



Annual activity report 2022

Annexes

European Health and Digital Executive
Agency

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

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

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

31 March 2023

e-signed in ARES

Jacques Remacle

Head of Department, in charge of risk management and internal control

"I hereby certify that the information provided in section 1 of the present annual activity report and in its annexes is, to the best of my knowledge, accurate and complete."

31 March 2023

e-signed in ARES

Marina Zanchi

Executive Director

⁽¹⁾ C(2017)2373 of 19.04.2017.

ANNEX 2: Performance tables

1. EU4Health

General objective: Promoting our European way of life

Specific objectives:

- Diminishing the impact of cancer in Europe (SANTE)
- Effective response coordination of serious cross-border health threats (SANTE)
- More effective, accessible and resilient health systems (SANTE)

Parent DGs: SANTE, HERA

Main outputs in 2022:

Output	Indicator	Target	Latest known result
Calls for proposals	Number of calls published	30	42 ⁽²⁾
Procurement procedures	Number of procurement procedures launched	25-30	42
Evaluation sessions	Number of evaluation sessions finalised	10	45 (see footnote 2)
	Time to inform participants	100% of applicants informed within 6 months after the call deadline	100%
	Percentage of evaluated proposals challenged under the evaluation review procedure	Less than 3% of evaluated proposals	1.6% (4 proposals out of 251 evaluated)
	Percentage of evaluated proposals re-evaluated following review requests	Max. 0,5% of evaluated proposals	0%
	Percentage of negative opinions issued by the Advisory Committee for procurement and contracts	This indicator will be measured for the first time in 2022 and then form the baseline for the following years.	5.26% (1 negative opinion out of 19 files) ⁽³⁾

⁽²⁾ The increase in the numbers of published calls, evaluation sessions and signed grant agreements is due to several factors. These include the April 2022 amendments of the 2021 and 2022 EU4Health AWP, which both led to the creation of new grant actions. Additionally, the NGO Operating Grants call from the 2023 EU4Health AWP was already launched in 2022, due to the earlier adoption of the 2023 EU4Health AWP. Furthermore, HaDEA relaunched one call for proposals, as requested by DG SANTE, due to a lack of successful proposals following the first call.

⁽³⁾ Following the improvement of the file, the preliminary negative opinion was turned into a positive one.

Output	Indicator	Target	Latest known result
Grant agreements	Number of grant agreements signed	75	143 (see footnote 2)
	Time to grant	98% of grant agreements signed within 9 months after the call deadline	97%
Contracts	Number of contracts signed	30	35
Payments	Time to pay	98% of payments within the legal deadlines	EU4Health: 100% Third Health Programme: 100%
Policy feedback	Implementation rate of the feedback-to-policy plan	70%	97%
Annual work programme 2022 Information sessions on open calls for proposals and joint actions	Number of attendees	Session on project calls: 300 attendees Session on Joint Actions: 90 attendees	Sessions on open calls for proposals: 2112 attendees in 6 events (average 352 attendees per event) Sessions on Joint Actions and other direct grants to MS authorities: 578 attendees in 4 events (average 145 attendees per event)
	Satisfaction rate of participants	> 85% of participants satisfied	89% of participants satisfied
EU4Health promotional videos	Number of views	4 000	775 967 ⁽⁴⁾

⁽⁴⁾ The discrepancy between the target and the result is due to the paid promotion of the video in the second half of 2022.

2. Horizon Europe Cluster 1: Health

General objective:

- Promoting our European way of life
- A Europe fit for the digital age

Specific objectives:

- Research and innovation support the European health initiatives, including the Europe's Beating Cancer Plan (SANTE) and the EU Mission on Cancer (RTD)
- The revitalised European Research Area sets directions for societal, economic and ecological transitions in Europe and contributes to spreading excellence, closing research and innovation gap and working out a common global response to emerging challenges (RTD)
- High-quality science, knowledge and innovative solutions facilitate a digital transition in Europe, including a new European approach to Artificial intelligence (RTD)
- A European single market for data where data can flow for the benefit of all and where rules for access and use of data are fair, practical and clear (CONNECT)

Parent DGs: RTD, SANTE

Main outputs in 2022:

Output	Indicator	Target	Latest known result
Calls for proposals	Number of calls published	6	19
Procurement procedures	Number of procurement procedures launched	2	0 ⁽⁵⁾
Evaluation sessions	Number of evaluation sessions finalised	12	16
	Time to inform participants	100% of applicants informed within 5 months after the call deadline	100%
	Percentage of evaluated proposals challenged under the evaluation review procedure	Less than 3% of evaluated proposals	1%
	Percentage of evaluated proposals re-evaluated following review requests	Max. 0,5% of evaluated proposals	0%
Grant agreements	Number of grant agreements signed	At least 173	176

⁽⁵⁾ The launch of the procurement actions has been postponed because the tender specifications have not been yet provided to HaDEA.

Output	Indicator	Target	Latest known result
	Time to grant	98% of grant agreements signed within 8 months after the call deadline	89% ⁽⁶⁾
Payments	Time to pay	98% of payments within the legal deadlines	Horizon Europe, Cluster 1: 100% Horizon 2020 (SC1): 100%
Policy feedback	Implementation rate of the feedback-to-policy plan	70%	70%

3. Horizon Europe Cluster 4: Digital

General objective: A Europe fit for the digital age

Specific objectives:

- Europe's strategic autonomy ensured in critical technology areas (CONNECT)
- Artificial Intelligence that is human-centric, ethical, sustainable and that respects EU values (CONNECT)
- A fair, competitive and resource-efficient digital economy (CONNECT)
- A European single market for data where data can flow for the benefit of all and where rules for access and use of data are fair, practical and clear (CONNECT)
- A modern, open and pluralistic society in the digital age where online disinformation is countered, and diverse cultural content is available to all Europeans (CONNECT)

Parent DGs: RTD, CONNECT

Main outputs in 2022:

Output	Indicator	Target	Latest known result
Calls for proposals	Number of calls published	0	0 calls published 4 calls were opened for submission of proposals ⁽⁷⁾
Evaluation sessions	Number of evaluation sessions finalised	7 (7 topics)	2 evaluation sessions (covering 7 topics)

⁽⁶⁾ The grant agreement preparation process was delayed due to the changes necessary because of the ineligibility of UK organisations and consortia requesting deadline extensions or not respecting the deadline to sign the grant agreement.

⁽⁷⁾ Three of these calls were managed jointly by the Digital and Industry strands of Horizon Europe Cluster 4: HORIZON-CL4-2023-TWIN-TRANSITION-01, HORIZON-CL4-2023-DIGITAL-EMERGING-01 and HORIZON-CL4-2023-HUMAN-01.

Output	Indicator	Target	Latest known result
	Time to inform participants	100% of applicants informed within 5 months after the call deadline	100%
	Percentage of evaluated proposals challenged under the evaluation review procedure	Less than 3% of evaluated proposals	0,75% 2021 calls: 0,5% 2022 calls: 1%
	Percentage of evaluated proposals re-evaluated following review requests	Max. 0,5% of evaluated proposals	0%
Grant agreements	Number of grant agreements signed	40	70 grants ⁽⁸⁾ 2021 calls: 38 grants 2022 calls: 32 grants
	Time to grant	98% of grant agreements signed within 8 months after the call deadline	Horizon Europe Cluster 4: 92%
Payments	Time to pay	98% of payments within the legal deadlines	Horizon Europe, Cluster 4: 100% Horizon 2020 (SC5, LEIT): 98%
Policy feedback	Implementation rate of the feedback-to-policy plan	70%	85%

⁽⁸⁾ The target includes only the grants expected from 2022 calls. However, since the grants from 2021 calls were signed in 2022, the table presents the aggregate number (including the additional projects selected from the reserve lists from the 2021 calls and signed in 2022).

4. Horizon Europe Cluster 4: Industry

General objective:

- A Europe fit for the digital age
- A European Green Deal

Specific objectives:

- European enterprises make the digital and green transition (GROW)
- Increase the share of material recovered and fed back into the economy (GROW)
- The revitalised European Research Area sets directions for societal, economic and ecological transitions in Europe and contributes to spreading excellence, closing research and innovation gap and working out a common global response to emerging challenges (RTD)

Parent DGs: RTD, GROW

Main outputs in 2022:

Output	Indicator	Target	Latest known result
Calls for proposals	Number of calls published	0 (4 first stage of 2023 calls may be issued, to be confirmed)	0 calls published 6 calls opened for submission of proposals ⁽⁹⁾
Evaluation sessions	Number of evaluation sessions finalised	3 + possibly 2 from 2023 calls	5 evaluation sessions (covering 34 topics)
	Time to inform participants	100% of applicants informed within 5 months after the call deadline	100%
	Percentage of evaluated proposals challenged under the evaluation review procedure	Less than 3% of evaluated proposals	1,35% 2021 calls: 0,7% 2022 calls: 2%
	Percentage of evaluated proposals re-evaluated following review requests	Max. 0,5% of evaluated proposals	0%
Grant agreements	Number of grant agreements signed	(Estimates from the 2021 & 2022 calls, respectively): Destination 1: 52 + 35 Destination 2: 61 + 61 Destination 4: 24 + 5 Destination 6: 9 + 0	208 grants 2021 calls: 109 grants (including 1 IBA) 2022 calls: 99 grants

⁽⁹⁾ Three of these calls were managed jointly by the Digital and Industry strands of Horizon Europe Cluster 4: HORIZON-CL4-2023-TWIN-TRANSITION-01, HORIZON-CL4-2023-DIGITAL-EMERGING-01 and HORIZON-CL4-2023-HUMAN-01.

Output	Indicator	Target	Latest known result
	Time to grant	98% of grant agreements signed within 8 months after the call deadline	Horizon Europe Cluster 4: 92%
Payments	Time to pay	98% of payments within the legal deadlines	Horizon Europe, Cluster 4: 100% Horizon 2020 (SC5, LEIT): 98%
Policy feedback	Implementation rate of the feedback-to-policy plan	70%	92% (12 out of the 13 actions were implemented)

5. Horizon Europe Cluster 4: Space

General objective:

- A Europe fit for the digital age
- Promoting our European way of life

Specific objectives:

- *Modern and well-functioning EU space-enabled services to support the Union's priorities*
- *Security actors have access to EU autonomous tools, space-enabled services, and technologies needed to build resilience to security threats, safety hazards and crisis situations (DEFIS)*

Parent DGs: RTD, DEFIS

Main outputs in 2022:

Output	Indicator	Target	Latest known result
Calls for proposals	Number of calls published	6 (of which 5 Identified Beneficiary Actions)	6 ⁽¹⁰⁾
Evaluation sessions	Number of evaluation sessions finalised	7	2 ⁽¹¹⁾
	Time to inform participants	100% of applicants informed within 5 months after the call deadline	100% of applicants informed within 5 months after the call deadline

⁽¹⁰⁾ HORIZON-CL4-2023-SPACE-01 and invitations for five IBA (SST)

⁽¹¹⁾ The launch of the five Identified Beneficiary Actions on SST was delayed. The proposals will be evaluated early 2023.

