staff Exchange (RISE), COFUND, and Researchers Night (NIGHT)).

<sup>172</sup> See Annual Activity Report of REA.

<sup>173</sup> The Action European Researchers' Night (NIGHT), a Europe-wide public event to stimulate interest in research careers, especially among young people, took place in 2014 involving 30 countries in total with about 1 million people attending.

<sup>174</sup> For instance, more than 5,500 researchers have already registered through the Marie Curie Alumni portal.

<sup>175</sup> See annex 9 of AAR 2013 for more performance information included in this evaluation.

<sup>176</sup> See AAR 2013 on FP7 Marie Curie Evaluation on Individual Fellowships and Co-funding mechanisms (2012).

comparatively better employability.<sup>177</sup> Such a research mobility scheme at EU level significantly contributes to the creation of European Research Area in practice. It creates significant added value compared to purely national schemes by fostering healthy Europe-wide scientific competition whilst ensuring the appropriate level of cooperation which in turn stimulate investing in R&D intensive sectors in Europe.

In 2014, all MSCA result indicators showed progress and were on target except the SME participation rate (see result indicators 32 to 36). In particular, two years after their fellowships, an estimated 95% of individual fellows have employment positions, on target.

#### *Notable Result*

The two following examples demonstrate that MSCA are spotting excellence in terms of researchers as well as the labs where these are trained. Two former Marie Skłodowska-Curie project coordinators were awarded respectively in 2014 the **Nobel Prize in Medicine** and the **Nobel Prize in Chemistry**.

Edvard I. Moser, along with his wife May-Britt Moser jointly won with John O'Keefe the Nobel Prize in Medicine 2014 "for their discoveries of cells that constitute a positioning system in the brain". Edvard I. Moser, supervised two incoming MSCA fellowships in 2009 and 2012 in Norway. He also received funding from the European Research Council.

The 2014 Chemistry Nobel Prize winner Prof. Stefan W. Hell from German Cancer Research Center was a former Marie Curie fellow in 1996 and 1997. He then became coordinator of several MSCA fellowships strongly connected with the research that was awarded the Nobel Prize.

In contrast, **international development has sometimes impeded the usual level of cooperation** for the mobility of researchers with certain countries. As mentioned above (see 1.1.1.2) the participation of Switzerland to parts of Horizon 2020 as an associated country has applied only as from September 2014<sup>178</sup>.

Following the illegal annexation of Crimea (see 1.1.1.5) , the policy dialogue on higher education with Russia has been put on hold, with an immediate impact of cancelling the EU-Russia conference on doctoral training, originally planned in the context of the EU-Russia Year of Science. Secondly, in the context of EU restricted measures against specific countries or their nationals/residents, the participation of one Crimean organisation in a MCA project as well as the participation of two MCA fellows from Iran in specific modules of a project falling under these measures was terminated.

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<sup>177</sup> See DG EAC's 2014 study "Marie Curie researchers and their long-term career development".

<sup>178</sup> This meant in practical terms that Swiss entities were excluded in 2014 from the MSCA NIGHT action, but they could participate as third-country organisations in the MSCA ITN, IF and RISE activities while they were regarded as associated-country organisations under the MSCA COFUND scheme.

## General objective 2

Spending  
(ABB ACTIVITY 15.03)  
 Non-spending

To foster training and career of researchers through international and cross-sector mobility and to develop the innovation capacity in Europe with a view to promoting a knowledge-based, innovative, sustainable and inclusive Europe

Through this general objective, DG Education and Culture contributes to all following General Objectives of DG Research and Innovation:

- To boost research and innovation in the EU and optimise its impact
- To establish the right framework conditions for research and innovation
- To increase investment in research and innovation

**Specific Objective 2.1:** Excellent science – **Marie Skłodowska-Curie actions** – to ensure optimum development and dynamic use of Europe's intellectual capital of researchers in order to generate new skills and innovation and, thus, to realise its full potential across all sectors and regions  Programme-based (Horizon 2020)  
 Non programme-based

*Indicators highlighted with an asterisk (\*) below are mandatory (from the programme legal basis). Their definition is included in the legal basis, however where additional specifications were added these are in italic.*

**Management mode:**  Direct DG  Direct Executive Agencies  Indirect (through other)

### \* Output indicator 32: Cross-sector and cross-country circulation of researchers (MSCA)

**Definition:** Number of Researchers, including PhD candidates, funded through the Marie Skłodowska-Curie actions (MSCA)

**Source:** CORDA, reports/estimations from Research Executive Agency

Baseline (2007-2013)	Latest known situation <sup>179</sup>	Milestones <sup>180</sup>					Target 2014-2020
	2014	2015	2016	2017	2018	2019	
50 000 researchers (~ 10 000 PhD candidates)	Provisional: 5 0 00 researchers (~1 700 PhD candidates)	16 500 (~6 000 PhD candidates)	25 000 (~10 000 PhD candidates)	34 000 researchers (~ 13 000 PhD candidates)	43 500 (~17 400 PhD candidates)	53 500 (~21 400 PhD candidates)	65 000 researchers (~ 25 000 PhD candidates)

<sup>179</sup> Data to be revised upwards when all calls can be considered (a few are still in the grant preparation phase). Target was for 2014: 7 500 researchers (~ 3 000 PhD candidates).

<sup>180</sup> Cumulative figures based on EU28 budget; the milestones have been adapted according to the EU28 budget.

### Result Indicator 33: Employability of MSCA researchers

**Definition:** Number of MCA/MSCA fellows in employment positions two years after the end of their fellowship (only for individual actions)<sup>181</sup>

**Source:** MCA/MSCA follow-up questionnaires, which are submitted to the REA by former fellows after their fellowship.<sup>182</sup>

Baseline (2013) <sup>183</sup>	Latest known situation	Milestone	Target 2020
	2014	2017	
95,4% <sup>184</sup>	↑ 95,8%	95%	95%

### Result Indicator 34: Participation of women in MSCA

**Definition:** % of women participating in the MSCA actions.

**Source:** CORDA

Baseline (2013)	Latest known situation	Milestone	Target 2020
	2014	2017	
36,7% <sup>185</sup>	↑ 37,7%	38%	40%

### Result Indicator 35: Excellence of MSCA researchers

**Definition:** Number of peer-reviewed publications resulting from MCA/MSCA funded projects

**Source:** Project reporting; Continuous open data acquisition<sup>186</sup>

Baseline (2012)	Latest known situation	Milestone	Target 2020
	2014	2017	
5 500	↑ 7 000	10 000	15 000

<sup>181</sup> As the first data for the MSCA will only be available in 2019, it is proposed to cumulate MCA/MSCA data.

<sup>182</sup> According to DG EAC's 2014 study "Marie Curie researchers and their long-term career development", the slightly greater share of employed researchers in the MCA fellows group in comparison to the test group of other researchers cannot be confirmed statistically, due to the small number of unemployed researchers analysed. However if contractual terms are considered, the differences between MCA and non-MCA fellows, although still limited, have statistical significance. MCA fellows are some 10% more likely than other researchers of working under a permanent (open-ended tenure) contract. This evidence can be regarded as a positive impact that is correlated to participation to MCA, and a proxy for MCA fellows comparatively better employability.

<sup>183</sup> The baseline still concerns the Marie Curie actions under the 7<sup>th</sup> Framework Programme, where all data are not yet available. Data for MSCA under Horizon 2020 will only be available in 2019. Due to the limited number of follow-up questionnaires received so far, this indicator may fluctuate considerably over time.

<sup>184</sup> October 2013, on the basis of the available follow-up questionnaires. The number of follow-up questionnaires being still significantly low, this percentage might be overestimated at this stage.

<sup>185</sup> The baseline still refers to the MCA under the 7<sup>th</sup> Framework Programme (FP7), where not all data is available yet. It is to be noted that actions involving fellows from third countries show a lower percentage of women participation than actions only involving fellows from the EU.

<sup>186</sup> Last data available was for 2012.

### Result Indicator 36: Involvement of private and other sector in MSCA

**Definition:** % of non-academic sector institutions and SMEs as host organisations in actions supported by MSCA

**Source:** CORDA, reports/estimations from Research Executive Agency

Baseline <sup>187</sup> (2013)	Latest known situation	Milestone	Target 2020
	2014	2016	
24,3% (of which 73,8% SMEs)	↑ 28,7% (of which ↓ 61,5% SMEs)	27%	30%
<b>Main outputs</b>			
	<b>Target</b>	<b>Current situation (2014)</b>	
<b>a) Main Commission policy outputs to be delivered in 2014</b>			
N/A			
<b>b) Final outputs (by which delivery other actors are involved) or other relevant activities to be implemented in 2014</b>			
Renewed mandate for the Executive Agency REA		Adopted	
Launch of a study on promoting research careers – taking into account the perception and attractiveness of research careers as well as aspects impacting on research careers like dual careers or restarting a research career after a break		Launched	

<sup>187</sup>

The baseline of this indicator refers to the indicator *% of private enterprises as host organisations in actions supported by MCA* under the 7<sup>th</sup> Framework Programme (FP7). However, from 2014 onwards, the definition of the non-academic sector and SMEs under H2020 is taken into account. This might result in a slight increase of the percentage compared to the FP7 indicator because the definition of non-academic sector includes additional institutions which are not private enterprises.

## European Institute of Innovation and Technology

The **European Institute of Innovation and Technology (EIT)**<sup>188</sup> has been established to enhance Europe's ability to innovate, in order to respond to emerging societal problems and to meet the demands of consumers. It aims in particular to trigger the transfer of higher education, research and innovation activities to commercial applications, in particular through start-up enterprises (see encouraging result indicators 37 to 39).<sup>189</sup> The Institute supports the Europe 2020 strategy (*Innovation Union, Digital Agenda, Efficient Resources* flagships) in coordinating Knowledge and Innovation Communities (KICs).<sup>190</sup> The results of KICs in the fields of sustainable energy, digital innovation and climate change have started to be visible with 440 business ideas incubated (see rising result indicator 38) and more than 12 000 applications for EIT labelled courses since 2010.

During 2014 the EIT has continued progressing toward delivering the three following priorities: a) the consolidation of the **existing KICs** (see result indicators 37 and 39); b) the coordination of new KICs<sup>191</sup> and c) a stronger impact across the Union through outreach activities and new results-driven approaches.

### *Notable Result*

The Institute has proved able to select **two new KICs** in the areas of innovation for healthy living and active ageing, and on raw materials - sustainable exploration, extraction processing, recycling and substitution. These topics respond to actual challenges faced by the EU: ageing population in Europe; fall in raw material prices worldwide.

As regards **outreach activities**, DG EAC organised among other events the 4th annual meeting between the European Commission, the EIT and the KICs with a focus on the innovative approaches KICs have adopted in terms of business incubation and market acceleration.

In 2014 the Institute entered into **a new phase** with a substantial increase of its budget<sup>192</sup> (see progressing result indicator 39). In the context of DG EAC's specific objective 2.2, the majority of the EIT funding went to the KICs (93%) and around 4.6% was devoted to outreach and dissemination activities carried out by the Institute. With an enhanced support of the DG until mid-2014, the EIT has progressively strengthened

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<sup>188</sup> The European Institute of Innovation and Technology (EIT) is a body of the European Union established by the Regulation (EC) No 294/2008 of the European Parliament and of the Council of 11 March 2008 amended by Regulation (EU) of the European Parliament and of the Council of 11 December 2013. It became operational in 2010 in its premises of the EIT Headquarters in Budapest, Hungary. The EIT currently employs approximately 50 members of staff.

<sup>189</sup> See also positive trend recorded through the related performance indicator of DG Research and Innovation.

<sup>190</sup> Knowledge and Innovation Communities (KICs) are excellence-driven partnerships of higher education institutions, research organisations, companies and other stakeholders within self-supporting networks.

<sup>191</sup> Three waves of new KICs were agreed: two in 2014: "raw materials" and "Healthy living and active aging"; two in 2016: "food4future" and "added value manufacturing"; one in 2018: "urban mobility".

<sup>192</sup> € 2,353 million over the period 2014-2020, of which € 226 million in 2014 (EU28). See annex 8.



its operational capacity. Despite the conditional financial autonomy granted to the Institute in 2012, corrective support measures have been multiplied since 2013 to allow the EIT to successfully implement the priorities laid down in the Strategic Innovation Agenda.<sup>193</sup> Progress was noted during 2014 and full autonomy has begun to be a more realistic prospect, but this needs to be consolidated, and further improvements to be confirmed before full autonomy can be considered. (see 2.2.2.3 and 3.3). An **evaluation** of the EIT is due by end 2016. Further review is planned for 2017 in the context of the Horizon 2020 interim evaluation.

<b>General objective 2</b>					<input checked="" type="checkbox"/> Spending (ABB ACTIVITY 15.03) <input checked="" type="checkbox"/> Non-spending
<p><b>To foster training and career of researchers through international and cross-sector mobility and to develop the <u>innovation</u> capacity in Europe with a view to promoting a knowledge-based, innovative, sustainable and inclusive Europe</b></p> <p><i>Through this general objective, DG Education and Culture contributes to all following General Objectives of DG Research and Innovation:</i></p> <ul style="list-style-type: none"> <li><i>To boost research and innovation in the EU and optimise its impact</i></li> <li><i>To establish the right framework conditions for research and innovation</i></li> <li><i>To increase investment in research and innovation</i></li> </ul>					
<p><b>Specific Objective 2.2: The European Institute of Innovation and Technology</b> – to integrate the knowledge triangle of research, innovation and higher education and thus to reinforce the Union's innovation capacity and address societal challenges</p> <p><i>Indicators highlighted with an asterisk (*) below are mandatory (from the programme legal basis). Their definition is included in the legal basis, however where additional specifications were added these are in italic.</i></p>					<input checked="" type="checkbox"/> Programme-based (Horizon 2020) <input type="checkbox"/> Non programme-based
<p><b>Management mode:</b> <input checked="" type="checkbox"/> Direct DG   <input type="checkbox"/> Direct Executive Agencies   <input checked="" type="checkbox"/> Indirect (through KICS (EIT))</p>					
<p><b>* Result indicator 37: Involvement of organisations in Knowledge and Innovation Communities (KICs)</b></p> <p><b>Definition:</b> Annual number of organisations from universities, business and research integrated in KICs (annual figures)  <b>Source:</b> EIT Annual Activity Report</p>					
Baseline (period 2010-2012 with 3 KICs)	Latest known situation	Milestones			Target 2020 <sup>194</sup>
	2014	2015	2016	2017	
200	↔ 240 (milestone: 240)	450	500	600 (revised)	540

<sup>193</sup> Decision No 1312/2013/EU of the European Parliament and the Council of 11 December 2013 on the Strategic Innovation Agenda of the EIT: the contribution of the EIT to a more Innovative Europe – L347/892

<sup>194</sup> Target and milestones were revised. The reference for this target is the year when the last actions financed under Horizon 2020 will be finished, i.e. several years after the formal end of the programme in 2020.

**\* Result Indicator 38: Innovative deliverables inside KICs**

**Definition:** number of innovations, start-ups and spin-offs resulting from collaboration inside the knowledge triangle: *Cumulative* number of start-ups and spin-offs created by KICS students/researchers/professors; *Cumulative* number of innovations in existing businesses developed by KIC students/researchers/professors

**Source:** EIT Annual Activity Report

Baseline (period 2010-2012)	Latest known situation	Milestones			Target 2020 <sup>195</sup>
	2014	2015	2016	2017	
33 start-ups and spin-offs	↑ 150 (milestone:30)	280	400	500 (revised)	600 start-ups and spin-offs
210 innovations	↔ 300 (milestone: 300)	800	1500	2200	6 000 innovations

**Result Indicator 39: Leverage effect of the EIT on other financial sources**

**Definition:** % of KICs own contribution to their total budget in relation to EIT funding

**Source:** EIT Annual Activity Report

Baseline (2013)	Latest known situation	Milestones		Target 2020
	2014	2015	2017	
739 million Euro (revised) (86% of total budget)	↑ 1.087 million Euro (↓) (83%)	1.101 million Euro (79%)	(withdrawn)	8 043 million Euro from non- EIT financial sources mobilised over 2014-2020, corresponding to 75% funding of the total KICs budget

Main outputs	
Target	Current situation (2014)
<b>a) Main Commission policy outputs to be delivered in 2014</b>	
N/A	
<b>b) Final outputs (by which delivery other actors are involved) or other relevant activities to be implemented in 2014</b>	
Raw materials' and 'healthy living and active ageing' resulting in the designation of two new KICs by Q4/2014 in two fields	Selected
Setting up of a simplification agenda including benchmarks	On-going
Setting up of a Stakeholder Forum	Established
Outreach and dissemination activities	On-going

<sup>195</sup>

Target and milestones were revised .The reference for this target is the year when the last actions financed under Horizon 2020 will be finished, i.e. several years after the formal end of the programme in 2020.

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Difficulties remain due to the complexity of the task at hand and existing structural weaknesses in the EIT headquarters. The changes in the top management of the EIT coupled with the support provided by DG EAC in 2013-2014 have allowed the Institute to somewhat improve its position to undertake its mission and key priorities for the coming years. The overall assessment has improved in some aspects since mid-2014. The Institute has shown an increasing operational capacity to deliver, including in the case of new KICs. Moreover the leadership and managerial abilities of its headquarters management were reinforced.

The spending programme managed by the DG under objective 2 is on course to meet its multiannual targets and has achieved the annual performance in the reporting year for indicators where information is available.

## 1.1.4 Culture and audiovisual (ABB 15.04-Creative Europe)

Contributing to an innovative, creative and inclusive Europe, the following third general objective of DG Education and Culture is supported by the Creative Europe programme (activity based budget 15.04) which aims to support the cultural and audiovisual diversity in Europe.

*Compared to the Management Plan 2014, indicators have been adjusted to be aligned with the adopted version of the legal basis of the Creative Europe 2014-2020 programme. Certain targets have been laid out in this legal basis (indicators with an asterisk). All other targets were set by DG EAC senior management.*

<b>General objective 3</b>			
<input checked="" type="checkbox"/> Spending <small>(ABB ACTIVITY 15.04)</small> <input checked="" type="checkbox"/> Non-spending			
<p><b>To foster the safeguarding, development and promotion of European cultural and linguistic diversity and cultural heritage, to strengthen the competitiveness of the cultural and creative sectors, in particular the audiovisual sector, and to facilitate people to people cultural contacts worldwide with a view to promoting a creative, innovative, sustainable and inclusive Europe</b></p> <p><i>Indicators highlighted with an asterisk (*) below are mandatory (from Creative Europe legal basis)</i></p> <p><i>Legend: in comparison with milestone (or baseline where no milestone is set for the relevant year)</i></p> <p>↑ : <i>improvement</i></p> <p>↓ : <i>deterioration</i></p> <p>↔ : <i>according to milestone (or baseline)</i></p>			
<p><b>* Impact indicator 12: Access of EU citizens to European cultural works</b></p> <p><b>Definition:</b> The number of people accessing European cultural and creative works, including, where possible, works from countries other than their own.</p> <p><b>Source:</b> Special Eurobarometer 399 on Cultural access and participation (2013)<sup>196</sup>; mid-term evaluation, 2013.</p>			
Baseline (2013)	Latest known situation 2014	Milestones 2018	Target 2020
Europeans declaring that they benefited from the following items from another European country: 160 million read a book (31%); 140 million watched or listened to a cultural programme on TV/radio (27%); 98 million visited a historical monument or site (19%); 67 million were to a musical performance (13%); 52 million attended a performance, festival, etc (10%); 31 million saw a ballet, dance performance, or opera (6%); 21 million went to a theatre performance (4%).	available as of 2018	To be assessed during mid-term evaluation on data until 2017	Increase of 2% in comparison to 2013 results

<sup>196</sup> The population used for extrapolating the number of people covers the EU28 as well as CH, NO, and IS i.e. 516.8 million people.