Output	Indicator	Target	Latest known result
	Percentage of evaluated proposals challenged under the evaluation review procedure	Less than 3% of evaluated proposals	3% ⁽¹²⁾
	Percentage of evaluated proposals re-evaluated following review requests	Max. 0,5% of evaluated proposals	0%
Grant agreements	Number of grant agreements signed	43	46 HORIZON-CL4-2021-SPACE-01: 21 HORIZON-CL4-2022-SPACE-01: 24 HORIZON-CL4-2021-HUMAN-31: 1
	Time to grant	98% of grant agreements signed within 8 months after the call deadline	Horizon Europe Cluster 4: 92%
Payments	Time to pay	98% of payments within the legal deadlines	Horizon Europe, Cluster 4: 100% Horizon 2020 (SC5, LEIT): 98%
Policy feedback	Implementation rate of the feedback-to-policy plan	70%	90%

6. Single Market Programme: Food

General objective: A European Green Deal

Specific objectives:

- Ensuring food and feed safety (SANTE)
- Ensuring sustainable food systems – the Farm to Fork strategy (SANTE)

Parent DGs: SANTE

Main outputs in 2022:

Output	Indicator	Target	Latest known result
Calls for proposals	Number of calls published	12	9 (out of 10 calls planned) ⁽¹³⁾

⁽¹²⁾ 4 evaluation review requests out of 131 evaluated proposals.

⁽¹³⁾ The initial target of 12 calls was an estimate. All calls were launched except for one on biocides-pesticides, published on 18/01/23.

Output	Indicator	Target	Latest known result
Procurement procedures	Number of procurement procedures launched	6-10	10 (out of 10)
Evaluation sessions	Number of evaluation sessions finalised	11-18	13
	Percentage of evaluated proposals challenged under the evaluation review procedure	Less than 3% of evaluated proposals	0%
	Percentage of evaluated proposals re-evaluated following review requests	Max. 0,5% of evaluated proposals	0%
	Percentage of negative opinions issued by the Advisory Committee for procurement and contracts	This indicator will be measured for the first time in 2022 and then form the baseline for the following years.	0%
Contracts	Number of contracts signed	Between 6 and 10	6 ⁽¹⁴⁾
Grant agreements	Number of grant agreements signed	130	157
	Time to grant	98% of grant agreements signed within 9 months after the call deadline	N.A. ⁽¹⁵⁾
Grant payments	Time to pay (90 days)	98% of payments within the legal deadlines	SMP Food: 99% ⁽¹⁶⁾ Food and feed: 100%
Procurement payments	Time to pay (30 days)	98% of payments within legal deadlines	30 days: 95% 60 days: 100% 90 days: 100%
Policy feedback	Implementation rate of the feedback-to-policy plan	70%	100% ⁽¹⁷⁾

⁽¹⁴⁾ Five contracts related to the BTSF Academy and one request for service for Food contact material.

⁽¹⁵⁾ HaDEA's methodology for calculating time-to-grant takes into account calls with a time-to-grant deadline in the reporting year and excludes grants resulting from Identified Beneficiary Actions (IBAs) and reserve list projects. All the grant agreements signed in 2022 under the SMP Food programme were IBAs.

⁽¹⁶⁾ Since payments for procurements can have different deadlines, we present here the data both per programme (legacy and new generation) and per payment deadline (30 days, 60 days, 90 days).

⁽¹⁷⁾ Some actions will be delivered in early 2023, as foreseen in the feedback-to-policy plan.

7. Digital Europe Programme

General objective: A Europe fit for the digital age

Specific objectives:

- *A fair, competitive and resource-efficient digital economy (CONNECT)*
- *A European single market for data where data can flow for the benefit of all and where rules for access and use of data are fair, practical and clear (CONNECT)*
- *A cyber resilient Europe, promoting digital identities for all Europeans, while protecting their e-privacy (CONNECT)*
- *A modern, open and pluralistic society in the digital age where online disinformation is countered and diverse cultural content is available to all Europeans (CONNECT)*

Parent DGs: CONNECT

Main outputs in 2022:

Output	Indicator	Target	Latest known result
Calls for proposals	Number of calls published	2	2
Evaluation sessions	Number of evaluation sessions finalised	2	3
	Time to inform participants	100% of applicants informed within 6 months after the call deadline	100%
	Percentage of evaluated proposals challenged under the evaluation review procedure	Less than 3% of evaluated proposals	3% ⁽¹⁸⁾
	Percentage of evaluated proposals re-evaluated following review requests	Max. 0,5% of evaluated proposals	0%
Grant agreements	Number of grant agreements signed	50	58
	Time to grant	98% of grant agreements signed within 9 months after the call deadline	100%
Payments	Time to pay	98% of payments within the legal deadlines	DIGITAL: 100% CEF-Telecom (DSI): 100%

⁽¹⁸⁾ HaDEA received only three requests for review of evaluations results, one under DIGITAL-2021-SKILLS-01, one under DIGITAL-2021-TRUST-01 and one under DIGITAL-2022-TRAINING-02. Due to the modest number of applications received under the first and second “Skills” calls, these three requests represent 3% of the proposals evaluated under all DIGITAL calls.

Output	Indicator	Target	Latest known result
Policy feedback	Implementation rate of the feedback-to-policy plan	70%	DIGITAL: 70% ⁽¹⁹⁾ CEF-Telecom (DSI): 100%

8. Connecting Europe Facility – Digital

General objective: A Europe fit for the digital age

Specific objectives:

- *Europe's strategic autonomy is ensured in critical technology areas (CONNECT)*
- *A fair, competitive and resource-efficient digital economy (CONNECT)*
- *A modern, open and pluralistic society in the digital age where online disinformation is countered and diverse cultural content is available to all Europeans (CONNECT)*

Parent DGs: CONNECT

Main outputs in 2022:

CEF Digital

Output	Indicator	Target	Latest known result
Calls for proposals	Number of calls published	5 (2021 calls) and 4 (2022 calls)	5 (2021) calls and 6 (2022 calls)
Procurement procedures	Number of procurement procedures launched	1 (to be confirmed)	0
Evaluation sessions	Number of evaluation sessions finalised	5 (2021 calls)	5 (2021 calls)
	Time to inform participants	100% of applicants informed within 6 months after the call deadline	100%
Grant agreements	Number of grant agreements signed	45 (calls 2021) (to be confirmed)	38 (calls 2021) ⁽²⁰⁾

⁽¹⁹⁾ The 70% implementation rate is due to the fact that the projects funded under DIGITAL were not mature enough in 2022 to provide concrete results/outputs related to the implementation of the programme.

⁽²⁰⁾ The difference between the target and the result of signed grant agreements is due to several factors: the Agency received less submissions than initially expected by DG CONNECT; a few proposals were declared inadmissible; some were rejected during the evaluation; finally, some grant agreement preparation processes had to be terminated during the ownership control assessment procedure.

Output	Indicator	Target	Latest known result
	Time to grant	98% of grant agreements signed within 9 months after the call deadline	N.A. ⁽²¹⁾
Contracts	Number of tender contracts signed	1 (to be confirmed)	0
Payments	Time to pay	98% of payments within the legal deadlines	100%
Organisation of “Info Days”	Satisfaction rate of participants	> 85% of participants satisfied	87% for Info day on calls 2021 79% for Info day on calls 2022
Policy feedback	Implementation rate of the feedback-to-policy plan	70%	100% ⁽²²⁾

WiFi4EU

Output	Indicator	Target	Latest known result
Active networks	Number of public WiFi networks broadcasting WiFi4EU	8 500	9 107
	Number of hotspots (Access Points)	84 700	92 830
Users	Number of connections per day (in average)	138 000	231 000
Payments	Time to pay	98% < 60 days	98%
Policy feedback	Implementation rate of the feedback-to-policy plan	70%	80%

9. Client satisfaction

Event date	Programme	Event title	Participants satisfaction rate
20/01/2022	EU4Health	Info Session on Operating Grants (2022 work programme)	84%
10/03/2022	EU4Health	Info Session on 1st wave Open Call (2022 work programme)	93%
10/05/2022	EU4Health	Info Session on Joint Actions and other Direct Grants to Member States (2022 work programme)	84%

⁽²¹⁾ The time-to-grant methodology of HADEA considers calls with a time-to-grant deadline in the reporting year. All grant agreements signed under CEF-II had a time-to-grant deadline in 2023.

⁽²²⁾ One of the actions planned will be finalised in January 2023.

12/05/2022	EU4Health	Hands-on workshop on 1st wave Direct Grants to Member States (2022 work programme)	97%
10/06/2022	EU4Health	Info Session on Open Call HERA laboratory Network (2021 work programme)	88%
16/06/2022	EU4Health	Hands-on workshop on Direct Grants to Member States HERA IT interoperability (2021 work programme)	82%
04/10/2022	EU4Health	Hands-on workshop on 2nd wave of the Direct Grants to Member States (2022 work programme)	100%
19/10/2022	EU4Health	Info Session on 2nd wave Open Call (2022 work programme)	84%
13/12/2022	EU4Health	Info Session on Operating Grants (2023 work programme)	88%
19/01/2022	CEF-2	Info day on calls 2021	87%
25/10/2022	CEF-2	Info day on calls 2022	79%
Average HaDEA			87.8%

ANNEX 3: Draft annual accounts and financial reports

A. Operational budget

AAR 2022 Version 3

Annex 3 Financial Reports - DG HADEA - Financial Year 2022

Table 1 : Commitments

Table 2 : Payments

Table 3 : Commitments to be settled

Table 4 : Balance Sheet

Table 5 : Statement of Financial Performance

Table 5 Bis: Off Balance Sheet

Table 6 : Average Payment Times

Table 7 : Income

Table 8 : Recovery of undue Payments

Table 9 : Ageing Balance of Recovery Orders

Table 10 : Waivers of Recovery Orders

Table 11 : Negotiated Procedures

Table 12 : Summary of Procedures

Table 13 : Building Contracts

Table 14 : Contracts declared Secret

Table 15 : FPA duration exceeds 4 years

Table 16 : Commitments co-delegation type 3 in 2022

Table 1 – Commitments

TABLE 1: OUTTURN ON COMMITMENT APPROPRIATIONS IN 2022 (in Mio €) for DG HADEA					
			Commitment appropriations authorised*	Commitments made	%
			1	2	3=2/1
Title 01 Research and Innovation					
01	01 02	Horizon Europe	1.404,49	1.393,83	99,24 %
Total Title 01			1.404,49	1.393,83	99,24 %
Title 02 European Strategic Investments					
02	02 03	Connecting Europe Facility (CEF)	242,31	240,35	99,19 %
	02 04	Digital Europe programme	157,27	157,27	100,00 %
Total Title 02			399,58	397,62	99,51 %
Title 03 Single Market					
03	03 02	Single Market Programme	168,47	167,38	99,35 %
	03 20	Pilot projects, preparatory actions, prerogatives and other actions	1,50	1,50	100,00 %
Total Title 03			169,97	168,88	99,36 %
Title 06 Recovery and Resilience					
06	06 06	EU4Health Programme	741,16	740,54	99,92 %
Total Title 06			741,16	740,54	99,92 %
Total Excluding NGEU			2.715,20	2.700,88	99,47 %
Title 01 Research and Innovation					
01	01 02	Horizon Europe	778,26	778,26	100,00 %
Total Title 01			778,26	778,26	100,00 %
Total NGEU Only			778,26	778,26	100,00 %
Total DG HADEA			3.493,46	3.479,13	99,59 %