<b>* Impact indicator 13: Contribution of cultural and creative sectors to the EU economy</b>			
<b>Definition:</b> The cultural and creative sectors' share in the total European workforce and European GDP			
<b>Source:</b> EU competitiveness report (2010) <sup>197</sup> ; TERA consultants (2014 - a) <sup>198</sup> ; Ernst and Young France (2014 - b) <sup>199</sup>			
Baseline (2010)	Latest known situation	Milestone	Target 2020
	2014	2018	
Between 3% and 3.8% of the total European workforce	↔ 3.3% of EU's active population (source a) ↔ 3.8% of EU workforce (source b)	To safeguard 2010 figures	<u>4% of the total European workforce</u>
Between 3.3% and 4.5% of total European GDP	↔ 4.2% of EU GDP (source a) ↔ 4,4 % of EU GDP (source b)		4,8% of total European GDP
<b>* Impact Indicator 14: Global audience of European films in cinemas (MEDIA Subprogramme)<sup>(*)200</sup></b>			
<b>Definition:</b> Number of admissions for non-national European films in Europe and European films worldwide (10 most important non-European markets) based on the number of cinema tickets sold.			
<b>Source:</b> Annual report of the European Audiovisual Observatory; Rentrak database (non-European markets)			
Baseline (2009)	Latest known situation	Milestone	Target 2020
	2014	2017	
EU: 120 Million	available as of June 2015	135 Million	150 million
Worldwide: 117 Million	available as of June 2015	135 Million	165 million

<sup>197</sup> See Communication on promoting cultural and creative sectors for growth and jobs in the EU – COM(2012)537

<sup>198</sup> <http://www.teraconsultants.fr/en/issues/The-Economic-Contribution-of-the-Creative-Industries-to-EU-in-GDP-and-Employment>

<sup>199</sup> <http://www.creatingeurope.eu/en/wp-content/uploads/2014/11/study-full-en.pdf>

<sup>200</sup> Result indicator 41 in MP 2014.

On the *policy side*, Union action under the European agenda for Culture<sup>201</sup> has been pursued in 2014. In line with its specific objective 3.2, DG Education and Culture has continued contributing to implementing the Europe 2020 agenda in following-up the implications of the 2012 Commission Communication on the promotion of **cultural and creative sectors (CCS)** for growth and jobs in the EU (see encouraging orientation of impact indicator 13).<sup>202</sup> In parallel DG EAC has fully participated in the in-depth review of the copyright framework led by DG Internal Market, a renewed priority of the Juncker Commission. A pilot project entitled "@diversity" was successfully implemented. Aimed at exploring links between new information technologies and CCS, its learnings will prove useful to develop policy through Creative Europe's cross-sectorial strand.

In particular, the EU film industry should be in a position to take full advantage of digital technologies and new market developments through the active involvement of all relevant actors. In this perspective, in 2014 the Commission adopted a **Communication on "European film in the digital era"**<sup>203</sup> providing a diagnosis of the challenges and possible drivers for change in the European film. Although the planned Council recommendation could not be proposed by the Commission due to the insufficient political support, the findings of the Communication have been endorsed in Council Conclusions in November 2014. As a follow-up to the communication, the Commission launched in Cannes the "European Film Forum", a structured stakeholder dialogue to develop a long term strategy for the film sector. This platform should help the sector to adapt the infrastructure for the creation and dissemination of audiovisual content, business models, financing systems and regulatory frameworks to the needs of the digital era.

In the field of **external cultural relations**, in line with DG EAC's specific objectives 3.2 and 3.4, the Council adopted the proposal of the Commission for a Decision extending the entitlement to co-productions as provided for by the Protocol on Cultural Cooperation to the EU-Korea Free Trade Agreement.<sup>204</sup> The goal is to allow European/Korean co-productions to benefit from respective schemes for the promotion of local/regional cultural content. In contrast, the proposal for a similar EU-Colombia and Peru Agreement on Cultural Cooperation has been postponed in light of difficulties encountered with this new type of instrument mixing culture and trade issues. In a wider perspective, a Preparatory Action produced a wealth of recommendations to design a strategic approach to the role of culture in the EU's external relations.

As stressed under DG EAC's general objective 3, a large number of EU policies and programmes have an impact on **cultural heritage**. There was nevertheless no overall approach so far giving visibility to these actions, whereas a number of them have a clear

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<sup>201</sup> The European Agenda for culture, the first policy framework for culture at EU level, adopted in 2007, sets out three strategic objectives: cultural diversity and intercultural dialogue; culture as a catalyst for creativity and innovation; and culture in international relations.

<sup>202</sup> COM(2012)537 of 26.9.2012

<sup>203</sup> COM(2014)272 of 15.5.2014

<sup>204</sup> COM(2014)81 of 18.2.2014

potential to contribute to smart and inclusive growth (see promising impact indicator 13). For that reason, the Commission issued a *Communication on cultural heritage in EU policies and programmes: "Towards an integrated approach to cultural heritage for Europe"*<sup>205</sup> as planned in 2014. Symbolically prepared under the Greek Presidency and adopted under the Italian one, this new strategy promotes the intrinsic and societal value of cultural heritage, while seeking to maximise its contribution to smart, sustainable and inclusive growth. On a more immediate note, the new European Heritage Label<sup>206</sup> was awarded in 2014 to four sites out of nine proposals pre-selected by Member States in 2013. In 2014, the European Parliament and the Council adopted a directive (DG Enterprise and Industry as lead Commission service) to help EU countries organise the return of cultural objects that were unlawfully removed from their territory on or after 1 January 1993 and are currently located in another EU country. This directive, which is a recast of a 1993 text, will give better protection to objects that form part of the cultural heritage of the Member States and will contribute to the prevention and fight against illicit trafficking in cultural objects.

#### *Notable Result*

The cooperation with Member States was managed for the last year under the **Council Work Plan for Culture 2011-2014**.<sup>207</sup> The Commission reported as planned on its implementation<sup>208</sup>, in time for allowing the EU to set its successor. According to a survey conducted by the Commission in 2014, 86% of Member States considered that the 2011-2014 Work Plan has focused on the right priorities and 85% were of the opinion that its implementation has generally met the expectations of their government. Furthermore, 67 % of Member States considered that political coordination on culture at EU level had improved as a result of the Work Plan, with only 25% considering that it had not. This clearly points at actual achievement towards specific objective 3.4.

As foreseen in the 2011-2014 Work Plan for Culture, three expert groups set up through the **Open Method of Coordination** operated in 2014. In 2014, DG EAC gave a follow-up to the 2013 external evaluation on the culture OMC<sup>209</sup> and the structured dialogue with the cultural sector (see increasing result indicator 52).<sup>210</sup> In 2013, both processes had

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<sup>205</sup> COM(2014)477 of 22.7.2014

<sup>206</sup> The European Heritage Label is an initiative from the European Union established in 2011, building on a 2006 intergovernmental initiative. It aims to raise awareness of sites which have played a significant role in the history, culture and development of the EU.

<sup>207</sup> The Council Work Plans for Culture 2011-2014 covered 6 areas: (1) cultural diversity, intercultural dialogue, and accessible and inclusive culture; (2) cultural and creative industries; (3) skills and mobility; (4) cultural heritage including mobility of collections; (5) culture in external relations; and (6) culture statistics.

<sup>208</sup> Commission Report on the implementation of the Work Plan Culture 2011-2014, COM(2014)535 of 25.8.2014

<sup>209</sup> Co-operation with the Member States is opened via the Open Method of Coordination (OMC), a flexible and non-binding framework which structures cooperation around agreed strategic objectives through peer learning and the exchange of good practice. The Commission provides secretarial and analytical support to the process.

<sup>210</sup> The European Agenda for Culture launched a Structured Dialogue with civil society at European level through three Platforms set up by the Commission (Intercultural Dialogue, Access to culture, Cultural and Creative Industries).

been evaluated as relevant but the evaluation considered that the dissemination of the results of the former at national level should be improved to reach a greater impact; and as regards the latter it was recommended to privilege flexibility over structures.<sup>211</sup>

A **new Work Plan for Culture 2015-2018** was adopted by the Council in 2014 under the Italian Presidency. Building on a contribution from the Commission, this new Work Plan focuses on four priority sectors: 1) accessible and inclusive culture; 2) cultural heritage; 3) creative economy; 4) cultural diversity, culture in EU external relations and mobility. These will allow to address the key challenges currently faced by culture, such as the impact of the digital shift on cultural operators, the need to promote access to and participation in culture, including via digital means (see impact indicators 12 and 14); the need to deal with changing models of cultural governance and to promote the innovation potential of the cultural and creative sectors.

Lastly, the contribution of culture to meeting the objectives of the Europe 2020 strategy was highlighted in 2014 by further action to foster the right environment for its related sectors to flourish and create jobs, in line with DG EAC's specific objectives 3.2 and 3.4. Cooperation with other Commission services **to mainstream cultural and cultural diversity issues** in key EU policies was pursued, not only on the continuous implementation of the flagship initiatives of the Europe 2020 strategy (*Digital Agenda, Innovation Union, New Skills for Jobs*), or trade files (Transatlantic Trade Investment Partnership - TTIP) and competition related cases, but also on issues pertaining to taxation (VAT for e-books in particular).

Last but not least, DG EAC actively contributed to the analysis of the cultural heritage and cultural and creative sectors component of the draft Partnership Agreements and related operational programmes which will spell out EU funding under the **European Cohesion and Investment Funds** in 2014-2020 (see 1.1.1.2).

On the *funding side*, Union action in this area is delivered since the start of 2014 via the **Creative Europe Programme 2014-2020**.<sup>212</sup> In a context of declining cultural participation in Europe<sup>213</sup>, the programme has a dual focus both on the intrinsic value of culture and on its economic benefits. It is made of two sub-programmes supporting respectively culture and cinema, while the new cross-sector strand of *Creative Europe* aims at strengthening the financial capacity of the cultural and creative actors and notably the SMEs (see result indicators 48 to 51). It has provided co-funding for cultural activities at the European level including transnational cultural cooperation projects (64 involving 441 organisations), literary translations (74) and support for cultural bodies of European interest (27 networks or platforms). Figures into brackets indicate the number of projects selected in 2014.

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<sup>211</sup> See annex 9 of AAR 2013 for more performance information included in this evaluation.

<sup>212</sup> Regulation No 1295/2013/EU of the European Parliament and of the Council of 11 December 2013 establishing the *Creative Europe* Programme (2014 to 2020) and repealing Decisions No 1718/2006/EC, No 1855/2006/EC and No 1041/2009/EC

<sup>213</sup> The 2013 Special Euro barometer 399 on cultural access and participation (IP/13/1023) – the latest on the topic since 2007 – suggests that, despite marked differences across countries, fewer Europeans are engaging in cultural activities, as performers or spectators, and that this decline in participation has affected all cultural activities except cinema.



Since 2007, millions of citizens have been reached directly and indirectly through the projects funded by the EU (previous programmes Culture, MEDIA and MEDIA Mundus). EU funding in these fields play a unique role in stimulating at EU level cross-border cooperation between cultural operators, fostering the professionalisation and internationalisation of the sectors (see result indicators 52 and 53), and helping the international careers of thousands of artists/cultural professionals, as well as increasing the access of European citizens to non-national European works (see impact indicators 12 and 14 and result indicators 50, 51 and 41).

Notwithstanding certain transitory delays, the Creative Europe programme was implemented for the first year according to plan, together with the Executive Agency EACEA (see 2.2.1.1), including major related dissemination actions. As a result of funding and according to DG EAC's specific objective 3.1, it was estimated for 2012 that a few thousands artists/cultural workers had been mobile and several thousand cultural works had been circulated.

**Simplification measures** (online application process, lump sums as regards MEDIA<sup>214</sup>) have been put in place without any noticeable difficulty (see 1.1.1.2). Moreover, a network of **Creative Europe Desks** providing assistance to potential applicants on both MEDIA and Culture sub-programmes has been established in all Member States in order to exploit synergies and increase efficiency. Online chats with citizens have helped to promote *Creative Europe*, and demonstrated the value of using social media as another way of connecting with people and encouraging engagement with EU programmes (see 1.1.1.4).

In line with the Europe 2020 Strategy, the objectives of the European Union in the **audiovisual sector** remain to support the audiovisual industry in terms of growth, competitiveness (see impact indicator 14 and result indicators 41 to 44) and employment (see impact indicator 13). As confirmed by the MEDIA 2007 interim evaluation,<sup>215</sup> such an EU programme has achieved in the past its main objective to improve the competitiveness of the European film industry and contributes substantially to the promotion of cultural diversity in Europe. One euro invested from the MEDIA 2007 programme triggered the generation of € 6 from private financing sources, culminating in a multiplier of 14 in the funding of cinema network.

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<sup>214</sup> See example of improved efficiency under section 1.3 in AAR 2014 of EACEA.

<sup>215</sup> See AAR 2013 on evaluation results of the MEDIA programme (p40).

### *Notable Result*

Films supported by the EU funding have since years above-average success rates in top-rated festivals. Some highlights have received great visibility in 2014, in line with DG EAC's specific objective 3.1. Four of the five movies nominated for Oscar award as Best Foreign Language Film were supported by the MEDIA programme, including the Italian film "La Grande Bellezza" (The Great Beauty) that won the **Oscar for Best Foreign Language Film**. Nearly 30 films supported by the MEDIA funds, which include four in the main competition, have been selected for the official programme of the Berlin International Film Festival. Lastly, among 21 films supported by *Creative Europe* in the Cannes Festival, 3 were winner-awarded, whereas the MEDIA Prize was awarded to the Bosnian film director, Danis Tanović, in 2014.

Moreover these events were great opportunities to promote the new Programme towards accredited professionals (some 30,000 at the Cannes Festival) in particular through the *Creative Europe* Desks and to deal with crucial issues for the film industry such as on-line and video-on demand services.

However to optimise budget execution over the whole programme duration, it was decided to launch the new financial guarantee facility<sup>216</sup> and the pilot projects under the cross-sectorial strand as of 2016 only. While main other activities foreseen under the cross-sectorial strand were regularly and timely implemented (support to the Creative Europe Desks, to EU Presidencies, communication actions...), most studies and policy development activities had to be postponed to 2015 or cancelled. DG EAC's specific objective 3.3 was not implemented in 2014 since the MEDIA Production Guarantee fund had ceased at the end of 2013. It was decided to reallocate the corresponding appropriations to the Culture and MEDIA sub-programmes in order to support more projects.

Illustrating the EU added value of the culture cooperation, another milestone in 2014 was the adoption of the proposal made by the Commission in 2012 for a decision of the European Parliament and of the Council on **the European Capitals of Culture (ECoC) for the years 2020 to 2033**.<sup>217</sup> As the results of the ex-post evaluation of the 2013 Capitals of Culture confirmed,<sup>218</sup> the ECoC title stimulates investments in cultural and other infrastructure that would otherwise not have taken place. Created in 1985, the ECoCs have become a highly visible deliverable of the EU. As measured through ex post evaluations, public participation in ECoC is on the rise and this action contributes to the

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<sup>216</sup> The Cultural and Creative Sectors Guarantee Facility will facilitate access to finance for SMEs in the cultural and creative sectors and improve the capacity of participating financial intermediaries to assess the risks associated with their projects, including through technical assistance and networking measures.

<sup>217</sup> Decision No 445/2014/EU of the European Parliament and of the Council of 16 April 2014 establishing a Union action for the European Capitals of Culture for the years 2020 to 2033 and repealing Decision No 1622/2006/EC

<sup>218</sup> See AAR 2012 on evaluation results of the European Capitals of Culture (p11) and annex 9 of this AAR for performance information included in the evaluation of ECoC 2013.

long-term regeneration of cities. The leverage effect in some Capitals has been estimated to generate up to 8 Euro in return per each euro invested and the title helps to generate between € 15 and 100 million of investment in the cultural programmes of the cities. In order to maximise the potentially wider economic benefits of the action, the future ECoCs should begin their international marketing and commercial revenue generation strategies earlier in the process. In the shorter term according to specific objective 3.2, the ECOC 2014 (Riga (LT), Umeå (SE)) were implemented as planned. The city of Leeuwarden (NL) was designated in 2014 by the Council as European Capital of Culture 2018, further to a recommendation from the Commission.

*Notable Result*

Perhaps the **best-attended European Capital of Culture to date, Marseille-Provence**, as 2013 ECOC, was a particularly high profile international event according to its 2014 external evaluation. Events generated not only considerable media interest, but reached an estimated audience of 11 million people. It featured numerous exchanges with other European countries as well as new collaborations with the wider Mediterranean region. Significant efforts were made to involve residents and bring culture to new audiences. Marseille-Provence's pledge budget of € 98 million was delivered, including € 16.5 million of private sector contributions (a trend to be incentivised in the future). The main legacy effects were increased recognition as a cultural and tourism destination and strengthened international networking.

Regarding the **EU Prizes**, the European Awards for pop music<sup>219</sup>, for contemporary literature, as well as for the new action Cultural Heritage were once more awarded in 2014 contributing to specific objective 3.1 through their dissemination effect. The goal of the prizes is to attract attention to the European culture and creative sectors, rewarding excellence and innovation, fostering the mobility of artists and creative works across borders and artists' careers development. They promote the EU under an attractive and human angle, close to the pastimes of citizens, celebrating the cultural diversity of the continent. The prizes are rather well established, but do not always achieve the impact European Union Prizes should have. Efforts will therefore be devoted to increase their visibility and to exploit their links with the youth and education sectors in order to make these prizes more coherent with the political priorities of the Juncker Commission's.

On a more specific note, a pilot project decided by the European Parliament consisting in a **European festivals platform** was launched by the Commission. It seeks to maximise

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<sup>219</sup> In 2014 the EBBA show was broadcast by 16 public TV-stations in Europe  
[http://ec.europa.eu/culture/tools/actions/border-breakers\\_en.htm](http://ec.europa.eu/culture/tools/actions/border-breakers_en.htm)

the contribution of festivals to various DG EAC's objectives and other EU policies, including for instance innovation, social inclusion, education and intercultural dialogue, and to the Europe 2020 strategy. In contrast the proposal for a European House of History has not been pursued yet due to difficulties mainly related to the different financial management practices applied in the Commission and in the European Parliament.