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

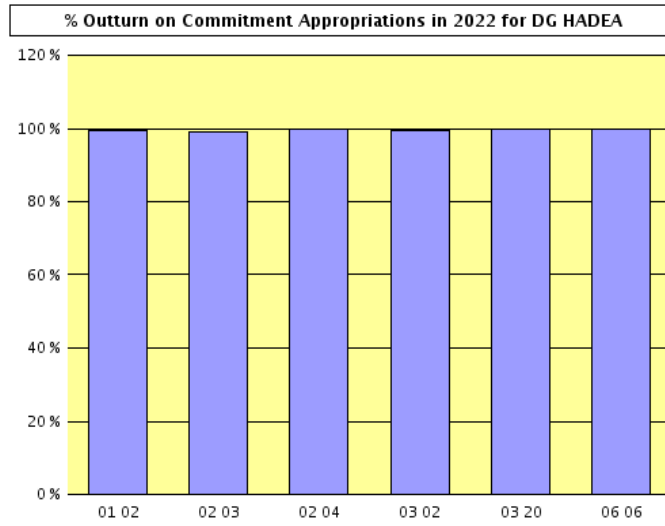


Table 2 – Payments

TABLE 2: OUTTURN ON PAYMENT APPROPRIATIONS in 2022 (in Mio €) for DG HADEA					
			Payment appropriations authorised *	Payments made	%
			1	2	3=2/1
Title 01 Research and Innovation					
01	01 02	Horizon Europe	1.934,27	1.560,83	80,69 %
Total Title 01			1.934,27	1.560,83	80,69%
Title 02 European Strategic Investments					
02	02 03	Connecting Europe Facility (CEF)	77,46	76,69	99,00 %
	02 04	Digital Europe programme	55,36	55,36	100,00 %
Total Title 02			132,83	132,05	99,42%
Title 03 Single Market					
03	03 02	Single Market Programme	136,70	136,42	99,79 %
	03 20	Pilot projects, preparatory actions, prerogatives and other actions	1,32	1,32	100,00 %
Total Title 03			138,02	137,74	99,80%
Title 06 Recovery and Resilience					
06	06 06	EU4Health Programme	121,47	121,17	99,75 %
Total Title 06			121,47	121,17	99,75%
Total Excluding NGEU			2.326,59	1.951,80	83,89%
Title 01 Research and Innovation					
01	01 02	Horizon Europe	1.009,53	843,61	83,56 %
Total Title 01			1.009,53	843,61	83,56%
Total NGEU Only			1.009,53	843,61	83,56%
Total DG HADEA			3.336,12	2.795,40	83,79 %

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

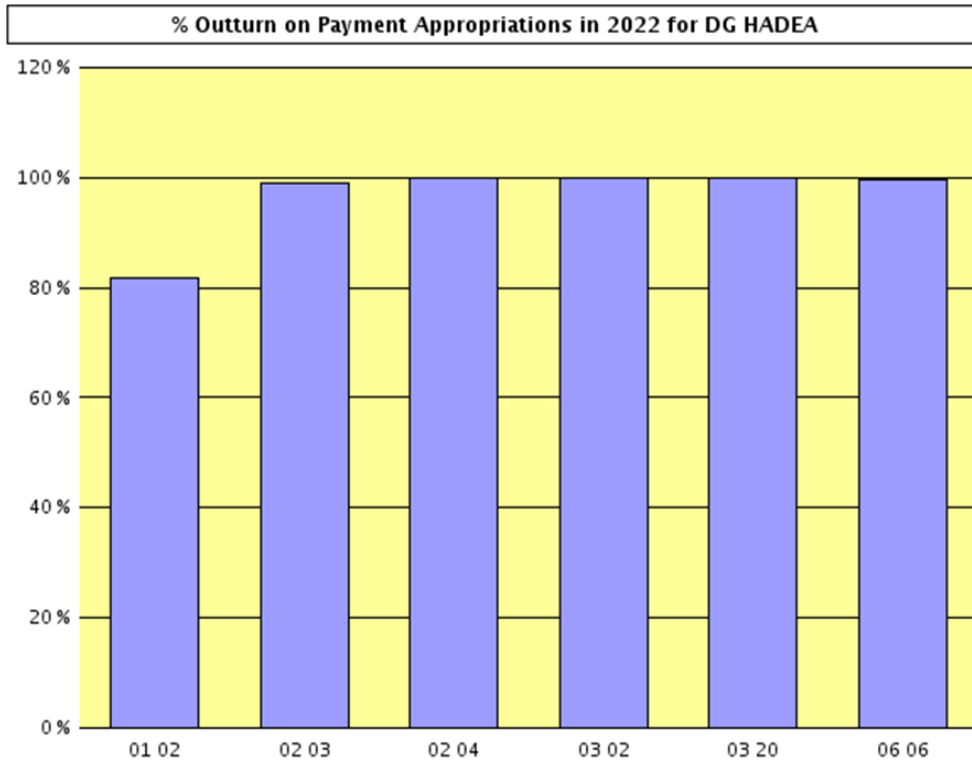


Table 3 – Commitments to be settled

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2022 (in Mio €) for DG HADEA									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2021	Total of commitments to be settled at end of financial year 2022	Total of commitments to be settled at end of financial year 2021
			Commitments	Payments	RAL	%to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
01	01 02	Horizon Europe	1.393,83	313,89	1.079,94	77,48%	2.195,30	3.275,25	3.459,75
Total Title 01			1.393,83	313,89	1.079,94	77,48%	2.195,30	3.275,25	3.459,75

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2022 (in Mio €) for DG HADEA									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2021	Total of commitments to be settled at end of financial year 2022	Total of commitments to be settled at end of financial year 2021
			Commitments	Payments	RAL	%to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
02	02 03	Connecting Europe Facility (CEF)	240,35	0,10	240,25	99,96%	214,25	454,50	295,32
	02 04	Digital Europe programme	157,27	4,80	152,47	96,95%	51,44	203,90	102,00
Total Title 02			397,62	4,90	392,72	98,77%	265,68	658,40	397,32

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2022 (in Mio €) for DG HADEA									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2021	Total of commitments to be settled at end of financial year 2022	Total of commitments to be settled at end of financial year 2021
			Commitments	Payments	RAL	%to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
03	03 02	Single Market Programme	167,38	5,31	162,07	96,83%	80,21	242,29	258,67
	03 20	Pilot projects, preparatory actions, prerogatives and other actions	1,50	0,00	1,50	100,00%	1,06	2,56	2,40
Total Title 03			168,88	5,31	163,57	96,85%	81,28	244,85	261,07

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2022 (in Mio €) for DG HADEA									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2021	Total of commitments to be settled at end of financial year 2022	Total of commitments to be settled at end of financial year 2021
			Commitments	Payments	RAL	%to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
06	06 06	EU4Health Programme	740,54	47,20	693,34	93,63%	215,78	909,12	321,91
Total Title 06			740,54	47,20	693,34	93,63%	215,78	909,12	321,91
Total Excluding NGEU			2.700,88	371,30	2.329,58	86,25%	2.758,04	5.087,62	4.440,06

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2022 (in Mio €) for DG HADEA									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2021	Total of commitments to be settled at end of financial year 2022	Total of commitments to be settled at end of financial year 2021
			Commitments	Payments	RAL	%to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
01	01 02	Horizon Europe	778,26	237,21	541,04	69,52%	193,14	734,18	799,53
Total Title 01			778,26	237,21	541,04	69,52%	193,14	734,18	799,53
Total NGEU Only			778,26	237,21	541,04	69,52%	193,14	734,18	799,53

Total for DG HADEA			3.479,13	608,51	2.870,62	82,51 %	2.951,18	5.821,80	5.239,59
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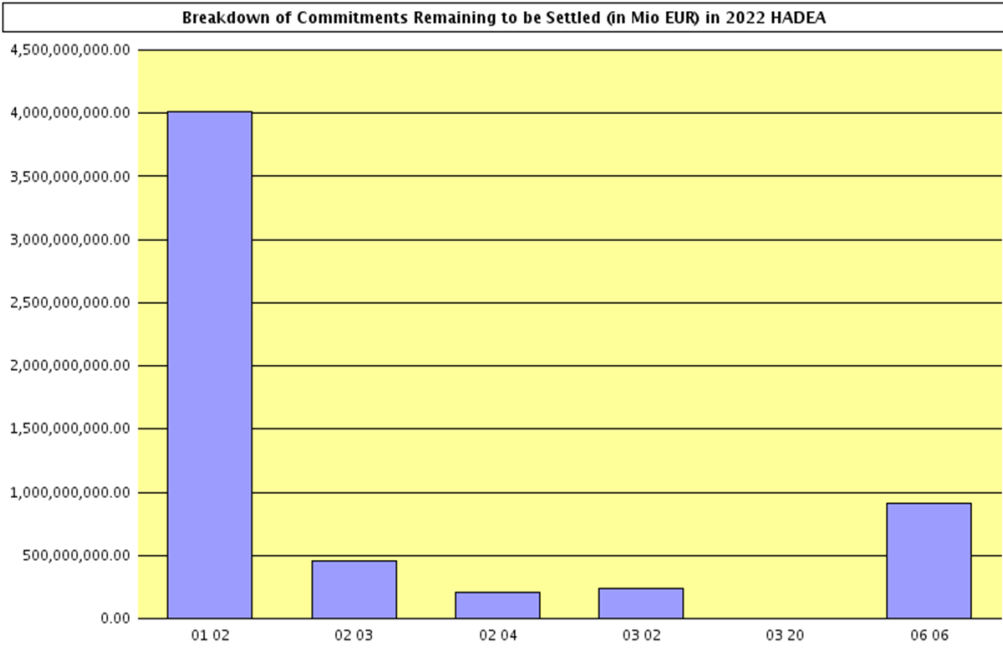


Table 4 – Balance sheet ⁽²³⁾

TABLE 4 : BALANCE SHEET for DG HADEA		
BALANCE SHEET	2022	2021
A.I. NON CURRENT ASSETS	899.720.049,50	311.358.023,21
A.I.5. Non-Current Pre-Financing	899.720.049,50	311.358.023,21
A.II. CURRENT ASSETS	1.440.620.858,41	1.155.134.379,21
A.II.2. Current Pre-Financing	1.433.031.582,14	1.136.497.540,01
A.II.3. Curr Exch Receiv & Non-Ex Recoverables	3.480.776,27	2.087.839,20
A.II.4. Inventories	4.108.500,00	16.549.000,00
ASSETS	2.340.340.907,91	1.466.492.402,42
P.II. CURRENT LIABILITIES	-399.836.202,57	-202.950.435,44
P.II.4. Current Payables	-110.165.144,65	-68.154.234,42
P.II.5. Current Accrued Charges & Defrd Income	-289.671.057,92	-134.796.201,02
LIABILITIES	-399.836.202,57	-202.950.435,44
NET ASSETS (ASSETS less LIABILITIES)	1.940.504.705,34	1.263.541.966,98
Non-allocated central (surplus)/deficit*	-5.648.071.914,21	-1.263.541.966,98
P.III.2. Accumulated Surplus/Deficit	3.707.567.208,87	
TOTAL DG HADEA	0,00	0,00

⁽²³⁾ Data as of 16 March 2023.

Table 5 – Statement of financial performance ⁽²⁴⁾

TABLE 5 : STATEMENT OF FINANCIAL PERFORMANCE for DG HADEA		
STATEMENT OF FINANCIAL PERFORMANCE	2022	2021
II.1 REVENUES	-2.560.163,33	-1.732.086,01
II.1.1. NON-EXCHANGE REVENUES	-4.546.937,35	-2.093.869,24
II.1.1.6. RECOVERY OF EXPENSES	-4.546.937,35	-2.093.869,24
II.1.2. EXCHANGE REVENUES	1.986.774,02	361.783,23
II.1.2.2. OTHER EXCHANGE REVENUE	1.986.774,02	361.783,23
II.2. EXPENSES	2.113.204.278,64	3.709.299.294,88
II.2. EXPENSES	2.113.204.278,64	3.709.299.294,88
II.2.10. OTHER EXPENSES	61.502,25	0,00
II.2.2. EXP IMPLM BY COMMISS&EX.AGENC. (DM)	2.113.134.139,99	3.709.298.452,38
II.2.8. FINANCE COSTS	8.636,40	842,50
STATEMENT OF FINANCIAL PERFORMANCE	2.110.644.115,31	3.707.567.208,87

⁽²⁴⁾ Provisional data as of 16 March 2023.