### ABB ACTIVITY 15.03 Relevant general objective 3

To foster the safeguarding, development and promotion of European **cultural and linguistic diversity and cultural heritage**, to strengthen the competitiveness of the cultural and creative sectors, except the audiovisual sector, and to facilitate **people to people cultural contacts** worldwide with a view to promoting a creative, innovative, sustainable and inclusive Europe

*NB: In comparison to the Management Plan 2014, the order and presentation of indicators have been revised so as to follow more literally the adopted legal basis of Creative Europe. Although the numbering of indicators is in principle the same as in the MP 2014, certain indicators (marked with a letter) have been moved compared to the MP.*

**Specific Objective 3.1:** To promote the transnational **circulation** of cultural and creative works and operators and reach new audiences in Europe and beyond, with a particular focus on children, young people, people with disabilities and under-represented groups

- Spending (Creative Europe)
- Non-spending

*Indicators highlighted with an asterisk (\*) below are mandatory (from the programme legal basis). Their definition is included in the legal basis, however where additional specifications were added these are in italic.*

**Management mode:**  Direct DG  Direct Executive Agencies  Indirect (through other)

**\* Result Indicator 40: Audience of the Creative Europe programme** (Culture sub-programme)  
**Definition:** Number of people directly and indirectly reached through projects supported by the Programme  
**Source:** Future projects final reports and mid-term programme evaluation

Baseline	Latest known situation	Milestone	Target 2020
	2014	2018	
No baseline, first known results (2017) available in 2018 for the first time	Not available at application stage, but at the end of each project ; a critical mass will be gathered in 2017-18	To be assessed during mid-term evaluation on data until 2017	Increase of 5% in comparison to 2017 results <sup>220</sup>

<sup>220</sup> Revised based on 2015 Programme Statement

**\* Result Indicator 41: Audience of European audiovisual works (MEDIA sub-programme) <sup>(\*)</sup>**

**Definition:** a) Number of people (in %) in the EU accessing non-national European audiovisual works; b) number of people (in %) in the countries participating in the programme accessing European audiovisual works.

**Source:** European Audiovisual Observatory Annual Report; mid-term evaluation of MEDIA sub-programme

Baseline (not available)	Latest known situation	Milestone	Target 2020
	2014	2017	
EU	available as of June 2015	60%	66%
Participating countries	not available until June 2015	55%	60%

(\*) Impact indicator 14 in MP 2014

**\* Result Indicator 42: Market share of European audiovisual works in Europe (MEDIA sub-programme)**

**Definition:** % of European audiovisual works programmed in cinemas, TV and digital platforms in the EU

**Source:** annual report of the European Audiovisual Observatory

Baseline (2009 & 2010)	Latest known situation	Milestone	Target 2020
	2014	2017	
Cinemas: 59%	not available until June 2015	59%	60%
TV: 66.4%	not available until June 2015	66.4%	67%
Digital platforms:48,2%	not available until June 2015	55%	67%

**\* Result Indicator 43: Production of European video games (MEDIA sub-programme)**

**Definition:** Estimated turnover of companies producing video games a) in the Union; b) in the 5 largest national markets in the EU (DE, FR, IT, NL, UK)<sup>221</sup>

**Source:** PWC Global entertainment and media outlook 2013-2017

Baseline (2011)	Latest known situation	Milestone	Target 2020
	2014	2017	
EU: €21,3 billion	available as of June 2015	€25 billion	€30 billion
5 biggest markets €13,35 billion	available as of June 2015	€14,5 billion	€16 billion

**Result Indicator 44: Supported circulation of non-national European films in Europe**

**Definition:** % of European non-national films programmed by Europa Cinemas Network across Europe

**Source:** Annual report of the European Audiovisual Observatory, Annual Report of the Europe Cinemas Network

Baseline (2010)	Latest known situation	Milestone	Target 2020
	2014	2017	
36%	available as of June 2015	38%	40%

**\* Result Indicator 44a: Projects addressed to children, young people and under-represented groups, and people reached (Culture sub-programme)**

**Definition:** Number of projects addressed to children, young people and under-represented groups and the estimated number of people reached.

**Source:** Future projects final reports and mid-term programme evaluation

Baseline (2010)	Latest known situation	Milestone	Target 2020
	2014	2018	
No baseline, first know results (2017) available in 2018 for the first time	Available as of 2017-18	To be assessed during mid-term evaluation on data until 2017	Increase of 7% in comparison to 2017 results

<sup>221</sup> Proxi provided in the absence of a definition of a European videogame and of available data on their number produced in the EU

Main outputs			
Target		Current situation (2014)	
<b>a) Main Commission policy outputs to be delivered in 2014</b>			
See under specific objective 3.4			
<b>b) Final outputs (by which delivery other actors are involved) or other relevant activities to be implemented in 2014</b>			
See under specific objective 3.4			
<p><b>Specific Objective 3.2:</b> To support the capacity of the European cultural and creative sectors to operate transnationally and internationally</p> <p><i>Indicators highlighted with an asterisk (*) below are mandatory (from the programme legal basis). Their definition is included in the legal basis, however where additional specifications were added these are in italic.</i></p>		<input checked="" type="checkbox"/> Programme-based (Creative Europe) <input checked="" type="checkbox"/> Non programme-based	
<b>Management mode:</b> <input checked="" type="checkbox"/> Direct DG <input checked="" type="checkbox"/> Direct Executive Agencies <input type="checkbox"/> Indirect (through other)			
<p><b>* Result indicator 45: Internationalisation of EU-supported cultural operators (Creative Europe)</b></p> <p><b>Definition:</b> The scale of international activities of cultural and creative organisations and the number of transnational partnership projects created <i>and funded by the Creative Europe programme with the participation of operators from more than 3 countries</i></p> <p><b>Source:</b> Projects final reports</p>			
Baseline (2012)	Latest known situation 2014	Milestone 2017	Target 2020
7 000 transnational partnerships	Available as of 2017-18	7 600	8 000 transnational partnerships
<p><b>* Result Indicator 46: Professionals with better skills and employability (Creative Europe)</b></p> <p><b>Definition:</b> Number of learning experiences and activities (<i>expressed as number of professionals</i>) with learning experience (artists, cultural and creative operators, including audiovisual professionals) supported by the Creative Europe programme which have improved the competences and increased the employability of cultural and creative players, including audiovisual professionals.</p> <p><b>Source:</b> Projects final reports</p>			
Baseline (2012)	Latest known situation 2014	Milestone 2017	Target 2020
140 000 professionals with learning experience	Available as of 2017-18	190 000	240 000 professionals with learning experiences
Main outputs			
Target		Current situation (2014)	
<b>a) Main Commission policy outputs to be delivered in 2014</b>			
See under specific objective 3.4			
<b>b) Final outputs (by which delivery other actors are involved) or other relevant activities to be implemented in 2014</b>			
See under specific objective 3.4			



**Specific Objective 3.3:** To strengthen the **financial capacity** of small and medium-sized enterprises and organisations in the cultural and creative sectors in a sustainable and balanced way across countries and sectors

Spending  
 Non-spending

*Indicators highlighted with an asterisk(\*) below are mandatory (from programme legal basis)*

**Management mode:**  Direct DG  Direct Executive Agencies  Indirect (through EIB)

**\* Output indicator 47: Guaranteed loan supply**

**Definition:** Total volume of loans granted to SMEs in cultural and creative sectors in the framework of the financial facility<sup>222</sup>

**Source:** annual report from the European Investment Fund

Baseline (2012)	Latest known situation	Milestone	Target 2020
	n/a	2017	
20 million EUR supported loans	to be launched in 2016; results available as of March 2017	180 million EUR	0,5 billion EUR

**\* Result indicator 48: Average default rate of loans**

**Definition:** The average default range of loans granted to SMEs in cultural and creative sectors in the framework of the financial facility

**Source:** annual report from the European Investment Fund

Baseline (2011) <sup>223</sup>	Latest known situation	Milestone	Target 2020
	n/a	2018	
10% (estimated)	to be launched in 2016; results available as of March 2017	9%	8%

**\* Result indicator 49: Leverage effect of guaranteed loans**

**Definition:** Leverage effect of guaranteed loans in relation to the indicative leverage effect (1:5,7) achieved by SMEs in cultural and creative sectors in the framework of the financial facility

**Source:** annual report from the European Investment Fund

Baseline (2011) <sup>224</sup>	Latest known situation	Milestone	Target 2020
	n/a	2017	
1 : 5,7 (estimated)	to be launched in 2016; results available as of March 2017	1:5,7	1:6

<sup>222</sup> Breakdowns by national origin, size and sectors of SMEs or organisations and by participating financial intermediaries categorised by national origin will be provided in the annual report from the European Investment Fund.

<sup>223</sup> There is no EU wide financial instrument for the sector. An estimated 10% according to the ex-ante impact assessment of the Creative Europe programme.

<sup>224</sup> Same comment as for previous indicator

### Result Indicator 50: Diversity of guaranteed loan supply

**Definition:** Number and geographical spread of banks and other financial institutions providing access to finance for the cultural and creative sectors through the guarantee facility

**Source:** annual report from the European Investment Fund

Baseline (2012)	Latest known situation	Milestone	Target 2020
	n/a	2017	
2 financial institutions from 2 Member States	to be launched in 2016; results available as of March 2017	7 financial institutions from 5 different Member States	10 financial institutions from 10 different Member States

### Result Indicator 51: Diversity of guaranteed loan beneficiaries

**Definition:** Number, national origin and sub-sectors of final beneficiaries benefitting from the financial facility<sup>225</sup>

**Source:** annual report from the European Investment Fund

Baseline (2012)	Latest known situation	Milestone	Target 2020
	n/a	2017	
100 beneficiaries from audio-visual sector from 8 Member States	to be launched in 2016; results available as of March 2017	3 000 beneficiaries from 5 sub-sectors, from 10 Member States	10 000 beneficiaries from 5 sub-sectors, from 15 Member States

Main outputs	
Target	Current situation (2014)
<b>a) Main policy outputs to be delivered in 2014</b>	
See under specific objective 3.4	
<b>b) Other relevant activities to be implemented in 2014</b>	
See under specific objective 3.4	

<sup>225</sup> Breakdowns by national origin, size and sectors of SMEs or organisations are provided in annual reports from the European Investment Fund. Data on loans 'guaranteed' are not available in contrast to the number of loans 'granted' which is determined

**Specific Objective 3.4:** To support transnational **policy** cooperation in order to foster policy development, innovation, creativity, audience building and new business models  
*Indicators highlighted with an asterisk (\*) below are mandatory (from the programme legal basis). Their definition is included in the legal basis, however where additional specifications were added these are in italic.*

Programme-based (Creative Europe)  
 Non programme-based

**Management mode:**  Direct DG  Direct Executive Agencies  Indirect (through other)

**\* Result indicator 52: Influence of EU cultural cooperation on national policy making**

**Definition:** Number of Member States making use of the results of the Open Method of Coordination in their national policy development

**Source:** Voluntary reports by EU MS

Baseline (2013)	Latest known situation	Milestones					Target 2020
	2014	2015	2016	2017	2018	2019	
10 Member States	↑ 12	13	14	15	16	17	20

**\* Output indicator 52a: New initiatives and policy outcomes**

**Definition:** The number of new initiatives and policy outcomes, where initiatives or policy outcomes are defined as the number of deliverables funded under the cross-sectorial strand of the programme<sup>226</sup>

**Source:** Projects final reports

Baseline (2013)	Latest known situation	Milestone	Target 2020
	2014	2016	
N/A <sup>227</sup>	Available as of 2015	20	20

Main outputs	
Target	Current situation (2014)
<b>a) Main Commission policy outputs to be delivered in 2014: 4 items</b>	
Proposal for Council Decisions on the signing and conclusion, on behalf of the European Union, of the <u>Agreement on Cultural Cooperation</u> between the EU and its Member States, of the one part, and <u>Colombia and Peru</u> , of the other part (January 2014)	Postponed
<u>Communication on cultural heritage</u> in EU policies and programmes ("Heritage 2020" - provisional title) (June 2014)	Adopted

<sup>226</sup> Revised based on 2015 Programme Statement

<sup>227</sup> As this strand did not exist before, there can be no baseline applicable. The milestone is an estimate of the results of the first call.

<u>Commission Report</u> to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions <u>on the implementation of the Work Plan Culture 2011-2014 (June 2014)</u>	Adopted
<u>Commission Report</u> to the European Parliament and the Council on <u>media literacy (4th quarter 2014)</u>	Cancelled
<b>b) Final outputs (by which delivery other actors are involved) or other relevant activities to be implemented in 2014</b>	
<u>European Semester</u> outputs	Delivered
<u>Council conclusions on heritage under Greek Presidency.</u>	Adopted
<u>Open Method of Coordination (OMC) working groups</u> foreseen in the 2011-2014 Work Plan for Culture should be convened three times over a 1,5 year period. These OMC working groups dealt as planned with: artists' Residencies; cultural awareness and expression, and access to finance for cultural and creative industries.	Delivered (convened three times each in 2014)
Contribution to the preparation of a new Work Plan for Culture 2015-2018.	Adopted (non paper)
<u>Pilot projects</u> on the economy of cultural diversity and in view of creating a European platform for festivals	Delivered
<u>Inter-service Group</u> on Cultural and Creative Sectors with a focus on the follow up to the 2012 Communication on the promotion of cultural and creative sectors for growth and jobs in the EU.	On-going
2014 <u>European Capital of Culture</u> (Riga, Umeå) – completed – and 2015 European Capitals of Culture (Mons, Plzeň)	Delivered
<u>European Heritage Label</u> to be granted to cultural sites	Delivered
<u>EU Prizes</u> (the European Border Breakers Award, EU Cultural Heritage prize, the Contemporary Architecture prize, the 2013 Literature prize, the MEDIA prize)	Delivered (except the biennial Contemporary Architecture prize)
Coordinated <u>assessment on media literacy</u> at school with a number of interested countries.	On-going
Establishment of the new <u>Creative Europe</u> desks and programme committee, as well as renewed mandates for the Executive Agency	Established

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The DG has implemented the necessary corrective and preventive actions to mitigate identified risks in relation to objective 3. These were mainly linked to the launch of the new Creative Europe Programme. Close supervision and monitoring also allowed minimising those risks linked to the delegation of most budget execution to the Executive Agency.

Both policy and programme activities under objective 3 were implemented according to plan and are on course to meet their multiannual objectives. However since the source of information for most indicators will only be available when project owners issue their final reports, they cannot indicate yet whether the programme has, or not, achieved its performance in the reporting year. Final reports will be analysed by the Executive Agency when a critical mass of final reports is gathered in 2017-18.

## 1.1.5 Corporate services: delivering to the entire Commission

### 1.1.5.1 Central Library

The Central Library of the European Commission has further extended its collections especially in digital format (see result indicators 53 and 54). It has pursued its **customer-orientation**, in facilitating contacts with the users through a new single reference service and in providing them with clean search results and bibliographies. This has resulted once more in a very high rate of satisfaction of users (see result indicator 55). Awareness raising has been intensified across the Commission and presence on social media has increased.

The latest **external evaluation** of the Central Library (2009)<sup>228</sup> showed that it delivers significant value-added to European Commission staff and citizens worldwide by maintaining a unique global and multilingual repository of information resources relating to European integration, and by providing leadership and support to Commission local libraries. The evaluation noted that the Central Library would need to be more effectively resourced with information technologies to maximise effectiveness.

Since 2009, the Library has **successfully faced challenges** identified by its evaluation: to deliver access to content in a digital rather than physical manner; to build the collection of resources, physical and virtual; to assess service success and value delivered to users; to develop cooperation activities between librarians across EU institutions and agencies. In 2014, difficulties in finalising the new releases of the IT Library system have been overcome. The centralisation of some DG's local library services has continued as planned.<sup>229</sup>

Looking into the future, the Library issued in 2014 two **orientation papers**, one on its acquisition policy and one on its retention policy.

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<sup>228</sup> Next evaluation available in 2015.

<sup>229</sup> With DGs: Justice and Consumers/Migration and Home Affairs, Environment/Climate Action and International Market, Industry, Entrepreneurship and SMEs (former DG Enterprise and Industry)

<b>CENTRAL LIBRARY OF THE COMMISSION:</b>			
<b>Specific Objective: To develop collections on all subjects relating to European integration and to make them available to staff of the European Commission and other EU institutions, as well as to citizens</b>			
<i>Output/Result Indicators</i>	<i>Source and baseline (2013)</i>	<i>Current situation (2014)</i>	<i>Targets</i>
53. <b>Acquisition</b> of new relevant material relating to European integration  Number of new records in catalogue	20 000 new relevant records catalogued	↓ 18 000	Within the limits of the budget available, ensuring a steady annual increase of publications with a view to building collections on all subjects relating to European integration
54. Extension of the offer of <b>online resources</b>  On-line supply and demand	1 900 specialist periodicals available on-line;  130 000 online articles downloaded;  2 500 searches per day in the ECLAS online catalogue	↑ 5 200  ↑ 180 000  ↑ 2 900	Improving online and onsite access to information resources on a continuous basis.
55. Regular <b>consultation of users</b>  % of "satisfied" or "very satisfied" users	97%  Source: Permanent users' survey available both online and in the reading rooms to rate each service offered	↔ 97%	Satisfaction of most users.  Identifying and responding to the information needs of users
<b>Policy outputs to be delivered in 2014</b>			
<b>Other relevant activities to be implemented in 2014</b>			
<b>Target</b>		<b>Current situation (2014)</b>	
Continue to actively pursue centralisation of library services in the Commission, including centralised management of databases as well as preservation and availability of the collections concerned and ensure continuity of service for the users of the closing libraries.		Delivered	
Satisfy all requests for visits, loans, bibliographic information, copies of documents and technical assistance for questions relating to the use of the Library Management System, including information and training to users in order to improve the knowledge of the Central Library collection use.		Delivered	
Prepare an extension of the existing library management system contract for a maximum of 2 years, and launch an open call for tender with a view to move to a new generation system, potentially cloudhosted, by the first half of 2017.		Delivered (Migration of the Library Management System)	
Increase synergies with other initiatives such as the Open Data Portal and EUROPEANA.		Postponed	

## 1.1.5.2 Traineeships Office

The Traineeships Office of the Commission provides university graduates with working experience within the European Public Administration. The overall **satisfaction rate** with its service and the perception of the usefulness of this programme remained very high (see result indicator 80). The latter has confirmed its **attractiveness**, which has grown even further in the current economic context,<sup>230</sup> although budget reduction in 2014 led to a decrease in the total number of trainees within the European Commission.<sup>231</sup>

In 2014, the results from the **external evaluation** of the Traineeships programme over 2007-2013 showed that its objectives were highly relevant, not only on the demand side (would-be trainees face a lack of similar opportunities on the labour market), but also on the Commission side (need for a pool of young people for future collaboration)<sup>232</sup>. The evaluation also demonstrated the relevance of the eligibility criteria, which allow the programme to attract qualified candidates with a balanced representativeness of overall population, while ensuring that candidates are those who would benefit from the experience. In addition, the programme adheres to the Quality Framework for Traineeships in nearly all respects. While it is noted that there is room to improve the selection and monitoring of activities, the programme has measurably increased the employability of trainees in the labour market<sup>233</sup> and facilitated the maintenance of professional networks over the medium-term. Lastly, the main benefits of the Traineeship were achieved cost effectively: costs are far outweighed by the value of useful work conducted by trainees; efficiency savings have been realised through the modernisation and digitisation of its procedures, particularly in connection with pre-selection, and favourably compared the management of the Commission's programme to those of other EU institutions.

Over the last two years, major **simplifications**<sup>234</sup> and modernisation measures have been put in place to adapt the Traineeships office to the digital era and to continue responding efficiently to this increasing demand. For the first time, a new online remote assessment with anonymity of applications was conducted in 2014. Not only the exchanges with new trainees, but also their pre-selection since 2013 has progressively been made paperless, facilitating checks. This digitalisation cuts radically the workload generated in the past by the manual handling of thousands of paper applications (see result indicator 79).