Table 5 bis – Off-balance ⁽²⁵⁾

TABLE 5bis : OFF BALANCE SHEET for DG HADEA		
OFF BALANCE	2022	2021
OB.1. Contingent Assets	3.393.412,34	3.478.587,34
GR for pre-financing	3.393.412,34	3.478.587,34
OB.3. Other Significant Disclosures	-5.421.964.393,74	-5.005.907.961,96
OB.3.2. Comm against app. not yet consumed	-5.421.964.393,74	-5.005.907.961,96
OB.4. Balancing Accounts	5.418.570.981,40	5.002.429.374,62
OB.4. Balancing Accounts	5.418.570.981,40	5.002.429.374,62
OFF BALANCE	0,00	0,00

⁽²⁵⁾ Provisional data as of 16 March 2023.

Table 6 – Payment times

Legal Times									
Maximum Payment Time (Days)	Total Nbr of Payments	Nbr of Payments within Time Limit	Percentage	Average Payment Times (Days)	Nbr of Late Payments	Percentage	Average Payment Times (Days)	Late Payments Amount	Percentage
30	2.244	2.225	99,15 %	9,53	19	0,85 %	42,53	9.362.234,15	1, %
60	1.630	1.604	98,40 %	21,30	26	1,60 %	87,77	378.544,47	0, %
90	949	944	99,47 %	64,70	5	0,53 %	165,20	1.708.771,49	0, %

Total Number of Payments	4.823	4.773	98,96 %		50	1,04 %		11449550,11	0, %
Average Net Payment Time	24,95376322			24,39			78,32		
Average Gross Payment Time	42,66493883			42,26084224			81,24		

Suspensions							
Average Report Approval Suspension Days	Average Payment Suspension Days	Number of Suspended Payments	% of Total Number	Total Number of Payments	Amount of Suspended Payments	% of Total Amount	Total Paid Amount
0	63	1.360	28,20 %	4.823	822.721.309,14	31,07 %	2.648.330.141,07

Late Interest paid in 2022			
DG	GL Account	Description	Amount (Eur)
HADEA	65010100	Interest on late payment of charges New FR	8.636,40
			8.636,40

Table 7 – Income

TABLE 7 : SITUATION ON REVENUE AND INCOME in 2022 for DG HADEA								
Chapter		Revenue and income recognized			Revenue and income cashed from			Outstanding balance
		Current year RO	Carried over RO	Total	Current Year RO	Carried over RO	Total	
		1	2	3=1+2	4	5	6=4+5	7=3-6
33	Other administrative revenue	-7.500,00	4.811,39	-2.688,61	-7.500,00	689,90	-6.810,10	4.121,49
60	Single market, innovation and digital	9.281.648,42	1.986.040,77	11.267.689,19	6.069.427,59	1.768.105,01	7.837.532,60	3.430.156,59
61	Cohesion, resilience and values	613.972,59	0,00	613.972,59	613.972,59	0,00	613.972,59	0,00
67	Completion for outstanding recovery orders prior to 2021	-43.339,62	399.267,46	355.927,84	-43.339,62	302.052,55	258.712,93	97.214,91
Total DG HADEA		9.844.781,39	2.390.119,62	12.234.901,01	6.632.560,56	2.070.847,46	8.703.408,02	3.531.492,99

Table 8 – Recovery Contexts

TABLE 8 : FINANCIAL IMPACT OF EX-ANTE AND EX-POST CONTROLS in 2022 for DG HADEA

EX-ANTE CONTROLS	Irregularity	OLAF notified	Total undue payments recovered
NON ELIGIBLE IN COST CLAIMS	11.445.046,94	186.330,00	11.631.376,94
CREDIT NOTES			
RECOVERY ORDERS ON PRE-FINANCING			
Sub-Total	11.445.046,94	186.330,00	11.631.376,94

EX-POST CONTROLS	Irregularity	OLAF notified	Total undue payments recovered
INCOME LINES IN INVOICES	151.721,31		151.721,31
RECOVERY ORDERS OTHER THAN ON PRE-FINANCING	1.378.739,18	1.678.639,79	3.057.378,97
Sub-Total	1.530.460,49	1.678.639,79	3.209.100,28
GRAND TOTAL (EX-ANTE + EX-POST)	12.975.507,43	1.864.969,79	14.840.477,22

Table 9 – Ageing balance of recovery orders

TABLE 9: AGEING BALANCE OF RECOVERY ORDERS AT 31/12/2022 for DG HADEA						
	Number at 01/01/2022	Number at 31/12/2022	Evolution	Open Amount (Eur) at 01/01/2022	Open Amount (Eur) at 31/12/2022	Evolution
2015	1		-100,00 %	7.500,00		-100,00 %
2016	1		-100,00 %	38.671,88		-100,00 %
2018	1		-100,00 %	1.632,30		-100,00 %
2020	6	3	-50,00 %	356.274,67	101.336,40	-71,56 %
2021	21	3	-85,71 %	1.986.040,77	217.935,76	-89,03 %
2022		24			3.212.220,83	
	30	30	0,00 %	2.390.119,62	3.531.492,99	47,75 %

Table 10 – Recovery order waivers

TABLE 10 :Recovery Order Waivers >= 60 000 € in 2022 for DG HADEA					
Waiver Central Key	Linked RO Central Key	RO Accepted Amount (Eur)	LE Account Group	Commission Decision	Comments

Total DG HADEA	
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Number of RO waivers	
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There are 4 waivers below 60 000 € for a total amount of -63,134.55

Table 11 – Negotiated procedures

External Procedures > € 20,000

Negotiated Procedure Legal base	Number of Procedures	Amount (€)
Annex 1 - 11.1 (c) - Extreme urgency caused by unforeseeable events not attributable to the contracting authority	1	14.999.875,00
Total	1	14.999.875,00

Table 12 – Summary of procedures

TABLE 12 : Summary of Procedures in 2022 for DG HADEA

External Procedures > € 20,000

Procedure Legal base	Number of Procedures	Amount (€)
Negotiated procedure without prior publication (Annex 1 - 11.1)	1	14.999.875,00
Open procedure - As provided for in FR 164(1)(a) - Services/Supplies as from EUR 300 000 - Works as from EUR 5 000 000 - publication (Annex 1 - 38.1 (b))	1	3.890.000,00
Total	2	18.889.875,00

Internal Procedures > € 60,000

Procedure Legal base	Number of Procedures	Amount (€)
Open procedure (FR 164 (1)(a))	14	40.271.914,09
Total	14	40.271.914,09

Table 13 – Building contracts

TABLE 13 : BUILDING CONTRACTS in 2022 for DG HADEA

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

Table 14 – Secret contracts

TABLE 14 : CONTRACTS DECLARED SECRET in 2022 for DG HADEA

Legal Base	LC Date	Contract Number	Contract Subject	Contracted Amount (€)

Table 15 – FPAs whose duration exceeds 4 years

TABLE 15 : FPA duration exceeds 4 years - DG HADEA

-

Table 16 – Commitments co-delegation type 3

TABLE 16 : Commitments co-delegation type 3 in 2022 for DG HADEA

-

Table 17 – Time to grant

Results per programme

Data: 23 January 2023, Calculations 27 January 2023

Data taken into consideration:
 - calls with a time to grant deadline in 2022
 - Paper grants and Identified Beneficiary Agreements were not included in this calculation

Data in green: calls completed
 Data in purple: calls not completed but for which the TTG deadline was in 2022

PROGRAMME	CALLS with a DEADLINE in 2022	Total number of GAs in call	Call completion rate	Number of GAs signed within target	% of GAs signed within target
EU4Health	EU4H-2021-PJ	7	100%	7	100%
	EU4H-2021-PJ2	22	100%	20	91%
	EU4H-2022-OG-FPA	15	100%	15	100%
	EU4H-2022-OG-SGA	15	100%	15	100%
	EU4H-PJ-04	1	100%	1	100%
TTG EU4Health	5 calls	60		58	97%
HE CL4	HORIZON-CL4-2021-DIGITAL-EMERGING-01	21	100%	17	81%
	HORIZON-CL4-2021-HUMAN-01	11	100%	9	82%
	HORIZON-CL4-2021-RESILIENCE-01	53	100%	50	94%
	HORIZON-CL4-2021-RESILIENCE-02	3	100%	3	100%
	HORIZON-CL4-2021-SPACE-01	21	100%	17	81%
	HORIZON-CL4-2021-TWIN-TRANSITION-01	50	100%	48	96%
	HORIZON-CL4-2022-DATA-01	9	100%	9	100%
	HORIZON-CL4-2022-DIGITAL-EMERGING-01	21	100%	21	100%
	HORIZON-CL4-2022-HUMAN-01	3	100%	3	100%
	HORIZON-CL4-2022-RESILIENCE-01	64	98%	58	91%
	HORIZON-CL4-2022-SPACE-01	24	100%	23	96%
	HORIZON-CL4-2022-TWIN-TRANSITION-01	42	88%	38	90%
TTG HE - Cluster 4	12 calls	322		296	92%
HE CL1	HORIZON-HLTH-2021-CARE-05	10	100%	9	90%
	HORIZON-HLTH-2021-CORONA-01	9	100%	9	100%
	HORIZON-HLTH-2021-DISEASE-04	37	100%	26	70%
	HORIZON-HLTH-2021-ENVHLTH-02	16	100%	13	81%
	HORIZON-HLTH-2021-ENVHLTH-03	1	100%	1	100%
	HORIZON-HLTH-2021-IND-07	6	100%	6	100%
	HORIZON-HLTH-2021-STAYHLTH-01	8	100%	7	88%
	HORIZON-HLTH-2021-TOOL-06	17	100%	14	82%
	HORIZON-HLTH-2022-CARE-08	5	100%	5	100%
	HORIZON-HLTH-2022-CARE-10	1	100%	1	100%
	HORIZON-HLTH-2022-DISEASE-03	1	100%	1	100%
	HORIZON-HLTH-2022-DISEASE-07	11	100%	11	100%
	HORIZON-HLTH-2022-ENVHLTH-04	5	100%	5	100%
	HORIZON-HLTH-2022-IND-13	13	92%	12	92%
	HORIZON-HLTH-2022-STAYHLTH-02	13	100%	13	100%
	HORIZON-HLTH-2022-TOOL-11	11	100%	11	100%
	HORIZON-MISS-2021-CANCER-02	11	100%	11	100%
	HORIZON-MISS-2021-UNCAN-01	1	100%	1	100%
TTG HE - Cluster 1	18 calls	176		156	89%
Digital Europe Programme	DIGITAL-2021-SKILLS-01	9	100%	9	100%
	DIGITAL-2021-TRUST-01	33	100%	33	100%
TTG Digital Europe Programme	2 calls	42		42	100%
HADEA	37 calls	600		552	92%