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<sup>230</sup> The number of applications increased by more than 100% from the session of March 2013 (7,370 applications received) to the sessions of 2014 (14,642 for March and 15,608 for October).

<sup>231</sup> 643 trainees in October 2014 against 681 at the same date in 2013 (actual number after termination). 12 Service Level Agreements concluded with Executive Agencies and EU bodies are also in force for placements of in-service trainees.

<sup>232</sup> See annex 9 for more performance information included in this evaluation.

<sup>233</sup> After one year, former trainees were six percentage points more likely to be employed than candidates who had not been offered a traineeship (81% of former trainees were employed compared to 75% of unsuccessful applicants). After two years, the difference increased, with 88% of former trainees being employed compared to 79% of unsuccessful applicants.

<sup>234</sup> The Commission's Decision on Unit costs for Erasmus+ will apply in 2015 to travel expenses of trainees.



TRAINEESHIPS OFFICE			
Specific Objective: To provide university graduates with working experience within the European Public Administration and to prepare them for possible future cooperation with the European institutions, inside or outside the EU, through the traineeship programme.			
Result Indicators	Source and baseline (2013)	Current situation (2014)	Targets
<b>79. Improved cost/effectiveness of the programme</b> Time needed per evaluator to assess each application (pre-selection and selection phases)	Source: online system 30' for the October session	Pre-selection phase: ↑ 10' (from March 2014 session and onwards)  Eligibility phase: ↑ 15-20' (for the October session)	10' max. within the online system (applicable as of the March 2014 session)
<b>80. Satisfaction of users</b> % of satisfied <u>Trainees</u> with their advisors with the Traineeship Office service % of satisfied <u>Advisors</u> about the usefulness of the Programme for the trainees and for the Institution	Source: Permanent users' survey (M13); consultative representative panel of users.  87%  81%  96%	↔ 87%  ↑ 90%  96%	Satisfaction of most users
Policy outputs to be delivered in 2014			
n/a			
Other relevant activities to be implemented in 2014			
Target		Current situation (2014)	
Full paperless system from the pre-selection phase for trainees to the Virtual Blue Book		Delivered	
Update of all Internet sites and social media dealing with the Traineeship programme; updating information for evaluators, coordinators and advisers		Delivered	
Inter-Institutional Call for Tenders (2015-2019) to ensure corporate responsibility for the Inter-Institutional health insurance of in-service trainees (in the Commission, European Parliament, the Council, the Committee of the Regions and the European Economic and Social Committee)		Delivered	
Update of the Rules applicable to the Traineeship programme		Postponed	
External interim Evaluation of the Programme		Delivered	

## 1.2 Examples of EU-added value and results/impacts of projects or programme financed

A number of "notable results" observed in 2014 and highlighted above in text boxes show in various ways the EU added value or the impact of EU action in the field of Education, Innovation, Youth, Sport or Culture. Most of them would not have been possible without action at EU level. A key example concerning funding supervised by DG Education and Culture is further highlighted below.

EU added value is in particular visible in terms of **positive impact of EU funded mobility on beneficiary employability and competitiveness.**

Whereas one out of two European graduates who studies or trains abroad benefits from **Erasmus** (3 million students since its inception), Erasmus increases their employability advantage over non-mobiles by 45% in total. More specifically, the unemployment rate of Erasmus students is 23% lower than of non-mobile students five years after graduation. Furthermore, EU funded mobility widens the scope of mobility across all Member States and has a ripple effect on student mobility at large (see 1.1.2.2).

Similarly in the area of international mobility, the joint masters and doctoral programmes funded on **Erasmus Mundus** offered overall considerable added value by facilitating the success of graduates when looking for work and/or further research positions. International experiences and intercultural competence are indeed considered in the mid-term evaluation as the most important assets that distinguish Erasmus Mundus beneficiaries from other graduates.

Two years after their **Marie Skłodowska-Curie fellowships**, an estimated 95% of individual fellows have employment positions and are some 10% more likely than other researchers of working under a permanent contract, a proxy for MCA fellows' comparatively better employability.<sup>235</sup> Such a research mobility scheme at EU level significantly contributes to the creation of European Research Area in practice. It creates significant added value compared to purely national schemes by fostering healthy Europe-wide scientific competition whilst ensuring the appropriate level of cooperation which in turn stimulate investing in R&D intensive sectors in Europe (see 1.1.3).

The **Traineeships programme** over 2007-2013 has measurably increased the employability of trainees in the labour market. After two years, former trainees were nine percentage points more likely to be employed than candidates who had not been offered a traineeship (see 1.1.5.2).<sup>236</sup>

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<sup>235</sup> See DG EAC's 2014 study "Marie Curie researchers and their long-term career development", under section 1.1.3.

<sup>236</sup> For further information about evaluation findings, see annex 9 and footnote under section 1.1.5.2.

Well-known brand names, programmes supervised by DG EAC make an acknowledged difference in terms of EU added value. Although it is too early to measure the added value of the 2014-2020 generation of EU programmes, the best *prima facie* evidence of EU added value of spending in the areas of DG Education and Culture remains the **substantial increase in the budget granted** to education, training, youth and sport (+40%), on the one hand, and to culture and the audiovisual sector (+9%), on the other hand, within the 2014-2020 Multi-annual Financial Framework. By 2020, more than 4 million mobile students, young people, lecturers, teachers, trainers, education staff and youth workers should have benefited of a mobility action under *Erasmus+*.<sup>237</sup> Meanwhile 65 000 researchers should have been supported by the *Marie Skłodowska-Curie actions* (see output indicator 32). In a general context of tight fiscal constraints, the European Parliament and the Council of the EU have clearly acknowledged, based on 2007-2013 evidence and impact studies prepared by the Commission, the added value to invest at EU level in education, innovation and culture.

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<sup>237</sup>

Around 2 million higher education students, including 450 000 traineeships; 650 000 vocational students; 800 000 lecturers, teachers, trainers, education staff and youth workers; more than 500 000 young people; 200 000 Masters' degree students will benefit from loan guarantees to help finance studies abroad under the brand-new scheme; more than 25 000 students will receive grants for a 'joint master degree', which involves studying in at least two higher education institutions abroad. In addition, the programme will fund 135 000 student and staff exchanges involving non-European partner countries.

## 1.3 Economy and efficiency of spending and non-spending activities.

According to the financial regulation (art 30), the principle of economy required that the resources used by the institution in the pursuit of its activities shall be made available in due time, in appropriate quantity and quality and the best price. The principle of efficiency concerns the best relationship between resources employed and results achieved.

The respect of these principles is continuously pursued through the implementation of internal procedures and predefined practices. These procedures ensure that activities are executed in an efficient manner (e.g. the different workflows contribute to the efficient cooperation between staff, units, etc...) and according to the principle of economy (e.g. the procurement rules ensure procurement in optimal conditions).

DG Education and Culture is continuously fine-tuning its internal arrangements in order to improve the efficiency and economy of its operations. The following further initiatives show how these principles are implemented in our DG/service:

### 1.3.1 Example 1: increased efficiency in the management of Erasmus+

As from 2014 onwards the integrated programme Erasmus+ is managed in a more efficient way than its predecessors. Efficiency gains result from the combination of the implementation of lump sums, unit costs and flat rate financing, as well as streamlined guidelines and procedures (e.g. **simplified forms of grants**, single programme guide, e-applications and reporting) and the new IT tool Erasmus+-Link. A larger budget together with **additional services** (e.g. *online* linguistic support to participants; *remote* training for National Agencies on the use of new IT systems) can be managed more efficiently both at EU and national levels (see sections 1.1.2.1).

### 1.3.2 Example 2: increased efficiency in the exchanges with stakeholders and applicants

**Streamlined ET 2020 Working Groups** have been reduced from 11 to six and focused on more concrete deliverables. The first Webinar was organised in 2014 in the field of VET allowing members to discuss without meeting physically. All combined these measures should not only reduce the operating costs, but also increase the efficiency of the Open Method of Cooperation (see 1.1.2.1).

To promote the international dimension of Erasmus+, a number of **video conferences and webinars** were organised with EU Delegations and universities, all over the world. For instance, such sessions - organised with EU Delegations in Mexico, Taiwan, Brazil, Singapore and the US at the end of 2014 - were addressed to stakeholders and potential applicants to present the Jean Monnet activities and modalities. Meanwhile the creation of a **new Erasmus+ student and alumni association** put under one roof former associations, giving them more visibility and efficiency.

## 2. MANAGEMENT OF RESOURCES

**Assurance** is an objective examination of evidence for the purpose of providing an assessment of the effectiveness of risk management, control and governance processes. This examination is carried out by management, which monitors the functioning of the internal control system on a continuous basis, and by internal and external auditors. Its results are explicitly documented and reported to the Director-General via reports by Authorising Officers by sub-delegation (AOSDs), from Authorising Officers in other DGs managing budget appropriations in cross-delegation, on control results from management, National Agencies and National Authorities as well as the result of the Commission supervisory controls on the activities of National Agencies and beneficiaries, on control results from Executive Agencies, the contribution of the Internal Control Coordinator, including the results of internal control monitoring at the DG level (see 3.1), the reports of the ex-post supervision or audit, the opinion and the recommendations of the Internal Audit Capability (IAC), the Internal Audit Service (IAS), the European Court of Auditors (ECA) and Discharge Authorities. This section reports the control results and other relevant elements that support managements' assurance on the achievement of the internal control objectives.<sup>238</sup> It is structured in three separate sections: (1) the DG's assessment of its own activities for the management of its resources; (2) the assessment of the activities carried out by other entities to which the DG has entrusted budget implementation tasks; and (3) the assessment of the results of internal and external audits, including the implementation of audit recommendations. The methodology in place for 2014 maintains the same overall approach as for AAR 2013, with a stable level of assurance obtained.

Because of the nature of the targeted stakeholders who are mostly individuals, the implementation of the EAC programmes requires a specific combination of accurate implementation with user friendliness and simplicity. The **management and control systems** have been designed taking into account the inherent characteristics of DG EAC's programmes, including the need for large scale externalisation. In order to counter the potential risks, DG EAC has strengthened the management and control structures of the programmes by the introduction of an integrated control framework, where DG EAC's controls build upon controls performed by DG EAC's partners in the implementation of the programmes.

In terms of **governance within DG EAC**, the Director-General retains overall responsibility for the management and actions of the DG; key decisions are taken after consulting the Director's Board (DB), composed of the Director General, the Deputy Director General and the Directors of DG EAC and EACEA. As the main senior

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<sup>238</sup> Effectiveness, efficiency and economy of operations; reliability of reporting; safeguarding of assets and information; prevention, detection, correction and follow-up of fraud and irregularities; and adequate management of the risks relating to the legality and regularity of the underlying transactions, taking into account the multi-annual character of programmes as well as the nature of the payments (FR Art 32).

management discussion body, it ensures coherence and promotes a collegial approach. The DB has been supported in the decision making on budget, finance, assurance, internal control, IT and HR matters since September 2014<sup>239</sup> by a Director's Steering Committee, chaired by the Director for Resources and composed of the Directors of DG EAC and EACEA. Key management indicators are reported to senior management in a consolidated way in a monthly Dashboard. This enables management to monitor where the achievement of management objectives is at risk. In 2014, the DG has continued to improve its processes and procedures with the help of the Business Process Management methodology (integrated in 2014 in the HR Unit). In 2014, it has mainly been used to improve the implementation and monitoring of the new E+ programme, to simplify the Central Library processes and to outline financial information flows. The BPM projects have produced tangible outcomes for DG EAC that has reduced the tendency to work in "silos", the ability to make decisions across sectors, units and beyond, including National Agencies and EACEA, and improve interchanges between IT systems.

The majority of financial transactions under direct management are delegated to Executive Agencies. The DG has implemented since 2012 a **centralised financial circuit** (except for the Central Library), including as of 2013 in relation to the management costs of the National Agencies. Financial initiation and verification tasks have been centralised in a single financial cell in order to concentrate financial expertise and to benefit from economies of scale.

The assurance methodology retains the approach of the previous AAR and the results obtained are stable compared to those achieved in 2013.

As from 2014, DG Budget has clarified the distinction between those activities which should be regarded as under "**direct management**" vs "**entrusted tasks**" for the purpose of the AAR. The current interpretation is that all financial resources ultimately managed by bodies other than the Commission should be regarded as "entrusted", including the administrative fees, subsidies and management costs of National, Decentralised and Executive Agencies (i.e., management classified in the Financial Regulation as 'direct') This implies that the only amounts which should be covered under section 2.1 correspond to the aspects of programme implementation directly managed by DG EAC, which represents 5,3% as a proportion of the amounts DG EAC is ultimately responsible for in 2014. Section 2.2 covers all entrusted bodies.

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<sup>239</sup> Ares(2014)2873461

See below for an overview of the various kinds of executed payment appropriations according to this classification:

<b>Payments 2014</b>	<b>Direct</b>	<b>Entrusted</b>	<b>Proportion</b>
EACEA		39.425.480	2,6%
ETF		20.143.500	1,3%
Cedefop		16.933.900	1,1%
EIT		164.850.050	10,8%
Erasmus+ handled by National Agencies		1.080.755.873	70,8%
LLP (2007-13) handled by National Agencies		102.582.092	6,7%
Youth in Action (2007-13) handled by National Agencies		25.537.720	1,7%
Creative Europe	6.088.249		0,4%
Former Culture and Media programmes (2007-13)	3.988.080		0,3%
Traineeships	7.370.605		0,5%
Library	2.219.209		0,2%
MSCA and H2020 & FP7	2.378.657		0,2%
Erasmus+ direct	22.884.113		1,6%
LLP and YiA (2007-13) direct	22.969.239		1,6%
Other	8.452.271	132.512	0,6%
<b>Subtotals</b>	<b>76.350.423</b>	<b>1.450.361.128</b>	
<b>Grand total</b>		<b>1.526.711.550</b>	

## 2.1 Management of human and financial resources

This section reports and assesses the elements identified by management that support the assurance on the achievement of the internal control objectives. Annex 5 outlines the main risks together with the control processes aimed at mitigating them and the indicators used to measure the performance of the control systems.

### 2.1.1 Control effectiveness as regards legality and regularity

DG Education and Culture has set up internal control processes aimed at ensuring the adequate management of the risks relating to the legality and regularity of the underlying transactions, taking into account the multi-annual character of programmes as well as the nature of the payments concerned. Regarding the legality and regularity of the underlying transactions, the key control objective is to ensure that the multi-annual<sup>240</sup> residual error rate does not exceed 2% in any management mode.<sup>241</sup>

As a consequence of the multi-annual character of the projects and programmes, the underlying transactions treated by each control stage and reflected in the detected error rates can cover the entire period of the 2007-13 programme, as well as the new programmes initiated in 2014. Transactions covered by financial audits in particular have to follow a consecutive cycle whereby multi-annual transactions must be closed before the stages of random selection, contracting of audits, audit fieldwork and finalisation of audit results can be completed and included in a given year's AAR. As the inherent risk in each programme is relatively stable, this approach does not put into question the relevance of these results for the assurance given in the AAR.

In order to **protect the financial interests of the Union**, DG Education and Culture has also set up a robust and proportionate legal framework throughout the expenditure cycle, including the prevention, detection and investigation of irregularities, the recovery of funds lost, wrongly paid or incorrectly used and, where appropriate, penalties.

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<sup>240</sup> As the first significant audit findings on the 2007-2013 programmes were available in 2011, DG EAC assesses the legality and regularity of the management of the latter in this report over a period of four years (2011 – 2014). The only methodological change in the calculation of error rates this year is the reclassification of Agencies' management costs to "entrusted" as outlined above...

<sup>241</sup> The residual risk of error is estimated by the residual error rate obtained from an examination of a representative sample of transactions less any corrections made resulting from the supervisory and control systems in place. In addition, DG Education and Culture aims to recover amounts due as a result of ex-post audits within 12 months from the completion of the audit.



### 2.1.1.1 Direct management by the DG

DG EAC can conclude that it has reasonable assurance for its direct management (representing 5.3% of executed payments) for 2014 based on the following building blocks<sup>242</sup>:

I) **Authorising Officers by sub-delegation** have reported no issues that would put into doubt the assurance on this management mode.

II) An important building block in the assurance are the **ex ante controls** that are conducted by the DG. Errors prevented in 2014 related mostly to incorrect accounting treatment and were all corrected before final approval of the transactions in the accounting system of the Commission (ABAC). As a result, the regularity and legality of transactions introduced in ABAC are considered to be reliable.

III) In addition, the operational directorates responsible for the closure of projects may ask for **ex ante risk-targeted audits** by an external audit firm for any case which raises questions prior to closure. For this AAR, one targeted systems audit was requested in the field of Lifelong Learning (LLP) and Youth in Action programmes resulting in a number of recommendations for improvement and a fully implemented action plan.

IV) In order to get a complementary view on the respect of legality, regularity and compliance with the principles of sound financial management of transactions, a series of **ex post checks on final payments** were carried out on auditable grants,<sup>243</sup> and other types of expenditure.<sup>244</sup> Their aggregated results contribute to an annual detected and residual error rate for direct management by the DG of 0.62%<sup>245</sup> of the value of payments made in 2014 (0,14% in AAR 2013; 2.2% in AAR 2012) and a multi annual residual error rate (taking corrections into account) of **0.87%**<sup>246</sup> **over 2011-2014** (0,88% over 2011-2013). Full details are provided below.

#### IV-a) Ex post audits on cost-based grants

Ex post audits of actions implemented by direct management by the DG through cost based grants (approximately 2% of executed payments) were carried out by an external audit firm and based on a random selection method (MUS) across all such transactions of the DG, which provides a sound basis for applying the results of the controls to the

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<sup>242</sup> It should be noted that although the new 2014-20 generation of programmes were initiated in 2014, these transactions will only become fully auditable in future years and that the assurance presented in this chapter is mainly based on testing of the 2007-13 generation of programmes.

<sup>243</sup> Mainly cost-based project grants, although including also a few financially auditable operating grants.

<sup>244</sup> Ex post controls on public procurements, administrative expenditures, Commission trainees, Commission Library.

<sup>245</sup> Retaining the methodology of AAR 2013, this rate would have been 0,23%

<sup>246</sup> Retaining the methodology of AAR 2013, this rate would have been 0,33%

full sub-population.<sup>247</sup> The partial error rate on auditable grants is calculated by dividing the total amount to be recovered following the results of untargeted ex post audits carried out on closed files, by the total amount paid for files which were audited. For 2014, the detected error rate is 1.71% (compared to 0.4% in 2013, 5.5% in 2012, 2.3% in 2011 and 3.4% in 2010) and 2.43% residual error rate over 2011-2014 (2.8% over 2011-2013). Recoveries for the 2014 audits will be made progressively in 2015.

The **qualitative analysis** of the observed financial errors detected through audits finalised in 2014 reveals similar issues to those in the AARs since 2009. The main errors concerned again the inclusion of costs that were ineligible by nature (30% of errors), over-claims compared to reality (22%), and the inability of beneficiaries to produce appropriate justifying documents (19%). Other types of errors were less widespread and had a lower impact on this error rate. These types of errors are a recurring problem in all cost-based grants, which are now relatively immaterial in the context of DG EAC's overall portfolio of activities.

#### IV-b) Ex post checks on other expenditures

For the third year, in addition to ex-post grant audits, additional ex post controls have been carried out for additional categories of transactions such as expenditure under procurement contracts<sup>248</sup> and corporate services<sup>249</sup> (Traineeship Office, Central Library). No financial errors were detected as a result of this type of control. Categories of expenditures with a very low level of risk were not reviewed ex post and so were not included in the calculation of the error rate.<sup>250</sup> The resulting aggregated annual error rate for "other expenditure", amounts to 0% for 2014.

The wider coverage of the various categories of expenditure under direct management by the DG gives a more representative result since 2011; in 2014 it covers 97%<sup>251</sup> of the expenses for this management mode.

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<sup>247</sup> In 2014, 11 untargeted ex post audits were finalised and could be taken into account. They represent €12 million of total funding, which corresponds to 26% of the budget spent on cost-based grants implemented through direct management by the DG. An overall amount of € 171.022 is to be recovered (as from 2015).

<sup>248</sup> Out of €28.2 million payments for the purchase of goods or services made by the DG from 1.1.2014 to 25.11.2014, two samples for control purposes were selected at random: a first of 10 based on the MUS methodology, thus favouring the largest payments; a second of 10 wholly at random, accounting together for 2.6% of total payments.

<sup>249</sup> Out of respectively €5.9 and €2.1 million payments for Traineeships and the Central Library, two random selections (MUS) of 10 payment files were made, accounting together for 4% and 17% of total payments respectively. Also here, the sample can remain relatively small because of the homogeneity of the population.

<sup>250</sup> Regarding operating grants to EACEA and the traditional agencies, a qualitative analysis - corroborated by consistently positive results from the Court of Auditors controls - demonstrates the very low level of risk. Administrative expenses other than public procurement are also excluded from the calculation because their management is less relevant to the concept of assurance at the level of a DG. Moreover a previous IAC audit had not revealed serious deficiencies relevant for the assurance under direct management by the DG.

<sup>251</sup> Retaining the methodology of AAR 2013, this rate would have been 65%

The multi-annual residual error rate for DG EAC's direct management by the DG is **0.87%**<sup>252</sup> over 2011-2014 (0,88% over 2011-2013), which is below the 2% threshold. For all the reasons above, it is considered that **DG EAC has reasonable assurance on direct management for 2014.**

### 2.1.1.2 Use of corrective measures: a benefit of an effective control system

DG Education and Culture has set up a robust legal and contractual framework for each programme which enables financial corrections and/or suspension of programmes (see 2.2.2.1). Recovery orders can also be made in the event of serious weaknesses (detection of irregular expenditure, failure of programmes implementation) in the management and control systems that have not been addressed by entrusted bodies and put at risk the Community contribution, or in case of detection of irregular expenditure in a direct management grant.

During 2014 a total of €1,5 million has been cashed, representing amounts corresponding to Recovery Orders which have been set up in the previous years.

## 2.1.2 Control efficiency and cost-effectiveness

The principle of efficiency concerns the best relationship between resources employed and results achieved. The principle of economy requires that the resources used by the institution in the pursuit of its activities shall be made available in due time, in appropriate quantity and quality and at the best price.

### 2.1.2.1 Cost-effectiveness of controls

DG Education and Culture has made an initial estimation of the costs of the resources and inputs required for carrying out the controls described in annex 5 and estimates, in so far as possible, their benefits in terms of the amount of errors and irregularities prevented, detected and corrected by these controls but also in terms of non-quantifiable errors. This approach emphasises the core financial and operational checks of the controls chain, and may be complemented in future years if more detailed analysis or more specific methodologies are available.

The DG's **control strategy** is based on a single integrated control chain framework in order to provide a reasonable assurance throughout the project cycle. In order to better reflect DG EAC's specificities, the approach taken to assess cost-effectiveness of controls is based on the logic of building blocks of assurance and a single integrated control framework. Under the current generation of programmes and for 2007-2013, Executive Agencies and all entrusted entities are always responsible for the primary

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<sup>252</sup> Retaining the methodology of AAR 2013, this rate would have been 0,33%

level of controls in order to ensure the protection of the Union’s financial interest. For all management modes, DG EAC is responsible for the controls at Commission level, so all reported costs of controls are presented as a percentage of the total budget. However, EAs have been excluded from the calculation taking into consideration their specific AAR reporting obligations.

Following the same methodology as in 2013, DG EAC’s initial estimate is that the **cost of controls** in total regarding its overall activities is between a minimum of 0,41% (2013 - 0,48%) (based on FTEs who performed “checks”<sup>253</sup>) and a maximum of 1,24% (2013 - 1,50 %) (based on FTEs who performed “ controls” in a broad sense<sup>254</sup>).

When also taking into account “primary level of controls performed by its entrusted entities”, the estimation of their cost of controls based on their operating grant regarding their overall activities is between a minimum of 0,65% (2013 - 0,85%) (for “checks” based approach) and a maximum of 3,81% (2013 - 4,96%) (for a broader “controls” approach).

Consequently when adding the two layers of controls, the global cost of control is between a minimum of 1,02% (2013 - 1,24%) and 4,85% (2013 - 5,89%) of the budget managed (EAs budget excluded).

The following table summarises the aggregated estimation:

EUR million	Maximum (“Broad chain of Controls”) *	Minimum (“Checks”)
Amount** managed by DG EAC	1.947	1.947
Of which cost of controls at Commission level (%)	1,24%	0,41%
Amount** managed by entrusted entities only	1.843	1.843
Of which cost of controls at primary level as a percentage of commitments managed by entrusted entities only except EAs (%)	3,81%	0,65%
<b>Total cost of controls %***</b>	<b>4,85%</b>	<b>1,02%</b>

\* Controls as defined in a broad sense: may involve various “checks”, as well as the implementation of any policies and procedures to achieve objectives

\*\*Amount defined according to Activity Based Budget (ABB), except Executive Agencies.

\*\*\* (Commission level cost of controls + Entrusted Entities cost of controls in value)/ Amount managed by DG EAC X 100 = % Total cost of controls

<sup>253</sup> "Check" means the verification of a specific aspect of a revenue or expenditure operation.

<sup>254</sup> “Controls means any measure taken to provide reasonable assurance regarding the effectiveness, efficiency and economy of operations, the reliability of reporting, the safeguarding of assets and information, the prevention and detection and correction of fraud and irregularities and their follow-up, and the adequate management of the risks relating to the legality and regularity of the underlying transactions, taking into account the multiannual character of programmes as well as the nature of the payments concerned.” taking into account the multiannual character of programmes as well as the nature of the payments concerned.

Our assessment is that these costs are proportional and cost effective given the likely risk of error if such controls were not in place, and the requirement to ensure an error rate below 2%.

More specifically, while the EAC-related budgetary "domain" totals € 3.4 billion (ie including operational budget executed by EACEA and REA), DG EAC 'own' budget is € 1.9 billion in 2014. Most of this 'own' budget is largely entrusted to National Agencies (83%). While most of DG EAC's FTEs are performing policy-related tasks, some FTEs carry out supervisory controls on these National Agencies (methodology and guidelines, supervisory visits, etc.). These are estimated to represent approximately 36 FTEs or €4,75m in 2014. DG EAC's supervisory controls on executive agencies, decentralised agencies, and the EIT represent approximately 6,7 FTEs or €0.84m<sup>255</sup>. DG EAC's other types of expenditure (direct grants, central library, traineeships, procurement) representing less than 10% of total budget managed and less than 10% of the FTEs devoted to control and therefore are not analysed in detail.

As regards **benefits of controls**, at present, since a quantitative estimation of the total volume of errors prevented and detected is not available, it is not possible to quantify the related benefits, other than the amounts recovered as a result of these controls (€1.5m in 2014, €5,4m in 2013 representing 0.1% of the amount managed, see previous section 2.1.1). For quantifiable benefits, for the first two years, this could be done using the hypothetical "no control" scenario, which would involve estimating the error which would result if all controls were taken away. A very prudent estimation, is that a 15% error rate would be the minimum if the Commission or its intermediaries performed no controls at any stage. This in a general way shows that the control framework in place does not cost more than it "saves" in total.

Quantifiable benefits alone do not present the true situation with regard to the **cost-effectiveness of controls**. Non-quantifiable benefits resulting from deterrent effects of controls, the implementation of a sound management and control system, the positive reputational effect in the context of a substantial increase in the budget granted to DG EAC with the 2014-2020 Multi-annual Financial Framework, have to be taken into account to reach an informed conclusion as to the relative cost- effectiveness of the controls.

Overall, the DG EAC cost of control at 1,02%-4,85% of the budget managed (see table above) is a prudent and conservative estimate. The structures in place are therefore considered to be cost-effective.

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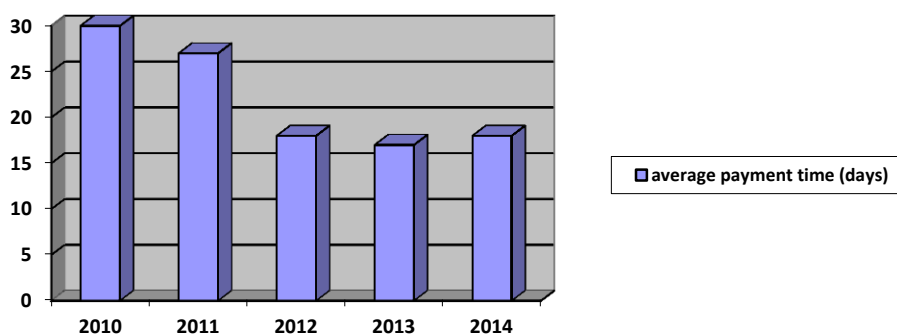
<sup>255</sup> For EACEA's and REA's checks and controls, detailed calculations by control stage for the budgets handled by EACEA and REA are available in their respective AARs.

## 2.1.2.2 Control efficiency

In parallel, it is worth analysing the evolution of some control efficiency indicators retained over time in the absence, at present, of a Commission-wide benchmark.

- **Efficient use of budget and financial resources**

For 2014 all financial indicators have remained satisfactory, i.e. below target ceilings. For instance, the average payment time for the whole DG (18 days) has been maintained at a better level than target since 2012. In terms of legal time limits, the overall percentage of late payments has equally been stable since 2012 (4% in 2014).<sup>256</sup>



It is clear that between 2008 and 2014 major progress has been made as payment times and delays have been systematically reduced.<sup>257</sup>

- **Better use of human resources**

Gains in efficiency as regards control and management have allowed DG EAC to further align its human resources with its priorities.

Over the last decade, as EAC policy areas have become increasingly important in the EU political agenda, and as fund management has been further delegated to Agencies, DG EAC's human resources profile has increasingly moved towards a policy and programme supervisory DG, rather than a direct programme implementing DG. These changes resulted in the need for more Administrator level staff (52% compared to 47% in 2008) and a tendency to recruit staff with more specialist knowledge of the Member States' education systems. In 2010, only a quarter of staff had a policy-making profile whereas, by the end of 2014, more than a third of staff had this profile. In line with Commission policy, DG EAC registered reductions in financial staff (11% compared to 14% in 2010),

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<sup>256</sup> When taking into account the payments for the traineeships programme (7.316 payments with an average time of 7 days) the 2014 average payment time amounts to 9.7 days and the overall percentage of late payments represents only 1%.

<sup>257</sup> Further details are available in DG EAC's 2013 AAR.

as well as in support and policy co-ordination staff (9% compared to over 16% in 2010). On the other hand, DG EAC has made a concerted effort to increase the proportion of operational staff (close to 77%, excluding corporate staff – the Central Library and the Traineeship Office).

To respect the commitment of the Commission to progressively reduce staff by 5% by 2017, efficiency gains have continued in 2014, following notably the centralisation of financial circuits since 2012, the reorganisation of the DG in 2013 and the new organisation chart after the Juncker Commission took office (applicable as of 1.1.2015). In the first year of implementation of 2014-2020 programmes, human resources have been redeployed to foster IT and programme-policy coordination. In 2014, the staffing level was reduced by 2% and internal redeployment efforts continued while assuring the achievement of policy objectives. In the coming years, as foreseen at the end of 2014, internal redeployment will be expected to reinforce policy work with regard to Commission priorities, namely Europe 2020 review, the Digital Single Market and the EU investment plan. Reduction of staff will be sought in the fields of administrative/IT/financial support, communication and co-ordination without compromising the business continuity and regulatory compliance of the DG.

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Based on the above, during the reporting year **the controls carried out by DG Education and Culture were cost-effective**. This conclusion applies both to direct and indirect management, and is therefore mirrored in section 2.2.2.

DG Education and Culture considers that the necessity of these controls is undeniable, as the totality of the appropriations would be at risk if they were not in place (“maximum estimation of a zero control scenario”), as well as their being legally required under the Financial Regulation.

In addition, in recent years, DG EAC can demonstrate that **overall control efficiency has improved**.

## 2.1.3 Other control objectives

The DG has reasonable assurance that resources were used for their intended purpose and reporting information provided is estimated to be sufficient and reliable. Results as regards these control objectives have not provided evidence of any weaknesses which may have a significant impact on the assurance.

For 2014, the performance of DG EAC has been satisfactory as regards the use of resources and the reliability of reporting. Key indicators are monitored by senior management through a monthly Dashboard and during the year, effective corrective actions have generally been taken, particularly in the fields of human resources, budget execution and document management.

Following the forecast adjustment in September, the **budget** of the DG was for the most part on track at the end of the year, with the exception of an under execution of the Creative Europe Cross sectorial strand. The additional payment appropriations received during the very last days of the year after the adaptation of Amending Budget 3/2014 (EUR 138 million for Erasmus+ and EUR 40.8 million for MSCA) have been totally implemented (second pre-financing towards NA for Erasmus+ and pre-financing payments for ITN projects under MSCA) which constitutes a major achievement.<sup>258</sup>

### 2.1.3.1 Non-financial management indicators

Most of the **human resources** indicators showed again a very satisfactory performance. On occasions the overall number of staff without validated objectives or job descriptions remained slightly above the acceptable ceiling due to the reorganisation and the transfer of responsibilities of a number of posts to other DGs, but remedial actions were taken each time.

DG EAC has succeeded over the year to reduce the number of unfiled documents and to maintain constantly this key aspect of **document management** on target.

In line with the new **external communication** approach of the Commission, the DG had recasted its websites in 2013 and has stopped updating them as actively as in the past with fewer news items.<sup>259</sup> Nevertheless the total number of unique visitors in 2014 remained very significant (more than 7.6 million) and the yearly evolution was positive in the cases of the more recent Erasmus+ site (+5%) and Facebook posts (+31%).

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<sup>258</sup> Overall execution at the end of December reached 97% (96% in 2013) in commitments and 90% (93% in 2013) in payments. As regards the 2014 commitment appropriations (C1 "fresh" credits), all budget lines have been executed 100% for available appropriations but the one for House of European History. The execution rate for C1 payments reached 99% of available appropriations. The operational credits have been executed 100%. However, for the administrative expenditures the execution rate was only 82% (which, as non-differentiated appropriations, can still be paid in 2015).

<sup>259</sup> DG EAC has designed eight thematic sites – [Education and Training](#), [Erasmus+](#), [Creative Europe](#), [Languages](#), [Marie Skłodowska-Curie](#), [Sport](#), [Youth](#) – to provide news, information on calls for tender/proposals, and useful links.



**Evaluations and follow up of finalised evaluations** have experienced significant delays.<sup>260</sup> The timeliness of evaluation work will continue to be monitored on a quarterly basis by senior management in order to speed-up the process of implementation of recommendations.

### **2.1.3.2 Synthesis of the results of accounting controls: high quality of financial management**

In the context of the accounts quality exercise, DG EAC implemented its 2014 programme of regular controls in order to verify the correctness and completeness of the accounting activities in the DG, based on a risk assessment.

Two types of controls were carried out:

- *Controls on the accounts:* This type of controls is based on the checks proposed by DG Budget in the context of the accounting quality revision programme. The results of these controls are reported on a monthly basis to management. These controls have not revealed any material or systematic errors and where corrections were needed these have been carried out. The corrections are documented and monitored centrally within the Resources Directorate.
- *Accounting controls on files:* The accounting control of the files is an ex post control procedure, which aims to verify the correctness and completeness of the registrations in the central accounting system with respect to the actual transactions and its related documents. The controls of 25 transactions did not reveal material errors nor any systemic issues. The controls confirmed a high quality of local financial management.

DG EAC's Financial Management Report for 2014 has been approved by the Directors Steering Committee without observations. The IAC conducted its follow up review of the implementation of the recommendations from its audit of 2013 and concluded that all recommendations had been implemented.

### **2.1.3.3 Advice of the Legal Service always followed**

During 2014, DG EAC has followed the advice of Legal Service in all cases of recovery orders.

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<sup>260</sup> In the course of 2014, there have been on average 3 active evaluations in delay by more than 1 month; and on average 7 evaluations in follow-up phase in delay by more than 1 month and up to more than 12 months.

#### 2.1.3.4 Exceptions procedures: a cyclical effect

Following the revision of reporting on **financial exceptions**, two types have been defined. The term 'exception' applies where the authorising officer authorises *ex ante* a deviation of an agreed process or procedure on an ex-ante basis, i.e. before it occurs. Conversely, a 'non-compliance event' is registered in case the deviation is reported subsequent to the event taking place.

There were 39 exception reports in total in 2014, an increase of 10 compared to 2013. 2014 marked the start of a new programming cycle. The cyclical effect of this is that the increase in exceptions is explained by events that are directly attributable to teething problems associated with the start of implementation of new programmes. The number of exceptions other than those attributable to the beginning of the new policy cycle has remained at a level identical to 2013. Some 40% of these exceptions relate to minor issues concerning standard contract management practice and, in particular to the monitoring of implementation deadlines of contracts (e.g. amendment requests tabled later than contractual deadline).

Concerning **operational procedures** in the field of Commission Inter-Service Consultations and the Right of scrutiny of the European Parliament, the possibility for exceptions is explicitly provided for in the applicable procedures. No exception was sought on the right of scrutiny of the Parliament, while shortened interservices consultations were sought in three cases, namely the adoption of the Erasmus+ Work Programme and two cases of requests to examine the legality of an act of EACEA<sup>261</sup>.

None of the exceptions above has an impact on the assurance for 2014.
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#### 2.1.3.5 Fraud prevention and detection: no impact on assurance

Within DG Education and Culture, the controls aimed at preventing and detecting fraud are not unlike those intended to ensure the legality and regularity of the transactions (the unintentional errors). Each year DG EAC reviews all reporting from National Agencies on possible fraud or irregularities. In 2014, none of them has required particular precautionary measures.

DG EAC is also regularly called upon to contribute to ongoing OLAF investigations or to organise the follow-up to completed OLAF investigations. No financial prejudice to the EU budget resulting from fraud was established in final OLAF case reports concerning DG EAC received during 2014. Two cases were referred to OLAF and one to IDOC during 2014 by DG EAC.

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<sup>261</sup> As required under Article 22 of Regulation 58/2003

DG Education and Culture adopted in 2014 its anti-fraud strategy with the related action plan as requested in the Commission's overall anti-fraud strategy.<sup>262</sup> This aims to optimise the anti-fraud framework already existing in the DG and to enhance anti-fraud at all stages of the anti-fraud cycle (prevention/detection, notification, investigation, sanction/recovery, follow-up). An initial survey of fraud awareness was carried out in 2014, showing room for improvement regarding capacity building, awareness raising, and enhancing communication and an updated risk analysis covering direct and indirect management in line with the DG's new organisation will guide further implementation of the strategy.