Details

UNIT	PROGRAMME	CALL	CALL COMPLETION RATE				GRANT AGREEMENT SIGNED WITHIN TARGET					COMMENT
			NUMBER OF GAs in CALL (main list)	NUMBER OF SIGNED GAs	COMPLETION RATE	COMPLETED	CALL CLOSURE DATE	TARGET TTG IN DAYS	TARGET DATE (Call closure date + target ¹)	Number of GAs signed within target ²	% of GAs signed within target ³	
B2.1	DEP	DIGITAL-2021-SKILLS-01	9	9	100%	COMPLETED	22-02-2022	275	24-11-2022	9	100%	
B2.1	DEP	DIGITAL-2021-TRUST-01	33	33	100%	COMPLETED	22-02-2022	275	24-11-2022	33	100%	
A1	EU4Health	EU4H-2021-PJ	7	7	100%	COMPLETED	15-09-2021	275	17-06-2022	7	100%	
A1	EU4Health	EU4H-2021-PJ2	22	22	100%	COMPLETED	25-01-2022	275	27-10-2022	20	91%	- A complex action and/or consortium which required more time for grant preparation - Extension of deadlines on request of the consortium
A1	EU4Health	EU4H-2022-OG-FPA	15	15	100%	COMPLETED	17-02-2022	275	19-11-2022	15	100%	
A1	EU4Health	EU4H-2022-OG-SGA	15	15	100%	COMPLETED	17-02-2022	275	19-11-2022	15	100%	
A1	EU4Health	EU4H-PJ-04	1	1	100%	COMPLETED	09-12-2021	275	10-09-2022	1	100%	
A3	HE CL1	HORIZON-HLTH-2021-CARE-05	10	10	100%	COMPLETED	21-09-2021	245	24-05-2022	9	90%	- Extension of deadlines on request of the consortium
A3	HE CL1	HORIZON-HLTH-2021-CORONA-	9	9	100%	COMPLETED	20-05-2021	245	20-01-2022	9	100%	
A3	HE CL1	HORIZON-HLTH-2021-DISEASE-04	37	37	100%	COMPLETED	21-09-2021	245	24-05-2022	26	70%	- A complex action and/or consortium which required more time for grant preparation (4 cases): in one case, due to UK status, consortium did not meet minimum composition criteria and, therefore, addition of a new eligible beneficiary was needed. - Extension of deadlines on request of the consortium (2 cases) - Non-respect of deadlines by the consortium (in 6 cases) - Unforeseen changes in the consortium (in 2 cases): One of the beneficiaries, Epicentre in Uganda, did not get the approval from MSF to receive EC funds due to MSF's neutrality policy, so the consortium decided to replace Epicentre with another beneficiary, Mbarara University of S&T (MUST).

UNIT	PROGRAMME	CALL	NUMBER OF GAs in CALL (main list)	NUMBER OF SIGNED GAS	COMPLETION RATE	COMPLETED	CALL CLOSURE DATE	TARGET TTG IN DAYS	TARGET DATE (Call closure date + target)	Number of GAs signed within target	% of GAs signed within target	COMMENT
A3	HE CL1	HORIZON-HLTH-2021-ENVHLTH-02	16	16	100%	COMPLETED	21-09-2021	245	24-05-2022	13	81%	- A complex action and/or consortium which required more time for grant preparation: Change of UK coordinator and addition a new partner as coordinator. - Non-respect of deadlines by the consortium
A3	HE CL1	HORIZON-HLTH-2021-ENVHLTH-	1	1	100%	COMPLETED	21-09-2021	245	24-05-2022	1	100%	
A3	HE CL1	HORIZON-HLTH-2021-IND-07	6	6	100%	COMPLETED	21-09-2021	245	24-05-2022	6	100%	
A3	HE CL1	HORIZON-HLTH-2021-STAYHLTH-01	8	8	100%	COMPLETED	21-09-2021	245	24-05-2022	7	88%	- Extension of deadlines on request of the consortium: Coordinator delayed signature due to changes in internal organisation.
A3	HE CL1	HORIZON-HLTH-2021-TOOL-06	17	17	100%	COMPLETED	21-09-2021	245	24-05-2022	14	82%	- Non-respect of deadlines by the consortium (in 2 cases) - A complex action and/or consortium which required more time for grant preparation (1)
A3	HE CL1	HORIZON-HLTH-2022-CARE-08	5	5	100%	COMPLETED	21-04-2022	245	22-12-2022	5	100%	
A3	HE CL1	HORIZON-HLTH-2022-CARE-10	1	1	100%	COMPLETED	21-04-2022	245	22-12-2022	1	100%	
A3	HE CL1	HORIZON-HLTH-2022-DISEASE-03	1	1	100%	COMPLETED	21-04-2022	245	22-12-2022	1	100%	
A3	HE CL1	HORIZON-HLTH-2022-DISEASE-07	11	11	100%	COMPLETED	21-04-2022	245	22-12-2022	11	100%	
A3	HE CL1	HORIZON-HLTH-2022-ENVHLTH-	5	5	100%	COMPLETED	21-04-2022	245	22-12-2022	5	100%	
A3	HE CL1	HORIZON-HLTH-2022-IND-13	13	12	92%	Ongoing	21-04-2022	245	22-12-2022	12	92%	TTG has passed - 1 project posing problem, potential double funding with a project from DG CNECT
A3	HE CL1	HORIZON-HLTH-2022-STAYHLTH-	13	13	100%	COMPLETED	21-04-2022	245	22-12-2022	13	100%	
A3	HE CL1	HORIZON-HLTH-2022-TOOL-11	11	11	100%	COMPLETED	21-04-2022	245	22-12-2022	11	100%	
A3	HE CL1	HORIZON-MISS-2021-CANCER-02	11	11	100%	COMPLETED	26-04-2022	245	27-12-2022	11	100%	
A3	HE CL1	HORIZON-MISS-2021-UNCAN-01	1	1	100%	COMPLETED	20-10-2021	245	22-06-2022	1	100%	
B2.2	HE CL4	HORIZON-CL4-2022-DATA-01	9	9	100%	COMPLETED	05-04-2022	245	06-12-2022	9	100%	
B2.2	HE CL4	HORIZON-CL4-2022-DIGITAL-	21	21	100%	COMPLETED	05-04-2022	245	06-12-2022	21	100%	
B2.2	HE CL4	HORIZON-CL4-2022-HUMAN-01	3	3	100%	COMPLETED	05-04-2022	245	06-12-2022	3	100%	
B3	HE CL4	HORIZON-CL4-2021-DIGITAL-EMERGING-01	21	21	100%	COMPLETED	21-10-2021	245	23-06-2022	17	81%	- Non-respect of deadlines by the consortium (in 2 cases) - Other: was delayed at the "Encode CD" step
B3	HE CL4	HORIZON-CL4-2021-HUMAN-01	11	11	100%	COMPLETED	21-10-2021	245	23-06-2022	9	82%	- Non-respect of deadlines by the consortium - A complex action and/or consortium which required more time for grant preparation: Administrative reasons resulted in a delay of the process

UNIT	PROGRAMME	CALL	NUMBER OF GAs in CALL (main list)	NUMBER OF SIGNED GASs	COMPLETION RATE	COMPLETED	CALL CLOSURE DATE	TARGET TTG IN DAYS	TARGET DATE (Call closure date + target)	Number of GAs signed within target	% of GAs signed within target	COMMENT
B3	HE CL4	HORIZON-CL4-2021-RESILIENCE-01	53	53	100%	COMPLETED	23-09-2021	245	26-05-2022	50	94%	- A complex action and/or consortium which required more time for grant preparation (in 3 cases): >> Various minor administrative issues accumulated and caused this small delay >> for one grant, some administrative issues related among others to associated UK partners caused this small delay; >> Administrative issues at the level of the consortium occurred and caused de delay.
B3	HE CL4	HORIZON-CL4-2021-RESILIENCE-	3	3	100%	COMPLETED	25-01-2022	245	27-09-2022	3	100%	
B3	HE CL4	HORIZON-CL4-2021-TWIN-TRANSITION-01	50	50	100%	COMPLETED	23-09-2021	245	26-05-2022	48	96%	- Other (1 case): Problem with coordinator signing the GA. They thought they had but only after our warning they realized they had not. Only signed on Wed 25th at 18.31 (the PLSIGN made some mistakes during the signature process). We saw it after the long WE. - A complex action and/or consortium which required more time for grant preparation (1 case): Some changes in Annex 1 took a bit longer than foreseen - Other (1 case): Late CD and then coordinator long admin process for the signatures on their side
B3	HE CL4	HORIZON-CL4-2022-RESILIENCE-01	64	63	98%	Ongoing	30-03-2022	245	30-11-2022	58	91%	- Non-respect of deadlines by the consortium (1 case)
B3	HE CL4	HORIZON-CL4-2022-TWIN-TRANSITION-01	42	40	95%	Ongoing	30-03-2022	245	30-11-2022	38	90%	TTG has passed For two grant agreements: Other: CD reference for Batch 3 came late
B4	HE CL4	HORIZON-CL4-2021-SPACE-01	21	21	100%	COMPLETED	16-02-2022	245	19-10-2022	17	81%	- Non-respect of deadlines by the consortium (1 case): After a necessary change of coordinator the response was very slow. - Extension of deadlines on request of the consortium for completion of ownership control assessment (1 case) - A complex action and/or consortium which required more time for grant preparation (1 case) - Other (1 case): delay caused by ownership control assessment
B4	HE CL4	HORIZON-CL4-2022-SPACE-01	24	24	100%	COMPLETED	16-02-2022	245	19-10-2022	23	96%	- Non-respect of deadlines by the consortium (1 case): The consortium was not responsive in providing necessary documents, e.g. the GEP

B. Operating budget

Annex 3 Financial Reports - HADEA - Financial Year 2022

Table 1 : Commitments

Table 2 : Payments

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Table 6 : Average Payment Times

Table 7 : Income

Table 8 : Recovery of undue Payments

Table 9 : Ageing Balance of Recovery Orders

Table 10 : Waivers of Recovery Orders

Table 1 – Commitments

TABLE 1: OUTTURN ON COMMITMENT APPROPRIATIONS IN 2022 (in Mio €) for HADEA					
			Commitment appropriations authorised	Commitments made	%
			1	2	3=2/1
Title 1 STAFF EXPENDITURE					
1	11	Remuneration, Allowances and Charges	32,62	32,42	99,40 %
	12	Professional Development and Social Expenditures	1,84	1,78	96,75 %
Total Title 1			34,46	34,21	99,26 %
Title 2 INFRASTRUCTURE AND OPERATING EXPENDITURE					
2	21	Building Expenditures	3,53	3,50	99,27 %
	22	ICT Expenditures	1,91	1,88	98,43 %
	23	Movable property and current operating expenses	0,24	0,22	91,84 %
Total Title 2			5,68	5,61	98,68 %
Title 3 PROGRAMME SUPPORT EXPENDITURE					
3	31	Programme Management Expenditure	1,87	1,61	86,39 %
Total Title 3			1,87	1,61	86,39 %
Total HADEA			42,01	41,43	98,61 %

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

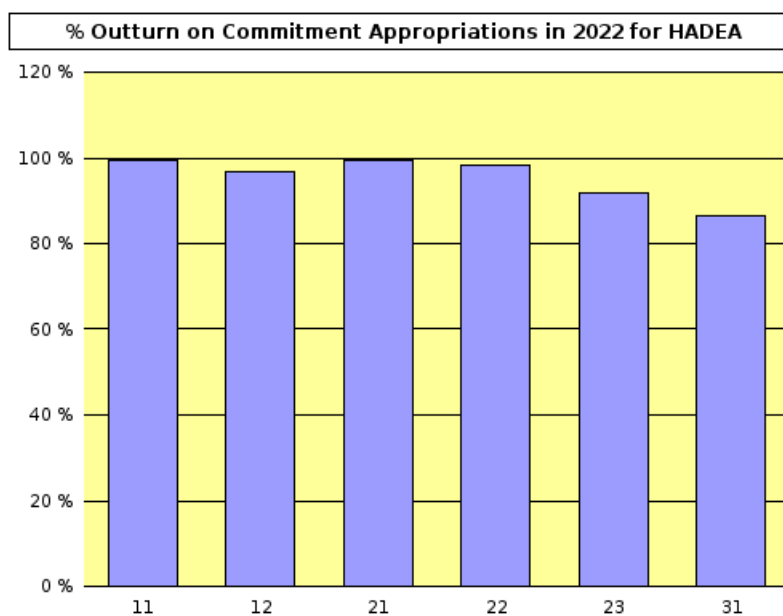


Table 2 – Payments

TABLE 2: OUTTURN ON PAYMENT APPROPRIATIONS IN 2022 (in Mio €) for HADEA					
			Payment appropriations authorised *	Payments made	%
			1	2	3=2/1
Title 1 STAFF EXPENDITURE					
1	11	Remuneration, Allowances and Charges	32,95	32,30	98,03 %
	12	Professional Development and Social Expenditures	2,50	1,54	61,63 %
Total Title 1			35,45	33,84	95,47%
Title 2 INFRASTRUCTURE AND OPERATING EXPENDITURE					
2	21	Building Expenditures	6,21	5,65	91,05 %
	22	ICT Expenditures	2,21	1,87	84,38 %
	23	Movable property and current operating expenses	0,54	0,44	80,89 %
Total Title 2			8,96	7,96	88,78%
Title 3 PROGRAMME SUPPORT EXPENDITURE					
3	31	Programme Management Expenditure	2,88	1,50	52,00 %
Total Title 3			2,88	1,50	52,00%
Total HADEA			47,30	43,30	91,55 %

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

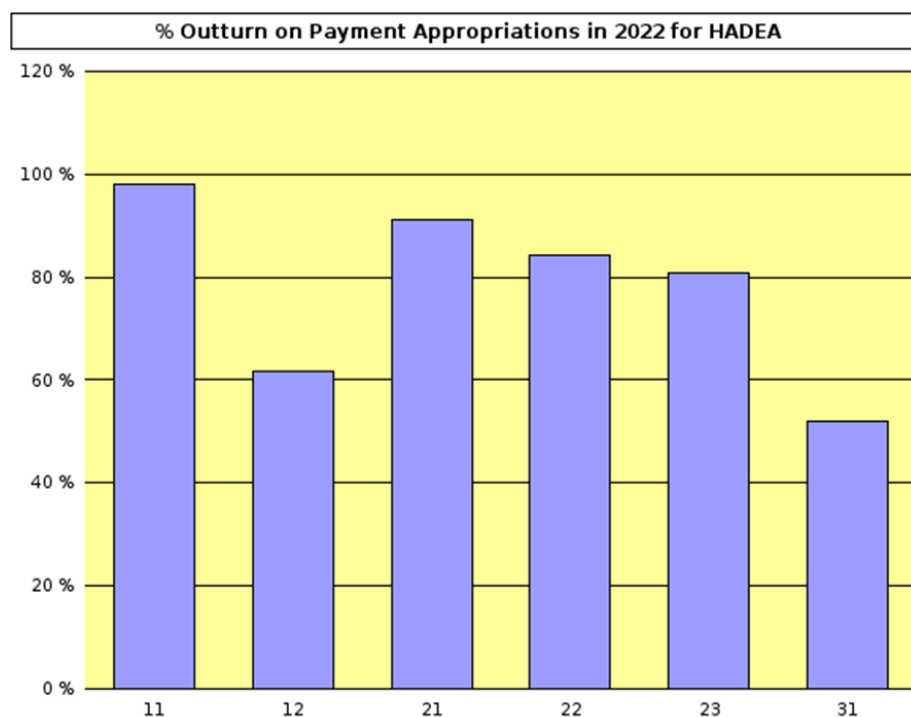


Table 3 – Commitments to be settled

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2022 (in Mio €) for HADEA									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2021	Total of commitments to be settled at end of financial year 2022	Total of commitments to be settled at end of financial year 2021
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
1	11	Remuneration, Allowances and Charges	32,42	31,99	0,44	1,36%	0,00	0,44	0,33
	12	Professional Development and Social Expenditures	1,78	1,27	0,51	28,60%	0,00	0,51	0,66
Total Title 1			34,21	33,26	0,95	2,78%	0,00	0,95	0,99

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2022 (in Mio €) for HADEA									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2021	Total of commitments to be settled at end of financial year 2022	Total of commitments to be settled at end of financial year 2021
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
2	21	Building Expenditures	3,50	3,27	0,23	6,55%	0,00	0,23	2,68
	22	ICT Expenditures	1,88	1,59	0,29	15,38%	0,00	0,29	0,30
	23	Movable property and current operating expenses	0,22	0,17	0,05	22,33%	0,00	0,05	0,31
Total Title 2			5,61	5,04	0,57	10,13%	0,00	0,57	3,28

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2022 (in Mio €) for HADEA									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2021	Total of commitments to be settled at end of financial year 2022	Total of commitments to be settled at end of financial year 2021
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
3	31	Programme Management Expenditure	1,61	0,71	0,90	56,00%	0,00	0,90	1,02
Total Title 3			1,61	0,71	0,90	56,00%	0,00	0,90	1,02

Total			41,43	39,01	2,42	5,85 %	0,00	2,42	5,29
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Breakdown of Commitments Remaining to be Settled (in Mio EUR) in 2022 HADEA

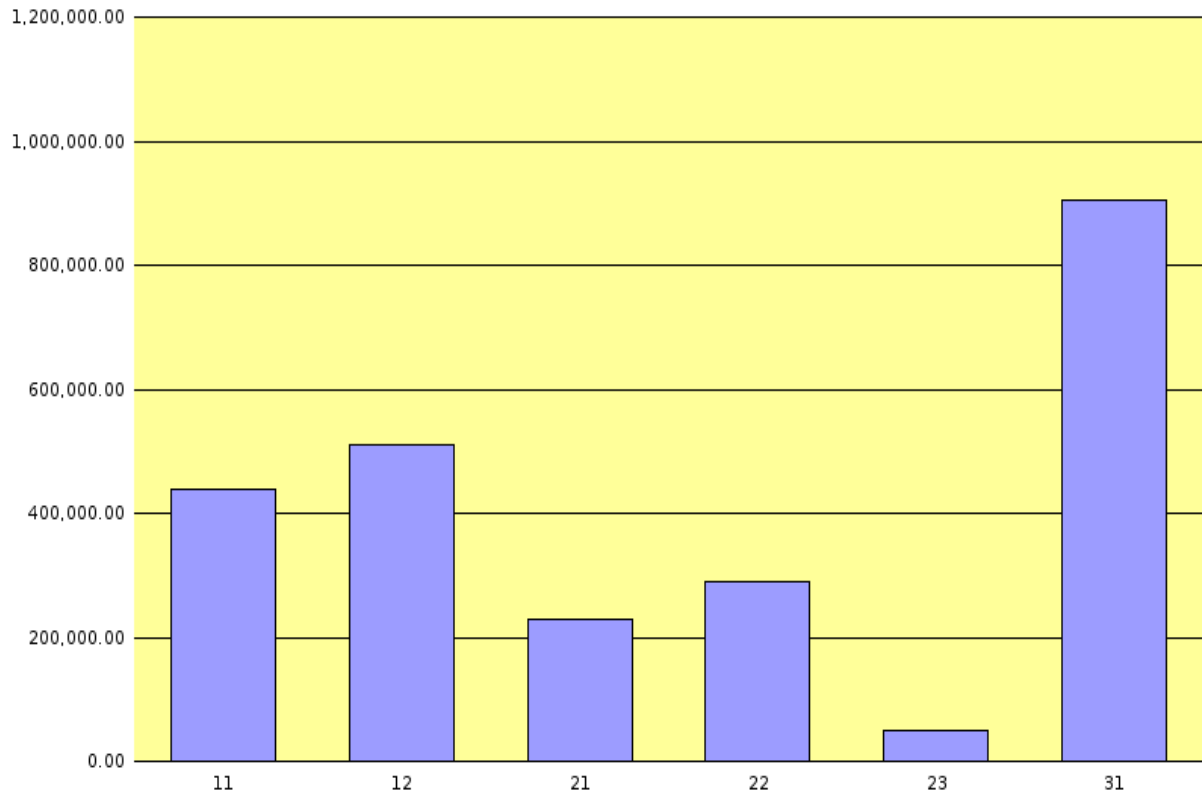


Table 4 – Balance sheet

TABLE 4 : BALANCE SHEET for HADEA		
BALANCE SHEET	2022	2021
A.I. NON CURRENT ASSETS	282.676,00	1.368,00
A.I.1. Intangible Assets	9.272,00	
A.I.2. Property, Plant and Equipment	273.404,00	1.368,00
A.II. CURRENT ASSETS	4.117.231,23	6.627.037,46
A.II.3. Curr Exch Receiv & Non-Ex Recoverables	4.117.231,23	6.627.037,46
ASSETS	4399907,23	6628405,46
P.II. CURRENT LIABILITIES	-3.947.093,78	-5.396.997,52
P.II.2. Current Provisions	-10.723,39	-213.445,76
P.II.4. Current Payables	-1.688.986,68	-1.090.632,99
P.II.5. Current Accrued Charges & Defrd Income	-2.247.383,71	-4.092.918,77
LIABILITIES	-3947093,78	-5396997,52
NET ASSETS (ASSETS less LIABILITIES)	452813,45	1.231.407,94
P.III.2. Accumulated Surplus/Deficit	-1.231.407,94	-205.015,10
Non-allocated central (surplus)/deficit*	778.594,49	-1.026.392,84
TOTAL	0,00	0,00

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

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

Table 5 – Statement of financial performance

TABLE 5 : STATEMENT OF FINANCIAL PERFORMANCE for HADEA		
STATEMENT OF FINANCIAL PERFORMANCE	2022	2021
II.1 REVENUES	-40.579.091,90	-24703582,63
II.1.1. NON-EXCHANGE REVENUES	-40.579.091,18	-24.696.938,72
II.1.1.8. OTHER NON-EXCHANGE REVENUES	-40.579.091,18	-24.696.938,72
II.1.2. EXCHANGE REVENUES	-0,72	-6.643,91
II.1.2.2. OTHER EXCHANGE REVENUE	-0,72	-6.643,91
II.2. EXPENSES	41.357.686,39	23677189,79
II.2. EXPENSES	41.357.686,39	23.677.189,79
II.2.10. OTHER EXPENSES	9.219.751,98	4.977.676,50
II.2.6. STAFF AND PENSION COSTS	32.137.934,41	18.699.513,29
STATEMENT OF FINANCIAL PERFORMANCE	778.594,49	-1.026.392,84

Table 5 bis – Off-balance

TABLE 5bis : OFF BALANCE SHEET for HADEA		
OFF BALANCE	2022	2021
OB.2. Contingent Liabilities	-55.907,68	
OB.2.6. CL Other	-55.907,68	
OB.3. Other Significant Disclosures	-22.280.622,16	-24.355.293,98
OB.3.2. Comm against app. not yet consumed	-765.962,26	-1.793.379,87
OB.3.5. Operating lease commitments	-21.514.659,90	-22.561.914,11
OB.4. Balancing Accounts	22.336.529,84	24.355.293,98
OB.4. Balancing Accounts	22.336.529,84	24.355.293,98
OFF BALANCE	0,00	0,00