Considering the level of fraud impact faced by the DG, in particular the financial prejudice recorded by the European Anti-fraud Office in the remit of DG EAC, the residual risk of fraud does not justify additional temporary measures until full implementation. DG maintains tight cooperation with OLAF and follows the small number of ongoing cases closely. Therefore it is possible to conclude positively on assurance in respect of fraud risk.

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

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<sup>262</sup> COM(2011) 376 24.06.2011.

## 2.2 Budget implementation tasks entrusted to other services and entities.

This section reports and assesses the elements that support the assurance on the achievement of the internal control objectives as regards the results of the DG's supervisory controls on the budget implementation tasks carried out by other Commission services and entrusted entities distinct from the Commission.<sup>263</sup>

As per the table at the beginning of section 2, the entrusted amounts represent 95% of the budget addressed by this AAR.

For the 2014 reporting year, these entities and the cross-delegated AODs have themselves reported reasonable assurance on the delegated budget managed by them on behalf of DG EAC. They have signalled no serious control issues.

From the DG own monitoring and supervision work DG, which includes regular contacts and visits/DG's representation on the entity governing Board/ desk reviews of relevant management reports and audit reports, as a Parent DG, we have no indications that their reporting would not be reliable.

### 2.2.1 Direct management by entrusted entities

#### 2.2.1.1 Supervision of Executive Agencies (EACEA and REA)

The Commission retains a **supervisory role** of the activities of the agencies. The supervisory measures are implemented taking account of the structure and maturity of the respective agencies, as well as the status of DG EAC as a parent DG *vis-à-vis* the other parent DGs. The Directors of the Executive Agencies (EA) falling under DG EAC's responsibility give assurance on the use of the funds delegated to them in their Annual Activity Reports (AAR). Each of the Executive Agencies receives its delegation to implement the operational budget (programmes) directly from the Commission. Consequently, the Executive Director of the EA is the Authorising Officer by Delegation (AOD) and produces an AAR providing assurance in his section 2.1 on this expenditure under direct management by the EA. However, the operating (administrative) budget of the EA is financed through a subsidy contribution from the Parent DG(s), which is expenditure authorised by the AOD in the Parent DG(s), for which the Director of the Agency is Authorising Officer. Therefore this expenditure must be covered by the AAR and declaration of assurance by the AOD in the Parent DG(s) and is treated within this section 2.2.

The Delegation Act of EACEA was **revised in 2014**, in order to include some Heading 4 instruments and the EU Aid Volunteers programme following the adoption of their legal

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<sup>263</sup> According to instructions, this AAR outlines the results of the supervision by DG EAC of Executive, National and traditional Agencies, as well as of other bodies and financial instruments. See introduction (DG in brief) for an overview of the various kinds of management modes.

bases, and then again in 2015 to include the new parent DGs (Migration and Home Affairs, and Communications Networks, Content and Technology). The memorandum of understanding (MoU) defining the cooperation terms between the Agency and its parent DGs was signed in March 2015. A similar MoU was adopted between REA and its parent DGs in 2014.

Given that the EACEA and REA execute parts of programme supervised fully or partly by DG EAC, their related **control systems** are similar to those of the Parent DGs. EACEA carries out a multi-annual audit strategy on its beneficiaries using a contracted external auditor. REA's ex-post audits are performed in the context of a common audit strategy with the Research family DGs, with specific audits for the relatively low-risk People FP7 sub-population.<sup>264</sup>

The consumption of each EA's administrative budget has been **monitored** on a monthly basis, with significant budget revisions approved by the Steering Committee. Executive Agencies have overall maintained their budget execution in line with revised forecasts over the year. In terms of economies of the externalisation through Executive Agencies, the EA's administration cost is consistently lower than that of the Commission, as demonstrated by the Cost Benefit Analysis finalised in 2013.

### **The Education Audiovisual and Culture Executive Agency (EACEA)**

In its Annual Activity Report (AAR) 2014, **EACEA has maintained its AAR 2011 reservation** on the management of the (2007-2013) Lifelong Learning Programme (LLP) because of the occurrence of significant errors in the underlying transactions found through ex post controls by external auditors.<sup>265</sup> The multi-annual detected error rates is 4.07% of the LLP programme for 2011-2014 (3.04% over 2011-2013). However, the value at risk accounts for only 0.72% (0.57% over 2011-2013) of the total payments budget of EACEA for the same period (€ 4.4 million for a total of €613 million). The errors concern mainly the difficulties encountered by some beneficiaries in producing adequate justifying documents and the non-respect of some eligibility rules under the criteria of reimbursement of actual costs. All errors identified were recovered. In addition, an error rate above 2% was noted concerning Youth in Action, but in this case no reservation has been made due to the disproportionate impact of a single audit on the result. As this situation has been presented transparently in EACEA's AAR based on their consultation with the central services, no reservation is required by DG EAC in this case as regards its supervisory role as parent DG.

The Agency had continued to implement the **action plan** adopted in response to the reservations made in its annual activity reports 2010 (Culture and Youth programmes) and 2011 (LLP), and had also decided to implement additional actions, with the aim of improving the desk control strategy on on-going projects and having an impact on the LLP error rate at a shorter term. Although the action plan should have a mitigating

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<sup>264</sup> See for more details the related ICT in annex 5 and the EA's own AAR.

<sup>265</sup> See EACEA AAR based its own 2011-2014 error rates on the results of approximately 120 ex post audits per year.

effect on this error rate, it is likely to be persistent with respect to the LLP programme, as most of its grants are budget-based "actual cost" schemes which are much more prone to difficulties in terms of eligibility of costs. EACEA has calculated since 2012 error rates on a multi-annual basis. While these actions are expected to result in some reduction in errors, a more sustained improvement is only foreseen in the period 2014-2020 via the switch from cost-based grants to grants based on lump sums or flat rates under the future Erasmus+ programme.

The EACEA Director's declaration of assurance is complemented by the monitoring and **supervision on the functioning of EACEA**, which enables a close scrutiny of the alignment of implementation of policy objectives, through:

- The assessment of EACEA's new or amended legal acts and procedures;
- The systematic monitoring of EACEA through its Steering Committee completed with periodic horizontal coordination meetings at various appropriate levels;
- The assessment of the periodic reports of EACEA together with a structured monitoring of performance indicators in relation to the objectives of the Agency (including the error rate of ex post audits of projects) and of the management cost per programme;
- The implementation of the internal control standards in EACEA that have been externally evaluated as being of a satisfactory level;
- The monitoring of the implementation of the action plan following EACEA's 'three-yearly' evaluations, including its monitoring visits carried out as planned, as well as the audits carried out by the various bodies that audit the Agency (Internal Audit Capabilities (IACs) of EACEA and DG EAC, Internal Audit Service of the Commission (IAS) and European Court of Auditors) and the validation by other bodies of EACEA's systems (e.g. DG Budget's compulsory annual validation of EACEA's accounting systems), in order to verify that policy objectives are reached in an effective, efficient and economic manner.

**Key indicators** of EACEA have either met or surpassed target over the last four years. In terms of the subsidy paid by EAC (€39 million), the EA has justified its use and any unused appropriations have been recovered by the parent DGs

During the reporting period, no specific difficulties were encountered and no weaknesses are to be reported on the budget lines for the EACEA subsidy.

In contrast, for the management of *operational* appropriations, EACEA has maintained since 2011 a reservation on the LLP programme 2007-2013 under its revised multi-annual calculation of the error rate.

For this AAR of DG EAC, **no financial or reputational reservation** is required, given that there is no weakness in terms of DG EAC's supervision responsibilities.

## The Research Executive Agency (REA)

DG EAC acts as **one of the parent DGs** of the **Research Executive Agency (REA)**, which is responsible for implementing the major part of the People programme, DG Research and Innovation being the lead parent DG for REA. The implementing of the Marie Skłodowska Curie Actions (MSCA) programme delegated to REA represents with € 701 million (890 million in 2013), 63% of REAs financial activity. In terms of AAR reporting, as the MSCA, forming part of H2020, do not have a sufficient number of closed transactions to be auditable, the assurance given is related to the People programme under FP7.

In his AAR 2014, **REA has not made a reservation regarding the People programme** supervised by DG EAC, based on specific audits for this low-risk segment. The development of the error rate under the People programme, insofar as it shows a lower impact due to the different nature of its regularity risk compared to FP7 as a whole, will continue to be monitored as the results of representative audits in this area reach a sufficient volume. The 1.27% estimated error rate (1.43% in AAR 2013) on projects audited ex post under the representative strand for the People programme is estimated to have a budgetary impact<sup>266</sup> on EU funding granted of 1.08% only (1.28% in 2013). Given the low number of audit findings, this error rate cannot be regarded as a statistically reliable estimate but corroborates the assessment of a low risk level of legality and regularity errors inherent to the People programme.<sup>267</sup> The financing modalities for researchers mobility grants are based on an extensive use of flat rates and remain much simpler compared to other parts of FP7. The impact in terms of unjustified EU funding of the main type of error (i.e. underpayment of searchers) remains relatively low. The Director of REA confirms in his AAR that he has sufficient assurance on the proper use of resources and that the available control procedures provide the necessary guarantees on the legality and regularity of underlying transactions for the programme managed for DG EAC.

The REA Director's declaration of assurance is complemented by the monitoring and **supervision on the functioning of REA** through the same elements as listed above for EACEA, but the scope of the supervision measures is adapted to the specific context:

- REA intervenes in the implementation of (only) one programme on behalf of DG EAC, falling under the responsibility of one operational unit in the DG;
- DG Research and Innovation acts as lead parent DG, being responsible for the budget line and payment of the operating subsidy and for completing the formal Commission legal procedures (e.g. Delegation Act, Steering Committee, Annual Work Programme) for REA.

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<sup>266</sup> The difference between the gross error rate and the budgetary impact is due to the fact that some negative adjustments detected through an audit relate to the reporting period, but will not have budgetary impact on the project because the correct eligible costs and financial contribution will be calculated by the final payment.

<sup>267</sup> See REA's AAR. Final audit findings are available for 148 audits over 2009-2014 of which 116 under the representative strand.

Based on the regular reporting and monitoring activities carried out during the period, supervision of REA appears effective for the elements relevant to DG EAC. No reservation is required given that there is no weakness in terms of EAC's supervision responsibilities.

As regards DG EAC's specific participation, REA's 2014 Annual Activity Report showed **no reservation on the People programme**, despite the reservation on its other FP7 programmes. This is due to the more favourable design of the grant scheme, with greater use of lump sums and unit costs making errors less likely. For this AAR of DG EAC, no financial or reputational reservation is required. From the 2015 AAR, assurance will address the new H2020 Marie Skłodowska Curie Actions directly.

### 2.2.1.2 Cross-sub-delegations

Cross-sub-delegations represent €5,9 million, or 0,4% of total executed payments. The Authorising Officers by Delegation of other DGs have all submitted their reports on the 2014 activities as foreseen in cases of crossed sub-delegation.<sup>268</sup> DG for International Cooperation and Development committed €1m in 2014 for the preparatory action regarding an e-platform under the European Neighbourhood Instrument (see 1.1.1.5). The foreseen payment appropriation of €0.5m could not be carried out due to technical problems. Other DGs indicated in their reports that no particular problems or reservations were made.

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

<sup>268</sup> In 2014, in addition to the relationship with the Office for the Administration and Payment of Individual Entitlements (PMO) for regular expenditure, DG EAC has given a crossed sub-delegation to:

DG Translation, on lines :

- 15.025100 - Completion line for Lifelong learning, including multilingualism - €222 thousand in 2014
- 15.020101 - Promoting excellence and cooperation in the European education and training area and its relevance to the labour market -€313 thousand paid in 2014

DG Eurostat

- 15.025100 - Completion line for Lifelong learning, including multilingualism - €111 thousand in 2015
- 15.010401 - Support expenditure for Erasmus+ - no payments in 2014
- 15.010402 - Support expenditure for Creative European Commission – no payments in 2014

DG Informatics

- 15.010401 - Support expenditure for Erasmus+ €31 thousand in 2014
- 15.010402 - Support expenditure for Creative Europe – no payments in 2014
- 15.010503 - Other management expenditure for Research and Innovation programmes — Horizon 2020 – no payments in 2014
- 15.035001.7 - Appropriations accruing from contributions from (non-European Economic Area) third parties to research and technological development (2014 to 2020) - €34 thousand in 2014

DG International Cooperation and Development

- 15.027709 - Preparatory action — E-Platform for Neighbourhood – no payments in 2014

DG Office for Publication

- 15.010401 - Support expenditure for Erasmus+ €13 thousand in 2014
- 15.010402 - Support expenditure for Creative Europe – €7 thousand in 2014
- 15.010503 - Other management expenditure for Research and Innovation programmes — Horizon 2020 3 thousand in 2014



## 2.2.2 Indirect management

*As regards control efficiency and cost effectiveness for indirect management, please refer to sections 2.1.2.1 and 2.1.2.2.*

### 2.2.2.1 Supervision of National Agencies

2014 is a **transitional year** for the supervisory arrangements with respect to the National Agencies, as the structures in place under the Erasmus+ legal base (introduction of an Independent Audit Body<sup>269</sup>, etc.) will have completed their full first year within the new programme to enable reporting in the AAR 2015. Both aspects are covered in the relevant Internal Control Template in Annex 5.

Under the generation of programmes 2007-2013 and for Erasmus+, DG EAC operates an **integrated control system for management through 61<sup>270</sup> National Agencies (NAs)**, under the supervision of the National Authorities (NAUs) of the participating countries.<sup>271</sup> Appropriations managed account for 80% of executed payments in 2014. Contribution to management costs by the Commission totalled € 64 million.

The **management information** reported by the NAUs and NAs for the year 2013, which was received in 2014, was sufficient to draw either partial or full assurance conclusions, except in the case of Greece. All individual management opinions for National Agencies are summarised yearly in overall management opinions by programme, which are signed by the responsible Director within DG EAC.<sup>272</sup> The information was deemed reliable without additional action needed, from the responsible AOD before being able to conclude on assurance, with some exceptions regarding particular NAs outlined below. For the reporting on 2014 to be received in 2015, NAs are experiencing delays in complying as they adapt to the requirements of the new programme 2014-2020.

The **first level of controls** on beneficiaries is executed by the National Agencies. Secondary controls over the control systems of the NAs are carried out by the National Authorities. DG EAC's third level of supervisory controls aims to review the national control systems (primary and secondary controls).<sup>273</sup> In addition, DG EAC received *ex ante* formal assurance from the National Authorities on the proper functioning of the control system of the National Agencies. The first reports of the Independent Audit Bodies will only be available as of the 2015 AAR.

The 2013 declarations of assurance and NA reports confirmed in 2014 a **high level of quality** and relevance. 89% of all Declarations and Reports were received by the end of

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<sup>269</sup> In line with the structure of indirect management in the Financial Regulation additional assurance is provided by an audit body functionally independent from the entrusted entity.

<sup>270</sup> 60 NAs for Erasmus+, one for Switzerland under LLP/Youth in Action.

<sup>271</sup> See annex 5 for more details on this management mode (also including details of the approach for the 2014-20 programme) and annex 6 for the list of National agencies and corresponding amounts of appropriations managed.

<sup>272</sup> Since 2012, the IT tool NA Lifecard facilitates follow-up all recommendations from the Management opinions.

<sup>273</sup> See the Internal Control Template in Annex 5 for a detailed description of this management mode.

June. This state of play in June 2014 was somewhat worse than the situation in previous years<sup>274</sup>. This can be explained by the fact that in the first half of 2014 National Authorities were confronted with a high workload due to the complexities and problems linked to the introduction of a new programme and had to prepare as well their ex-ante compliance assessments. In addition to the assurance from participating countries, DG EAC has conducted a number of financial ex-post audits and supervisory visits in 2014.<sup>275</sup>

As a result of the above, DG EAC considers it has a sufficiently complete knowledge of the way in which its programmes are implemented by NAs.

### Building blocks for assurance of National Agencies

The key supervision and control activities for assurance in 2014 are: the primary controls by National Agencies, secondary controls by National Authorities, and the financial audits and supervisory visits carried out by DG EAC.

In 2014, the **residual error rate detected by National Agencies** implementing the Lifelong Learning programme in their (random) ex post controls on actions funded from the 2009 budget was 0.44% for LLP (compared to 0.56% in 2013). This result is statistically not significantly different over the last four years. There was no structural increase for a particular sub-programme, or programme country. On average, the multi-annual NA residual error rate over 2011-2014 remains 0.55%.<sup>276</sup>

The results of the **financial audits carried out at EU level** as mentioned above showed a negligible level of error at the level of the National Agencies, lower than most previous observations. Approached from a multi-annual perspective<sup>277</sup> and taking into account the impact of recoveries, the results show a modest 2011-2014 residual error rate of 0.15% (LLP: 0.03%; YiA: 0.69%). Management costs of the National Agencies have been audited on a MUS basis and no issues of legality and regularity were detected.

Assuming that the error rate detected in primary controls in YiA is equal to the one found for LLP,<sup>278</sup> the resulting combined residual error rate observed from controls and

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<sup>274</sup> 2010: 81%; 2011: 92%; 2012: 97%; 2013: 89% at 30/06/2014

<sup>275</sup> 10 financial ex post audits of NAs have been finalised on time to be included in the analysis for this AAR, covering overall 8 participating countries, 5 NAs for each of the two programmes and 29,5% of the 2010 Engagement for Decentralised Actions dedicated to National Agencies; In the first half of 2014 no supervisory visits to NAU/NAs were executed, all resources were mobilised for the assessment of the ex-ante compliance assessment for Erasmus+ NAs and Declaration of Assurance for the predecessor programmes LLP/YiA; in the second half 4 supervisory visits were performed (2 in December 2014 – CZ, EL and 2 in January 2015 – BE, BG).

<sup>276</sup> The coverage of primary controls is between 2-5%, and they are extrapolated in order to come to a residual error rate.

<sup>277</sup> 38 audits over 2011-14 covering 38 out of the 75 NAs for the 2007-13 programme and a cumulative budget coverage of 50-60%.

<sup>278</sup> Due to the slightly different structure of ex post controls for YiA NAs (resulting notably from the average smaller size of the supported projects), this detected error rate is only available for LLP. As YiA NAs verify supporting documents systematically ex ante, which is not the case for LLP, the corresponding ex post error rate is likely not to be higher than for LLP. Assuming the same error rate for YiA as for LLP therefore seems a cautious approach.

audits is 0.66% (0.75% in AAR 2013).<sup>279</sup> The coverage of the residual error rates observed by the financial audits of NAs and by the NAs' primary controls is indeed complementary and there is only little overlap between the two. While NA primary controls are designed to detect errors from beneficiaries that were not detected by the *ex ante* control system in the NA, financial audits focus on errors made by the NA (both *ex ante* and *ex post*).<sup>280</sup> It has, therefore, been decided to add both error rates when calculating the error rate under indirect management through NAs.

The indicator set on the number of outstanding very **important recommendations** showed overall a clear improvement as compared to the previous reporting (end 2013) for all key control areas. Compared to the situation of end 2013, the number of open recommendations (from 9 to 6) as well as key control areas affected (from 4 to 3, being secondary controls by National Authorities, checks of grant beneficiaries and degree of realisation of the NA work programme) decreased at the end of 2014.

On the basis of a risk-based **supervisory visit** made in Greece to the NA competent for the youth field, two critical observations were issued and addressed to the National Authority. One related to the still missing 2013 Declaration of Assurance for the YiA programme and another to the absence of national co-financing of the NA for the year 2014 under Erasmus+. In addition, an outstanding observation on NA performance was upgraded from very important to critical. **An ad hoc audit** was carried out in 2014 at the Turkish NA. Action plans have been required from the Turkish authorities. DG EAC's review of remedial action taken at national level led to the closure of all 8 recommendations.

Two Countries have not been given opinions of full assurance in 2014: Spain with partial assurance regarding LLP (7.9%)<sup>281</sup>, and Greece with no assurance regarding YiA (0.29%)<sup>282</sup>, for the reasons outlined above. In both cases, the Commission in cooperation with the NAUs will ensure **reinforced monitoring** in 2015. In December 2014 further payments were suspended to the Greek National Agency in charge of the Erasmus+ programme in the field of Youth. These deficiencies have a moderate impact on the functioning of key elements of the management and control systems, considering their scope and the remedial and precautionary measures taken.

All 59 remaining agencies (including Switzerland) are considered to have given reasonable assurance. Based on the conclusions above, **DG EAC's methodology for**

<sup>279</sup> The error rate combining the results of financial audits and primary ex post controls is calculated as follows:

$$(A_{LLP} + P_{LLP}) * w_{LLP} + (A_{YiA} + P_{YiA}) * w_{YiA}$$

where:  $A_X$  = error rate observed in financial audits for programme X

$P_X$  = Primary ex post control error rate for programme X (here:  $P_{LLP} = P_{YiA}$ )

$w_X$  = budget weight of programme X in total budget

<sup>280</sup> While NA primary controls may also detect errors made by the NA (which would constitute an overlap with ADEC audits) this is not their primary objective and the number of cases can be assumed to be limited.

<sup>281</sup> With a total amount entrusted of €116 million under Erasmus+ for 2014 or 7.9% of the total entrusted to NAs.

<sup>282</sup> With a total amount entrusted of €4,2 million under Erasmus+ for 2014 or 0.29% of the total entrusted to NAs.

defining the materiality criteria<sup>283</sup>, which received a positive assessment<sup>284</sup> from the European Court of Auditors in its Annual Report 2009, foresees the application of the following error rates for the different groups of NAs, which were identified in particular on the basis of the reporting by Authorising Officers by sub-delegation on the use of resources<sup>285</sup>:

NAs/NAUs with no assurance:	20%
NAs/NAUs with partial assurance:	5%
NAs/NAUs with acceptable assurance: combined multi-annual residual error rate detected in financial audits and primary controls by NAs	0.66%

In terms of the contribution to the error rate, 0,016 % relates to Greece and 0,221% to Spain, with the total error rate being 0,87%.

The difference in error rates experienced by EACEA for LLP and Youth compared with the NAs can be explained by the nature of the actions. While the latter mainly deal with European-wide cooperation projects for which the coordinator is responsible for financial management, the NAs mainly deal with individual mobility, smaller partnerships and some cooperation projects; these are simpler in nature and make greater use of lumps sums.

The Director responsible for the implementation of the LLP and YiA programmes has issued an opinion that National Authorities and National Agencies have put in place appropriate management and control systems and that they function effectively so as to give reasonable assurance on the legality and regularity of the underlying operations, with partial assurance and lack of assurance respectively of two agencies. He considers that National Authorities and National Agencies have put in place appropriate management and control systems and that they function effectively so as to give reasonable assurance on the legality and regularity of the underlying operations.

This leads to an aggregate 2011-2014 residual error rate for the implementation through NAs of 0.87% (0.95% over 2011-2013). As this is below the 2% threshold, there is **no need to make a reservation for this management mode**.

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<sup>283</sup> See Annex 4 on materiality criteria.

<sup>284</sup> Overall assessment of reliability level "A". See annex 7.3 of the Annual Report of the European Court of Auditors 2009, OJ C303 of 9.11.2010, p.171

<sup>285</sup> For the multi-annual approach, NAs that were considered lacking reasonable assurance in the past are only included in the calculation of this year's error rate if the observed past weaknesses have not been corrected yet (which is again the case for Spain and Greece in 2014).

### 2.2.2.2 Supervision of Traditional Agencies: European Centre for the Development of Vocational Training (CEDEFOP) and European Training Foundation (ETF)

The two Traditional Agencies represent 2,4% of the executed payments by DG EAC in 2014. As **partner DG** during 2014 (from 2015 this responsibility will be taken over by DG Employment, Social Affairs and Inclusion, DG EAC participated in the statutory bodies of both decentralised agencies, as chair of the Governing Board for ETF (twice a year) and as vice chair and simple member of the Governing Board and Bureau of CEDEFOP (5 times a year). In addition, frequent coordination or working level meetings took place, such as the structured dialogue for ETF with other Commission services. All significant decisions to be taken by the ETF and CEDEFOP Governing Boards are validated by written procedures. All forecasted instalments for CEDEFOP and ETF have been executed in a timely manner in 2014.<sup>286</sup> In terms of the operating subsidy paid by EAC (€20 million for ETF and €17 million for CEDEFOP), the Agencies have justified their use in the context of the relevant governance processes and the individual discharge from the Budgetary Authority. Neither Agency manages significant operational appropriations.

The IAS carried out an audit in CEDEFOP relating to external communication and stakeholder management, which resulted in one Very Important and four important recommendations. The implementation of the related action plan is on track. The implementation of the Action Plan established following the **external evaluation** (mid-2006 to mid-2012) of CEDEFOP, completed in 2013, is ongoing and monitored by means of regular reporting in CEDEFOP's Bureau meetings.

The preparatory work for the launch of the next ETF evaluation (implementation of the Regulation, the results obtained by the Foundation and its working methods in light of the objectives, mandate and functions) covering a period of 2011-2014 was launched in the last quarter of 2014. The contract will be signed at the beginning of 2015 whereafter work will start.

The **Common Approach on EU decentralised agencies** continued its implementation roadmap. DG EAC, as partner DGs of two of these agencies, participated actively in the streamlining of the management of the agencies and improving coordination with other partner DGs of ETF and CEDEFOP, mainly the DG in charge of Employment.

The review of the founding regulation of CEDEFOP, which represents an opportunity to fine-tune the governance and the remit boundaries and scope for collaboration with other agencies on the topics which have proven to create potential for overlap or synergies, has been postponed to 2015 following the redistribution of portfolios in the Commission and the transfer of CEDEFOP and ETF to the DG in charge of Employment.

The Commission estimates that the current - and increasing - cooperation between the

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<sup>286</sup> See for more details on this management mode the related ICT in Annex 5 and Annex 8 as regards resources.

agencies is beneficial to their performance and to the contribution made by the agencies to the European Institutions. Further considerations of joint activities and sharing of services which could lead to economies of scale and optimisation of resources (for example in the field of procurement and recruitment) are being carried out horizontally by the Network of Agencies.

### 2.2.2.3 Supervision of other bodies: EIT

#### Supervision of the European Institute of Innovation and Technology (EIT)

The executed payments regarding EIT in 2014 represent 10,8% of the total, or €165 million, of which €5,8 million is the operating budget of the EIT itself. In 2011, the Commission granted **conditional financial autonomy** to the EIT (see 1.1.3). Meanwhile DG EAC has retained the competence to provide additional ex ante verification regarding two significant modes of implementation (i.e. "Knowledge Innovation Communities" (KIC) grant management and high value tender procedures), according to agreed arrangements.<sup>287</sup>

DG EAC reinforced its support to the EIT headquarters between October 2013 and June 2014 on those areas which were deemed critical by the EIT Board and the Commission, namely the 2014 grant allocation to the KICs and the preparation of the new KICs call. The support actions aimed to develop the necessary expertise in the EIT headquarters, and to help build the capacity for full financial autonomy. DG EAC identified **critical short-term actions** (e.g. the organization of the 2014 grant allocation) on which the EIT had to deliver high quality input before the end of 2013 as well as actions designed to improve the EIT's operations on a more sustained basis (e.g. the set-up of risk assessment mechanisms linked to activities, the definition of internal control standards, monitoring systems, etc.). The improvements implemented, in particular after the summer, have allowed to start progressively the phasing out of DG EAC from the EIT's day to day operations while fully retaining the support and supervision function. Close monitoring has thus been maintained.

The IAS carried out a first follow-up audit on its 2012 **limited review on EIT grant management** and noted partial progress.<sup>288</sup> To address the residual risk related to the remaining recommendations, the EIT is implementing throughout 2015 the seven key actions highlighted by the IAS in its final follow-up report.

The **Court of Auditors** issued a positive opinion on the reliability of the EIT's 2013 accounts, whereas it **qualified its opinion** with regard to the legality and regularity of the underlying transactions. The main issues identified were the insufficient quality of ex ante verifications on grant expenditure, as well as irregular public procurement

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<sup>287</sup> See the related ICT in Annex 5 for more details on this management mode.

<sup>288</sup> The initial audit resulted in six recommendations, of which one was rated 'critical' and four 'very important' (VI). The 2014 follow-up review concluded that two recommendations (one 'VI' and one important (I)) could be closed, whereas the 'critical' recommendation was downgraded to 'VI', and two 'VI' recommendations were downgraded to 'I', taking into account the reduced level of residual risk.

procedures applied when concluding two framework contracts back in 2010 and 2012. The Court notes the considerable efforts made by the EIT to implement effective ex ante verifications and the improved quality of audit certificates, although further improvements are still needed. The Court estimated that the error rate is between 2% and 3% of 2013 expenditure (grants + procurement), which is well below the Research Framework Programmes average error rate (around 4-5%). With regard to the follow-up of its previous years' comments, the Court concluded that the related actions had been completed for two comments, and were ongoing with regard to the third comment. The EIT has defined a series of actions that it is implementing to remedy the weaknesses identified by the Court in its latest report.

In view of the satisfactory supervisory situation and the results of the EIT's audits showing an residual error rate below 2% <sup>289</sup>, DG EAC considers it has sufficient assurance at the supervisory level with regard to 2014.

**Full financial autonomy** for the EIT will only be examined, if and when the EIT requests it formally, and after a sufficiently robust assessment of the EIT's readiness report covering the verification of compliance of all the remaining open requirements. On the basis of the ex-ante approval provided, the mitigating measures will continue to be taken since, in the context of the conclusions of the Court of Auditors on the EIT 2013 accounts and the postponement by the European Parliament's Committee on Budgetary Control (CONT) of the discharge, the internal control system of the EIT will remain under close monitoring until its structural weaknesses have been convincingly overcome.

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The Media Production Guarantee Facility was in the winding up phase during 2014. The Delegation Agreement with the European Investment Fund on the Erasmus+ Student Loan guarantee facility was signed at the end of 2014 and operations will begin in 2015.

Based on the Court of Auditors 2013 reports on the annual accounts of Cedefop and ETF, and following the recommendation of the Council, the European Parliament's Committee on Budgetary Control has voted in favour of granting discharge to the Directors with regard to the implementation of the budgets of these entities for the financial year 2013. The resolutions in the European Parliament's draft final 2013 discharge report, subject to vote in April 2015, are not of a nature to raise difficulties for these Agencies.

With regard to the EIT, the CONT has however on the 23<sup>rd</sup> March voted in favour of postponing the discharge.

**In its parent DG capacity, and on the basis of the supervisory processes in place such as management reporting and monitoring, DG EAC considers it has reasonable assurance on its supervision of ETF, Cedefop, and EIT.** For this AAR of DG EAC, no financial or reputational reservation has to be considered.

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<sup>289</sup> Random sample 1,37% in EIT's AAR 2013 of 30.6.2014, whereas the weighted error rate for the full sample, including risk based, still remains just below the materiality threshold.

## 2.3 Assessment of audit results and follow up of audit recommendations

This section reports and assesses the observations and conclusions reported by auditors which could have a material impact on the achievement of the internal control objectives, and therefore on assurance, together with any management measures taken in response to the audit recommendations.

The DG is audited by both internal and external independent auditors: its internal audit capability (IAC), the Commission internal audit service (IAS) and the European Court of Auditors (ECA).

### 2.3.1 Audits completed during the reporting period

#### IAC opinion and conclusions

Based on the results of audits and consultancies completed <sup>290</sup> and the objectives and scope of the engagements carried out during 2014, the IAC of DG EAC concluded that the internal control system in place provided reasonable assurance regarding the achievements of the business objectives set up for the processes audited, except for the 12 very important (VI) recommendations (compared to 3 in 2013 and 8 in 2012). The recommendations have been accepted by management and addressed by an action plan. Due to the integration of the IACs into the IAS in February 2015, no new audits were launched in the second semester of 2014.

Seven of the new “VI” recommendations stem from an audit on human resources<sup>291</sup>. The remaining new “VI” recommendations were issued in the fields of document management (1), country analysis (2), and on the use of communication framework contracts in DG EAC (2). No critical recommendations were issued. Most actions are expected to be completed by end 2015. The new recommendations that remain outstanding have no bearing on assurance.

The low level of criticality of the recommendations, except for in the area of human resources management and procedures, where the cumulative effect of the Very Important recommendations is not considered to be a material risk, shows the overall level of maturity of the internal control system in the DG, according to the IAC report

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<sup>290</sup> The IAC completed during the reporting period: three audits on (1) Country analysis (2) human resources procedures - the finalisation of both having been carried over from 2013 - as well as on (3) the use of framework contract for external communication in DG EAC; and two consultancy reviews on (1) access rights to ABAC, and (2) the efficiency and effectiveness of coordination and cooperation systems and processes across EAC.

<sup>291</sup> Issues highlighted by the auditors relate to weaknesses in governance and management culture, organisation, corporate identity, strategic approach to HR management and overall low work satisfaction.



### IAS Audit report

The IAS finalised its audit launched in 2013 on Management of IT projects in DG EAC and concluded that improvements in the management of IT projects have been made. Among the 5 recommendations the IAS issued (2 were very important), 3 have been implemented and the two remaining recommendations concerning IT risks and IT project management methodology, are progressing well and will be implemented by end of June 2015.

The IAS carried out a limited review in the first quarter of 2015 on the methodology applied for calculating the error rate reported in this Annual Activity Report. The IAS provides no opinion due to the nature of the assignment, but states that it made no critical or very important recommendations, and did not identify any high risks that would affect the calculation or reporting of the AAR. The foreseen recommendations have been accepted and will, to the extent they remain outstanding, be implemented during 2015 (2 recommendations rated "Important", one "Desirable"), whereas the IAS' comments relating to this report have already been integrated in the text of this AAR.

### European Court of Auditors' findings and recommendations and discharge

For its 2013 **Declaration of Assurance** (DAS) the Court observed an increase in errors in the education and culture policy area. The Court concluded for chapter 8 that 2013 payments were affected by material error resulting in an error rate estimated at 4.6 %.<sup>292</sup> The error rate also reflects errors that the Court found in the transactions it sampled for EAC, both in grants and procurement. In this respect the Court's error rate deviates from the error rate it has found in recent years in DG EAC transactions, and from DG EAC's own error rate established based on its own controls, including primary checks on National Agencies' beneficiaries.

These error rates are, however, not directly comparable. The Court's error rate is annual, whereas the Commission's is multi-annual and takes into account corrections and recoveries done during the project life-cycle. In addition, the Court's sample is too narrow to be considered representative at DG level and can thus not be broken down accordingly. Also, the Court has a very strict quantification of certain procurement errors, attributing up to 100% error rates, which have a significant impact on the overall error rate in a small sample when they occur. A similar error took place for EAC under DAS 2013, which however does not imply that the weaknesses that lead to the error would have invalidated the entire activity. Finally, and likely most importantly in this year's context, the Court does not weigh the impact of the weight/financial impact of errors in relation to the overall budget; it is therefore important to highlight the difference between error rates on the one hand and the value of errors and amount at risk on the other, the latter of which are not considered in the Court's approach.

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<sup>292</sup> DG EAC forms part of Chapter 8 "Research and other internal policies" comprising 12 DGs, of which it represents around 20% in terms of value of payments, and is responsible for the second largest budget of the chapter after DG RTD.

Methodological differences in the error rate calculation aside, the Court's beneficiary-level testing of actions managed mainly by the National Agencies provides useful information as to potential weaknesses at this level. EAC is systematically following up the Court's findings with its National Agencies (NA) and final beneficiaries, and is taking into account the lessons learnt when reviewing its control systems.

The Court issued two new recommendations under Chapter 8 that concern DG EAC, namely (1) to make its control activities more risk driven, and (2) to provide timely and clear guidance to beneficiaries and managing authorities for the new 2014-2020 programmes. DG EAC has taken the Court's recommendations into account when establishing the implementation measures for the new programmes, and is continuing to do so when assessing their effectiveness in view of further improvements to be made. Concerning the 2013 **Discharge**, DG EAC is likely to receive only a limited number of discharge recommendations, which are not of a nature to pose difficulties for the DG.

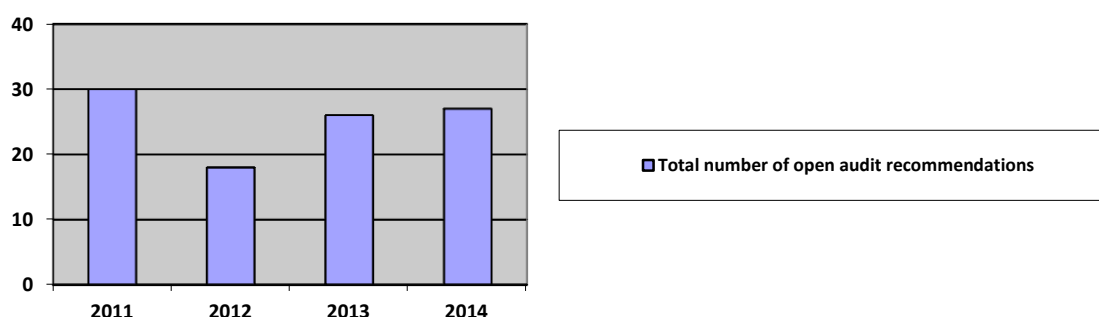
The following conclusions as concerns DG EAC can be drawn from the Court's report on chapter 8:

DG EAC's performance is in line with its peer DGs in the policy group while its own performance has weakened in comparison to last year.

The Court considered that DG EAC's Annual Activity Report 2013, which included no reservation, provides a fair view of DG EAC's financial management.

### 2.3.2 Follow up of audit recommendations

**Audit recommendations from IAC, IAS and the Court of Auditors and Discharge Authorities** are implemented through actions plans, which are closely monitored. In setting concrete criteria to assess their implementation, clear responsibilities and relatively short but realistic deadlines, DG EAC continued in 2014 to give a swift follow-up to most of the open audit recommendations. Over the last years, the number of these recommendations has remained limited.



#### IAC follow-up results

As regards the follow-up of past audits, the IAC completed 8 follow-up audits. It found a high rate of implementation of IAC recommendations, closing 37 during the reporting period.

The number of open or ongoing IAC recommendations could again be kept at a low level (18 in total as compared to 13 in 2013). These recommendations stem from 5 audits. No "critical" and only 1 "very important" IAC recommendation, concerning the Agency supervision strategy, with an implementation date overdue for more than 12 months remained open. This remaining recommendation will be closed once DG EAC's supervision strategy for its Agencies and other bodies have been adopted.