Table 6 – Payment times

TABLE 6: AVERAGE PAYMENT TIMES FOR 2022 for HADEA

Legal Times									
Maximum Payment Time (Days)	Total Nbr of Payments	Nbr of Payments within Time Limit	Percentage	Average Payment Times (Days)	Nbr of Late Payments	Percentage	Average Payment Times (Days)	Late Payments Amount	Percentage
30	543	539	99,26 %	14,48	4	0,74 %	92	7.170,47	0, %
45	5	5	100,00 %	15				0,00	0, %
60	17	17	100,00 %	24,71				0,00	0, %
90	2	2	100,00 %	21				0,00	0, %

Total Number of Payments	567	563	99,29 %		4	0,71 %		7.170,47	0, %
Average Net Payment Time	15,36			14,82			92		
Average Gross Payment Time	15,72			15,18			92		

Suspensions							
Average Report Approval Suspension Days	Average Payment Suspension Days	Number of Suspended Payments	% of Total Number	Total Number of Payments	Amount of Suspended Payments	% of Total Amount	Total Paid Amount
0	19	11	1,94 %	567	280.012,22	2,30 %	12.178.745,05

DG	GL Account	Description	Amount (Eur)

Table 7 – Income

TABLE 7 : SITUATION ON REVENUE AND INCOME IN 2022 for HADEA								
Chapter		Revenue and income recognized			Revenue and income cashed from			Outstanding balance
		Current year RO	Carried over RO	Total	Current Year RO	Carried over RO	Total	
		1	2	3=1+2	4	5	6=4+5	7=3-6
20		42.012.956,00	0,00	42.012.956,00	42.012.956,00	0,00	42.012.956,00	0,00
90		14.333,37	0,00	14.333,37	12.223,70	0,00	12.223,70	2.109,67
Total HADEA		42027289,37	0	42027289,37	42025179,7	0	42025179,7	2109,67

Table 8 – Recovery Contexts

EX-POST CONTROLS	Irregularity	OLAF Notified	Total undue payments recovered
	Amount	Amount	Amount
INCOME LINES IN INVOICES			
RECOVERY ORDERS OTHER THAN ON PRE-FINANCING			
Sub-Total			
GRAND TOTAL (EX-ANTE + EX-POST)			

Table 9 – Ageing balance of recovery orders

TABLE 9: AGEING BALANCE OF RECOVERY ORDERS AT 12/31/2022 for HADEA						
	Number at 1/1/2022 1	Number at 12/31/2022	Evolution	Open Amount (Eur) at 1/1/2022 1	Open Amount (Eur) at 12/31/2022	Evolution
2021	3		-100,00 %	901,18		-100,00 %
2022		5			57.748,90	
	3	5	66,67 %	901,18	57.748,90	6308,14%

Table 10 – Recovery order waivers

TABLE 10: Recovery Order Waivers >= 60 000 € in 2022 for HADEA						
	Waiver Central Key	Linked RO Central Key	RO Accepted Amount (Eur)	LE Account Group	Commission Decision	Comments

Total DG	
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Number of RO waivers	
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There are no waivers below 60 000 €

ANNEX 4: Financial scorecard

Annex 4 summarises the annual results of the standard financial indicators measurement. Standard financial indicators are presented below, each with its objective, category, definition, and result for HaDEA and for the European Commission as a whole (for benchmarking purposes).

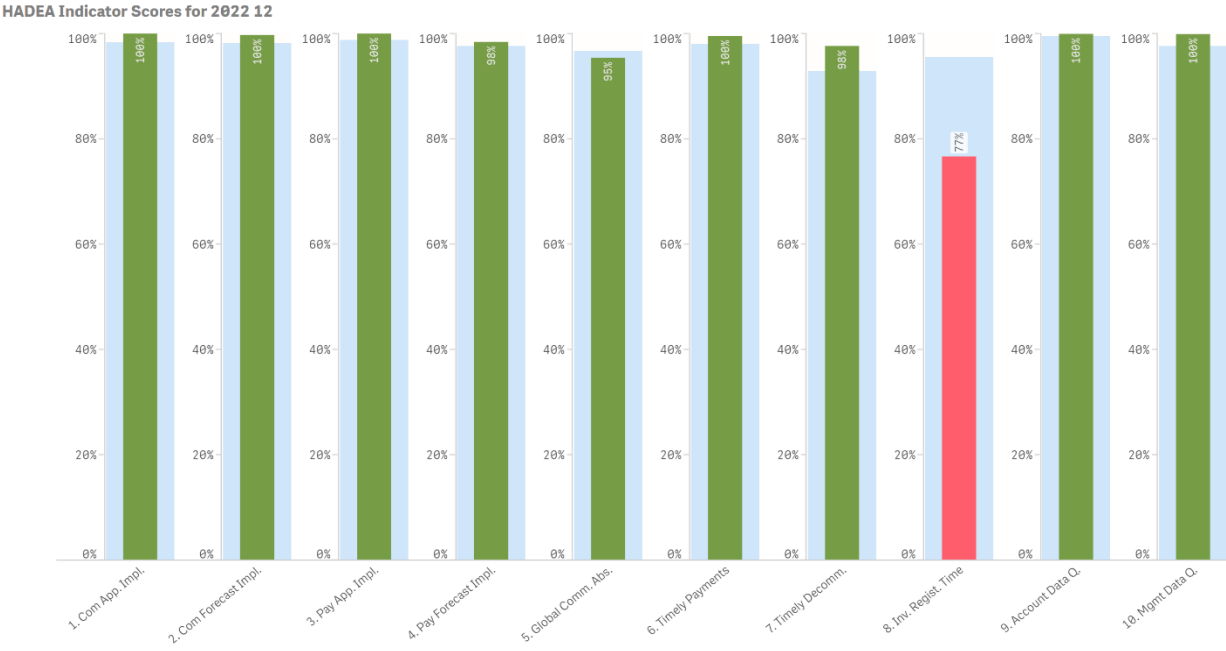
For each indicator, its value (in %) for HaDEA is compared to the common target (in %). The difference between the indicator’s value and the target is colour coded as follows:

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

A. Operational budget

HaDEA has provided commentary for each indicator’s result in the dedicated comment section below the indicators scores for the reader to understand the relevant service context.

The detailed definitions of the indicators are available on the internal DG BUDG site (BudgPedia) and managed by unit BUDG.C5 Financial Reporting.



For each indicator the light blue bar denotes the EC Score.

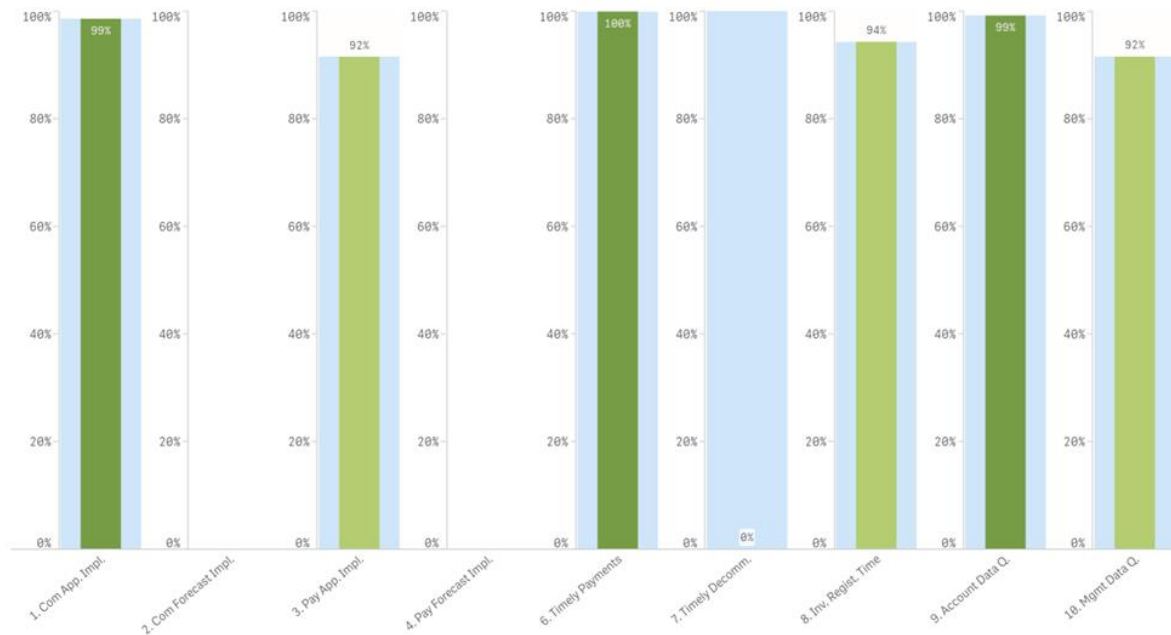
Indicator	Objective	Comment	HADEA Score	EC Score
1. Commitment Appropriations Implementation	Ensure efficient use of commitment appropriations expiring at the end of Financial Year	HaDEA implemented all its commitment appropriations expiring at the end of the financial year, or approximately EUR 2.66 billion. While not covered by this indicator, HaDEA also implemented a very high amount of NGEU appropriations earmarked specifically for use in 2022, again at 100% level (EUR 778.25 million). Use of 2022 global commitments is primarily limited to EU4Health and CEF Digital programmes, as well as part of Cluster 1.	100%	98%
2. Commitment Forecast Implementation	Ensure the cumulative alignment of the commitment implementation with the commitment forecast in a financial year	HaDEA achieved a 100% score under this indicator, after making a very robust commitment forecast, and working together with the parent DGs to anticipate the split of commitment appropriations delegated to HaDEA.	100%	98%
3. Payment Appropriations Implementation	Ensure efficient use of payment appropriations expiring at the end of Financial Year	HaDEA successfully implemented all its payment appropriations expiring at the end of the year (EUR 1.89 billion), also making use of transfer opportunities to balance needs and surpluses over the budget lines under its responsibility. Including NGEU and other fund sources, HaDEA paid almost EUR 2.8 billion for the year).	100%	99%
4. Payment Forecast Implementation	Ensure the cumulative alignment of the payment implementation with the payment forecast in a financial year	As in 2021, HaDEA again made a very robust second payment forecast and monitored closely payment execution over the last quarter of the year, resulting in a final implementation score very much in line with the forecast.	98%	98%
5. Global Commitment Absorption ⁽²⁶⁾	Ensure efficient use of already earmarked commitment appropriations (at L1 level)	In 2022 HaDEA individualized effectively 98.6% (EUR 2.83 billion out of 2.87 billion) of the appropriations committed globally in 2021 for actions and programmes under its responsibility. HaDEA also worked with parent DGs to ensure reassignment of partly decommitted appropriations, to ensure use of the L1 commitments for the benefit of the whole programme. In addition, HaDEA sought to maximize, to	95%	97%

⁽²⁶⁾ Due to technical limitation: 1. the indicator does not take into account the Com L1 Consumption between the FDC ILC date and the FA FDI allowed as an exception in the external actions for Com L1 of type GF, i.e. with Financing Agreement, under the FR2018 Article 114.2. 2. it is technically not possible to exclude the decommitment of RAL (C8) which is subsequently re-committed for a new purpose. As a result, the actual indicator score may be slightly higher than the one reported for DGs using the GF/GN commitments.

		the extent possible, leftovers that can be reused after decommitments (external assigned revenue), bringing effective absorption close to 99%.		
6. Timely Payments	Ensure efficient processing of payments within the legal deadlines	HaDEA paid on time 100% of its operational appropriations aggregating EUR 2.79 billion, demonstrating effective monitoring of payment deadlines.	100%	98%
7. Timely Decommitments	Ensure efficient decommitment of outstanding RAL at the end of commitment life cycle	HaDEA raised its score significantly compared to 2021 (87%), attaining a score above that of the average of the Commission. This was the result of additional focus on this indicator, part of overall attention to accounting and transaction quality.	98%	93%
8. Invoice Registration Time	Monitor the accounting risk stemming from late registration of invoices in the central accounting system ABAC	HaDEA achieved a 50% improvement compared the 2021 indicator (50%) based on the actions and expectations outlined in the 2021 report. HaDEA considers that the indicator is more meaningful for internal control purposes after excluding the impact of local systems such as eGrant and WiFi4EU, which generate automatically cost claims/invoices. The score for invoices requiring manual registration would have been close to 88%. HaDEA expects the headline indicator to improve further in 2023 with the continuing increase of eGrant use and running-off of legacy programmes.	77%	95%
9. Accounting Data Quality	Ensure the good data quality of ABAC transactions with the focus on fields having a primary impact on the accounts	HaDEA maintained a 100% score in accounting data quality, achieved through good practices in initial encoding but also established regular and end-of-year accounting quality exercises.	100%	100%
10. Management Data Quality	Ensure the good data quality of ABAC transactions with the focus on fields having a primary impact on the management decisions	HaDEA maintained a 100% score in management data quality, achieved through good practices in initial encoding but also through regular and end-of-year transaction quality exercises.	100%	98%

B. Operating budget

HADEA Indicator Scores for 2022 12



For each indicator the light blue bar denotes the EC Score.