#### IAS follow-up of audit reports

The IAS carried out a first follow-up review of its 2012 **LLP audit** (EAC supervision of LLP implementation by EACEA), and closed one recommendation issued to DG EAC. The three remaining recommendations linked also to the supervision strategy of Agencies (see IAC part above), which have been delayed, are being closed following the signature of the new Memorandum of Understanding (MoU) between the EACEA and all parent DGs in March 2015.

The implementation of the recommendations from the 2013 **performance audit of National Agencies** (LLP and YiA) is ongoing. One recommendation on the need for a clearer link between the Commission's and the National Agencies' objectives has been implemented. The completion date of two recommendations has been postponed with 6 and 12 months respectively, pending an external study. The implementation of the remaining 2 recommendations is on track.

#### Follow-up of the European Court of Auditors findings and recommendations

Concerning the special report of the Court on Leonardo da Vinci mobility published in 2010 (SR 04/2010), the Court completed its follow-up review launched in 2013 and concluded that all recommendations accepted by DG EAC were implemented.

#### Follow-up of Discharge recommendations relating to budgets of previous years

Three identical recommendations issued by the EP in 2013 in the context of the 2011 discharge, requesting Agencies to explore possibilities for further synergies among themselves, and a recommendation requesting DG EAC to be more ambitious with its budget for the Sport strand in 2014, were implemented.

DG EAC has no critical recommendations from the IAC/IAS/ECA and Discharge Authorities and has only a limited number of Very Important recommendations overdue with no bearing on assurance.

As a result of the assessment of the risks underlying the observations made together with the management measures taken in response, the management of DG Education and Culture believes that the recommendations issued do not raise any assurance implications and are being implemented as part of the on-going continuous efforts in terms of further improvements.

DG EAC was in a position to hand-over only a very limited number (18) of open recommendations, and no ongoing audits, to the IAS with the reorganisation of the Commission's internal audit service, as confirmed by the Director's Steering Committee of 12 February 2015.

### 3. ASSESSMENT OF THE EFFECTIVENESS OF THE INTERNAL CONTROL SYSTEMS

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

DG Education and Culture has put in place the organisational structure and the internal control systems suited to the achievement of the policy and control objectives, in accordance with the standards and having due regard to the risks associated with the environment in which it operates.

#### 3.1 Assessment of the internal control system

DG EAC assesses annually the effectiveness of its key internal control systems, including the processes carried out by implementing bodies in accordance with the applicable Commission guidance.

A detailed **Internal Control Action plan** is validated in the 1st quarter each year and is monitored by the Internal Control Coordinator on a permanent basis. It includes also follow-up of all recommendations (see 2.3 above) and risks results. Although risk management is a continuous exercise in DG EAC, there is periodic monitoring and reporting on risk evolution and action plan implementation as the Risk register includes action plans with identified action, clear owner and target date. In 2014, two risk assessment exercises were performed. An IAC audit on risk management performed in 2012 concluded that risk assessment is a mature process and found strong management awareness and involvement in risk management. This reflects the strength of the risk management culture in DG EAC and constitutes a major building block of DG EAC's internal control system.

The 2014 internal control assessment relies on a number of **monitoring measures and sources of information**: the overall supervision of the design and implementation of the Internal Control System by the Internal Control Coordinator; the close supervision provided by lead coordination units of the respective control standards through structured desk reviews; the annual review exercise carried out via a specific working group composed of the Director supporting staff (SUDs) and horizontal units to capture the overall perception of effectiveness. This has led to an assessment of the state of internal control across the different Directorates at the end of 2014, with respect to both compliance and effectiveness of the control arrangements in place.

Furthermore, results have been **cross-checked** with the information on internal control issues received through the Authorising Officers by sub-delegation's reports, with the analysis of the register of exceptions and the internal control weakness or non-compliance events recorded during the year. Besides the follow-up of recommendations (IAC/IAS/ECA) (see 2.3), the Opinion of the Internal Audit Capability (IAC) has been taken into account as well as Commission Synthesis, IAS and DG BUDG overall opinions and specific Central Services requirement on ICS.

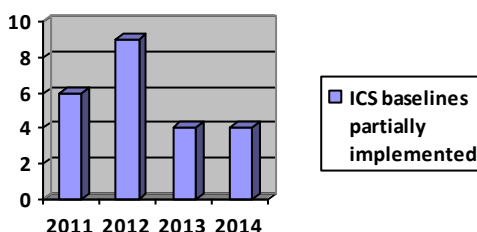
The internal audit recommendations are relatively evenly spread across Internal Control Standards (ICS). The ICS with the most IAC recommendations issued in 2014 are ICS 1 (Mission), ICS 3 (Staff allocation and Mobility), ICS 7 (Operational Structures), ICS 11 (Document Management) and ICS 12 (Information and Communication). Most recommendations from past audits (IAC and IAS), whose implementation is on-going, relate to ICS 5 (Objectives and Performance indicators), ICS 8 (processes and Procedures) and ICS 9 (Management Supervision).

This is more or less in line with the number of risks identified end 2014 and for 2015 linked to each ICS, which are - in decreasing order – ICS 12 (Information and Communication), ICS 8 (Processes and procedures) ICS 9 (Supervision), and ICS 7 (Operational Structures).

The analysis on the above sources had enabled the Internal Control Coordinator (ICC) to report on the state of internal control to the Directors Board. Based on these results, a detailed **Internal Control Action plan** will be monitored on a permanent basis.

### 3.2 Effective implementation of the internal control standards

DG EAC has concluded that the implementation of ICS is overall effective including the non-financial activities. This is the result of a constant effort of management to take ownership of DG EAC's internal control system and of a high degree of awareness among staff. At the end of 2014, only a limited number (4) of ICS baseline requirements were assessed as partially implemented out of 38 (compared to 4 out of 63 in 2013)<sup>293</sup>.



#### 3.2.1 Implementation of Priority Internal Control Standards in 2014

In its management plan (MP) 2014<sup>294</sup>, DG EAC had foreseen a number of measures to improve the effective implementation of the 2014 priority Internal Control Standards (ICS). By the end of 2014, these measures were **assessed overall as satisfactorily implemented, thanks to remedial measures taken**. The 2014 prioritised standards were the **ICS 3, 4, 7, 9 and 12** in order to ensure an effective and coherent implementation of

<sup>293</sup> DG BUDG's baseline requirements were reduced from 63 in 2013 to 35 in 2014. Three specific requirements have been added to those of DG BUDG in order to target better DG EAC's specific context: one requirement to ICS 7 (Governance), and two to ICS 14 (Impact assessment and Studies).

<sup>294</sup> Ares(2014)171741 of 27.1.2014

the new (2014-2020) programmes, to respond to the 2013 Staff survey concerns and perceptions by staff on the need for further improvements as well as the inherent risk in implementing the new staff regulation in its first year, to take into account the changes in the delegated tasks and relations with and between DG EAC's Agencies, and improving internal communication.

#### **a) Staff allocation and mobility (ICS 3) and Staff appraisal and development (ICS 4)**

**Staff allocation** (ICS 3) has been aligned with the implementation of the new programmes, the changes following the 2013 reorganisation of DG EAC and the redistribution of portfolios of the new Commission. The transfer of 3 units and overheads to other departments of the Commission have been taken into account, and the links with mirror units in the EACEA have been reviewed accordingly. **Overall, job descriptions** (ICS 3) **and individual objectives** (ICS 4) have been updated accordingly (see 2.1.3.1).

The transition to the new Staff Regulation has been managed smoothly in particular through appropriate training. Key actions identified in the "Learning Needs Analysis" of 2013, which was based on a management vision for the competencies required by DG EAC in the future, were implemented through several targeted learning actions organised in addition to DG EAC's regular training activities. The action plan elaborated following the IAC's audit on human resources procedures foresees the reinforcement of the strategic dimension of DG EAC's HR policy. A series of actions will be implemented during 2015, and ICS 3 continues to be a priority ICS in 2015.

#### **b) Operational structures (ICS 7)**

The EAC overall Governance was reviewed with the objective to ensure transparent decision making within DG EAC, to enhance two-way communication and to further simplify procedures where possible. New DG internal and programme specific governance arrangements, including with DG Employment, Social Affairs and Inclusion and DG Communications Networks, Content and Technology following a transfer of certain responsibilities, were set up in 2014<sup>295</sup>. Several collaborative spaces to implement joint projects were created. New working arrangements with the incoming Commission were also established.

The financial delegations were reviewed twice, including in the context of the hand-over between the outgoing and incoming Director-General, when a (re-)confirmation of all Authorising Officers by sub-delegation took place.

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<sup>295</sup> In relation to Erasmus+, a working group on working arrangements reporting to a task force was set-up between the unit responsible for programme implementation and the unit in charge of coordination with National Agencies. To further strengthen the implementation of the Erasmus+, a new TF was set up from August 2014 till December 2014. This TF has been transformed into a permanent group for the implementation and coordination of Erasmus+. Two other TFs were set up: on the Digital Single Market, the Investment Plan for Europe.

### **c) Management Supervision (ICS 9)**

Work on the constituent parts of DG EAC's supervision strategy with its Agencies and other implementing bodies progressed well. The following documents on which the strategy will build were adopted: the assurance framework for Erasmus+ National Agencies (guidelines for National Agencies, National Authorities and Independent Audit Bodies); the Memorandum of Understanding (MoU) and the rules for administrative and logistical support services with REA; working arrangements and implementing framework between the European Investment Fund (EIF) and the EU establishing the conditions for implementing the Student Loan Guarantee; MoU in relation to the transfer of the MEDIA strand to the DG for Communications Networks, Content and Technology and the vocational education strand to DG Employment, Social Affairs and Inclusion including budget cooperation modalities. The MoU with EACEA was signed in March 2015. In addition, CEDEFOP and ETF continued implementing, under the supervision of DG EAC, the roadmap related to the EU's 2012 common approach to Regulatory Agencies.

ICS 9 continues to be a priority also in 2015 in order to complete the update of DG EAC's supervision strategy in accordance with the DG's new mandate and internal reorganisations and adapting it to each specific context of delegation.

### **d) Information and communication (ICS 12)**

ICS 12 was selected as a priority in order to strengthen two-way communication between managers and staff. Significant commitments in this field have been adopted by senior management within the frame of the action plan related to the IAC's HR audit. A series of actions were launched in 2014, such as the new organisation of senior management meetings and visible publication of conclusions of senior management meetings, with further actions planned for 2015.

DG EAC has put significant effort into strengthening internal communication and promoting staff engagement. Actions in this field included in 2014: a complete redesign of DG EAC's intranet in the context of migration of platform; 34 Directors' Board video briefings produced; 20 lunchtime conferences and similar events to bring staff together from different units, roles and grades to look at shared challenges.

<p>All 2014 priority Internal Control Standards were implemented as planned. DG EAC's supervision strategy with its Agencies and other implementing bodies will be finalised in 2015.</p>
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### 3.2.2 Implementation of other internal control standards

The level of implementation of internal control standards not prioritised for 2014 remained satisfactory and effective. Four weaknesses in the implementation of the following ICS (10, 11 and 12) were identified. Appropriate actions will be taken in 2015.

#### a) Business Continuity (ICS 10)

Procedures in case of availability of a light circuit in ABAC have not yet been finalised, tested and implemented.

#### b) Document management (ICS 11)

It cannot be ascertained that every document, subject to decentralised registration in DG EAC, that should be registered and filed, particularly e-mails, has in fact been done. This will form part of an action plan that will address the Secretary General's request to services for improving document management.

#### c) Information and Communication (ICS 12)

The handling of DG EAC's communication policies need to be adapted following the reorganisation of the Commission, including the altered role and structure of the Commission's Spokespersons' Service. A new strategy will be adopted shortly.

The Commission's IT security strategy has not yet been fully implemented; IT security plans will be developed for all IT systems supporting the Erasmus+ programme, and the requirements related to Security Accreditation and Security Certification Statements will be fulfilled.

### 3.3 Conclusion on the effectiveness of the entire control system for 2014 and ISC priorities for 2015

Concerning the overall state of the internal control system, generally DG EAC complies with the three assessment criteria for effectiveness; i.e.

- (a) staff having the required knowledge and skills,
- (b) systems and procedures designed and implemented to manage the key risks effectively, and
- (c) no instances of ineffective controls that have exposed the DG to its key risks.

DG EAC has focused the control resources on those areas where risks are the highest. The **risk assessment** carried out at the beginning of the year identified some areas of policy, operational and administrative high level risks, among which only one "critical" and one "high" risk throughout the year.

The level of risk associated to the **insufficient assurance provided by the EIT** to allow DG EAC to provide the Institute with full financial and administrative autonomy was maintained at "critical" in 2014. Indeed, DG EAC provided end 2013 and during the first months of 2014 intensive support and coaching to EIT's headquarters. EIT's leadership and managerial abilities were reinforced during the summer and the Institute has shown an increasing operational capacity to deliver. The proper implementation of the EIT related action plan together with DG EAC's close monitoring and supervision of the



Institute has allowed a gradual decrease of EAC intervention in EIT's day-to-day operations and a corresponding decrease of the risk level for 2015. (see 1.1.3).

The risk related to **the lack of payment appropriations** impacting most of DG EAC actions was rated "high". The situation was monitored closely throughout the year and measures taken to mitigate possible repercussions on beneficiaries. While the additional administrative burden was generally high, the impact on final beneficiaries was limited to the minimum (see 2.1.3 and DG Budget's AAR 2014).

Identified risks have been monitored through action plans and reduced, where necessary, to remain under control.

Meanwhile, considering that 2015 will see the implementation of DG EAC's new portfolio, the reorganisation and the subsequent implications on the internal control system, senior management of DG Education and Culture has decided **to prioritise the implementation of ICS 1, 3, 5, 9 and 11 for 2015**, taking additional measures to reinforce the assurance provided:

- **Mission (ICS 1)**  
DG EAC's mission needs to be adapted to correspond to its new portfolio under the new Commission, taking into account the transfer of activities to other DGs and the impact of the changes on the DG's profile as a whole; this needs to be further cascaded down to Directorate and unit level, and communicated effectively to staff to ensure ownership at all levels, and to stakeholders.
- **Staff allocation and mobility (ICS 3)**  
ICS 3 remains a priority in order to consolidate actions that were started last year (continued re-allocation of staff in function of the DG's priorities and the DG's structural organisational changes following the DG's new mission)
- **Objectives and Performance indicators (ICS 5)**  
DG EAC's objectives and indicators included in its Management Plan need to be adapted to correspond to the changes in its mission and portfolio.
- **Management Supervision (ICS 9)**  
ICS 9 remains a priority to consolidate and finalise work in view of DG EAC's supervision of its Agencies and other entrusted bodies under its new mandate and according to the new organisation.
- **Document management (ICS 11)**  
DG EAC's document management system needs to be adapted to correspond to the new organisation of the DG.

In conclusion, DG EAC has assessed the effectiveness of its internal control system during 2014 and has concluded that it has reasonable assurance that the internal control standards are effectively implemented and works as intended. A detailed Internal Control Action plan will monitor 2015 priorities on a permanent basis.

## 4. MANAGEMENT ASSURANCE

This section reviews the assessment of the elements reported in Parts 2 and 3 and draw conclusions supporting of the declaration of assurance and namely, whether it should be qualified with reservations.

### 4.1 Review of the elements supporting assurance

The information from the various building blocks which support the assurance as described in parts 2 and 3 covers the entire budget delegated to the Authorising Officer by Delegation of DG EAC. The coverage of the reported error rates has increased significantly since 2011, due to on the one hand the extension of the range of ex post controls performed by the DG in direct management and on the other hand due to the use of results from primary controls performed by National Agencies in indirect management. The reliability of the information is considered sufficient; in particular as the quality of the information and assurance received from National Authorities has improved considerably since 2009. Transparency has furthermore benefited from the presentation of multi-annual and residual error rates as from the AAR 2012.

For the eight consecutive years, DG EAC will make no reservation on the management through **National Agencies**.

The reservations of the **Executive Agencies** EACEA and REA respectively on the management of LLP and on FP7 (but not specifically for DG EAC supervised actions in the latter case), insofar as they derive from the challenges of managing contracts based on actual cost, are balanced against the overall positive indicators of the other programmes managed by EACEA on one hand, and the low error rate on audits specifically on the FP7 People programme. This is reinforced by the use of simplified forms of grants in the framework of the 2014-2020 programmes reducing the risk of irregularity. Moreover, the difference in error rates experienced by EACEA compared with the NAs can be explained by the nature of the actions. Therefore while remaining vigilant for any possible deterioration in the key indicators regarding internal control, DG EAC does not find it appropriate to make a reservation in the context of its supervision responsibilities in relation to these agencies. The operational spending through EAs is not part of the declaration of assurance by the Director General of the parent DGs, only the subsidy for EA's operating budget.

From all the assurance elements above, DG EAC concludes that the multi-annual residual error rate is well below 2 % in all management modes covered by its Annual Activity Report, 0.87% for direct management and 0.87% for indirect management, and, considering all other available information, that **no reservation shall be made**.

**The overall error rate based on a weighted average calculation is 0,87% for 2014.**

## 4.2 Overall conclusion on assurance

In view of the control results and all other relevant information available, the AOD's best estimation of the risks relating to the legality and regularity for the expenditure authorised during the reporting year (EUR 1,527 million) is 0,87%, which implies an amount at risk of EUR 13,3 million.

The internal control strategy foresees the implementation of further controls during subsequent years aimed to detect and correct these errors. It is not possible to identify the specific errors and amounts which will be effectively corrected in the coming years, yet the implementation of these corrective controls since 2009 have resulted on average in recoveries and financial corrections representing 0.3% of the average payments over the same period. This percentage applied to this year's payments made (resulting in EUR 4,6 million) provides the best available indication of the corrective capacity of the ex-post controls systems implemented by the DG.

<b>Amount at risk</b>	<b>Distinct elements</b>
Weighted average error rate calculated/estimated <b>in %</b> , for the total of 'payments made' in 2014	<b>0,87%</b>
"implied" amount at risk for the year 2014, <b>in € units</b> , calculated as the weighted average error rate in % (above) x the 2014 payments made (in line with table 2 of annex 3)	<b>13.282.390</b>
"historic" corrective capacity <b>in %</b> based on the period 2009-2014	<b>0,30%</b>
"implied" corrective capacity for 2014 <b>in € units</b> , calculated by applying the corrective capacity % (above) x the 2014 payments made (in line with table 2 of annex 3)	<b>4.580.135</b>
Overall amount at risk	<b>8.702.256</b>

Taking into account the conclusions of the review of the elements supporting assurance and the expected corrective capacity of the controls to be implemented in subsequent years, it is possible to conclude that the internal controls systems implemented by DG EAC provide sufficient assurance to adequately manage the risks relating to the legality and regularity of the underlying transactions, taking into account the multiannual character of programmes. Furthermore, it is also possible to conclude that the internal control systems provide sufficient assurance with regards to the achievement of the other internal control objectives.

# DECLARATION OF ASSURANCE

*I, the undersigned,*

*Director-General of the Directorate General of Education and Culture,*

*In my capacity as authorising officer by delegation*

*Declare that the information contained in this report gives a true and fair view.<sup>296</sup>*

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

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

*Confirm that I am not aware of anything not reported here which could harm the interests of the institution.*

*Brussels, 1 April 2015*

*SIGNED*

*Xavier Prats Monné*

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<sup>296</sup> True and fair in this context means a reliable, complete and correct view on the state of affairs in the service.