Indicator	Objective	Comment	HaDEA Score	EC Score
1. Commitment Appropriations Implementation	Ensure efficient use of commitment appropriations expiring at the end of Financial Year		99%	99%
2. Commitment Forecast Implementation	Ensure the cumulative alignment of the commitment implementation with the commitment forecast in a financial year	The indicator is not applicable for HaDEA in 2022 due to the lack of underlying transactions recorded by HaDEA in 2022.	-	-
3. Payment Appropriations Implementation	Ensure efficient use of payment appropriations expiring at the end of Financial Year	HaDEA has effectively implemented the payment appropriations and was able to reduce significantly the amount of payment appropriations carried forward.	92%	92%
4. Payment Forecast Implementation	Ensure the cumulative alignment of the payment implementation with the payment forecast in a financial year	The indicator is not applicable for HaDEA in 2022 due to the lack of underlying transactions recorded by HaDEA in 2022.	-	-

5. Global Commitment Absorption ⁽²⁷⁾	Ensure efficient use of already earmarked commitment appropriations (at L1 level)	The indicator is not applicable for DG HaDEA in 2022 due to the lack of underlying transactions recorded by HaDEA in 2022.	-	-
6. Timely Payments	Ensure efficient processing of payments within the legal deadlines	HaDEA managed to ensure efficiency in processing payments, thanks to a good monitoring and prioritisation of the processing of payments during the year.	100%	100%
7. Timely Decommitments	Ensure efficient decommitment of outstanding RAL at the end of commitment life cycle	The indicator is not applicable for HaDEA in 2022 due to the lack of underlying transactions recorded by HaDEA in 2022.		100%
8. Invoice Registration Time	Monitor the accounting risk stemming from late registration of invoices in the central accounting system ABAC		94%	94%
9. Accounting Data Quality	Ensure the good data quality of ABAC transactions with the focus on fields having a primary impact on the accounts		99%	99%
10. Management Data Quality	Ensure the good data quality of ABAC transactions with the focus on fields having a primary impact on the management decisions		92%	92%

⁽²⁷⁾ Due to technical limitation, the indicator does not take into account the Com L1 Consumption between the FDC ILC date and the FA FDI allowed as an exception in the external actions for Com L1 of type GF, i.e. with Financing Agreement, under the FR2018 Article 114.2. As a result, the actual Indicator score may be slightly higher than the one reported for DGs using the GF commitments.

ANNEX 5: Materiality criteria

HaDEA expenditure is composed of (in order of importance) directly managed grants (98% in 2022), procurement and experts. The error rate affecting the payments is estimated yearly, per programme, following a relevant methodology that takes into account the risk associated to the type of expenditure (in terms of probability and final financial impact).

The assessment of the effectiveness of the different programmes' control systems is based mainly, but not exclusively, on ex-post audits' results. The effectiveness is expressed in terms of detected and residual error rate. Please see below detailed explanations.

In 2022, HaDEA was responsible for the implementation of the following legacy programmes: Horizon 2020, the Food and feed Programme, CEF Telecom, and the Third Health Programme, and for the implementation of new programmes: Digital Europe Programme, Connecting Europe Digital, Single Market Programme and EU4health. As the new programmes did not reach yet the corresponding level of maturity, no audit results are currently available.

1. Research Framework Programmes - Common aspects ⁽²⁸⁾

For H2020, ex-post controls are under the responsibility of the Common Audit Service (CAS). The CAS undertakes all Horizon 2020 audits, for all Horizon 2020 stakeholders, including HaDEA, ensuring a harmonised approach and minimalisation of the audit burden on beneficiaries. The Common Audit Strategy was adopted on 22 February 2016.

The control system established for Horizon 2020 aims for a detected error rate ranging from 2% to 5% (as close as possible to 2%, after corrections). Consequently, this range has been considered in legislation as the control objective set for the framework programme.

A. Assessment of the effectiveness of controls

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

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

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

- Errors detected corrected as a result of the implementation of audit conclusions;

⁽²⁸⁾ Section to be updated (awaiting updated text from DG RTD).

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

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

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

where:

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

The Common Representative Sample (CRS) is the starting point for the calculation of the residual error rate. It is representative of the expenditure of each framework programme (FP) as a whole. Nevertheless, the Director of HaDEA must also take into account other information when considering if the overall residual error rate is a sufficient basis on which to draw a conclusion on assurance (or make a reservation) for specific segment(s) of Horizon 2020. This may include the results of other ex-post audits, ex-ante controls, risk assessments, audit reports from external or internal auditors, etc. All this information may be used in assessing the overall impact of a weakness and considering whether to make a reservation or not.

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

In case a calculation of the residual error rate based on a representative sample is not possible for a Framework programme for reasons not involving control deficiencies⁽²⁹⁾ the consequences are to be assessed quantitatively by making a best estimate of the likely exposure for the reporting year based on all available information. The relative impact on the Declaration of Assurance would be then considered by analysing the available information on qualitative grounds and considering evidence from other sources and areas. This should be clearly explained in the annual activity report.

B. Multiannual approach

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

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

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

Notwithstanding the multiannual span of their control strategy, Directors-General of the Research DGs (and the Directors of executive agencies implementing Research and Innovation Framework Programmes) are required to sign a statement of assurance for each financial reporting year. To determine whether to qualify this statement of assurance with a reservation, the effectiveness of the control systems in place needs to be assessed not only for the year of reference but also with a multiannual perspective, to determine whether it is possible to reasonably conclude that the control objectives will be met in the future as foreseen.

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

⁽²⁹⁾ Such as, for instance, when the number of results from a statistically-representative sample collected at a given point in time is not sufficient to calculate a reliable error rate.

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

C. Adequacy of the audit scope

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

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

D. Revised methodology for the calculation of the error rate for Horizon 2020

Observations from the European Court of Auditors

The European Court of Auditors observed in its 2018 and 2019 Annual Reports that the error rate of Horizon 2020 was understated because *“the ex-post audits aim for maximum coverage of the accepted costs, but rarely cover all the costs. The error rate is calculated as a share of all the accepted costs, instead of the amount actually audited. This means that the denominator in the error calculation is higher, so the error rate is understated. In case the errors found are of a systemic nature, the error is extrapolated which partially compensates for the above-mentioned understatement. However, since extrapolation is not performed for non-systemic errors, the overall error rate is nevertheless understated. The understatement of the error rate cannot be quantified. It is, then, impossible to determine whether the impact of this understatement is significant”*.

In response to this observation, in 2020 the Commission re-defined its methodology for calculating the Horizon 2020 error rate. To quantify any potential understatement mentioned by the Court, the Commission applied a new methodology for all audits closed as from 1 January 2020. The main change in the methodology is that the denominator used in the error calculation is the sum of costs actually audited and not the sum of all accepted costs.

In this respect, an additional 0.38 % (calculated on 1 937 H2020 audit participations by difference with the previous methodology) has been used to top up the cumulative detected error rate for 2022.

IAS limited review on the 2020 error rate calculation for H2020

The IAS has carried out a limited review on the methodology for calculation of the error rates of Horizon 2020 in the year 2020. The findings of this limited review confirmed that

there is no weakness in the calculation of the detected error rate and that the impact of these findings on the accuracy of the calculation of the residual error rate is minor. The IAS recommended that:

The Common Implementation Centre (CIC) should:

- 1.1.** Calculate the corporate H2020 residual error rate based on the actual level of implementation of audit results and extension of audit findings stemming from data encoded by the Authorising Officers;
- 1.2.** Considering that there is no data on the sampled amounts for audits closed before 2020, estimate the amount actually audited by calculating the ratio of costs actually audited to the total amount of the related accepted cost claims for all the audits closed since 1 January 2020 ('A' parameter in the formula for calculating the residual error rate) and adapt parameter 'E' accordingly;
- 1.3.** Formalise the changes in the residual error rate calculation (e.g. in a written CAS procedure).

The Common Audit Service (CAS) should:

- 2.1.** Change the audit report template to include a line in the table of Annex 1 with the audited amounts (sampled);
- 2.2.** Include fields in AUDEX to encode the audited amounts per participation and cost category and any other IT tool used to register the ex post audits' data which feed the Microsoft Access database for the calculation of the representative detected error rate;
- 2.3.** Calculate the top-up automatically in the Microsoft Access database. For Horizon Europe, the calculation will be in line with the new methodology and no top up calculation will be required.

The recommendations 1.1 to 2.2 above are fully implemented. The recommendation 2.3 which refers to Horizon Europe and will be completed once the audit campaign for Horizon Europe start. Nevertheless, the new methodology is already being implemented for H2020 audits, without the need for a top up calculation.

E. Research Framework Programmes - Specific aspects

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

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

Horizon 2020

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

The Commission's proposal for the Regulation establishing H2020 framework programme⁽³⁰⁾ states that:

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

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

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

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

The Commission considers therefore that, for research spending under Horizon 2020, a risk of error, on an annual basis, within a range between 2-5 % is a realistic objective taking into account the costs of controls, the simplification measures proposed to reduce the complexity of rules and the related inherent risk associated to the reimbursement of costs of the research project. The ultimate aim for the residual level of error at the closure of the

⁽³⁰⁾ COM(2011) 809/3 Proposal for a Regulation of the European Parliament and of the Council establishing Horizon 2020 – the Framework programme for Research and Innovation (2014-2020), see point 2.2, pp 98-102.

programmes after the financial impact of all audits, correction and recovery measures will have been taken into account is to achieve a level as close as possible to 2%.

Horizon Europe

For Horizon Europe, the general control objective, following the standard quantitative materiality threshold proposed in the standing instructions for Annual Activity Reports, is to ensure that the cumulative residual error rate, i.e., the level of errors which remain undetected and uncorrected, does not exceed 2%.

2. Programmes other than the Research Framework Programmes

A. Legacy programmes (2014-2020)

The quantitative materiality threshold is set at a residual error rate of 2%, in application of the Commission's standard practice. In qualitative terms, the following factors are considered: nature and scope of any significant weaknesses, duration, compensatory measures such as mitigating controls, existence of corrective actions to correct any significant weaknesses.

In view of the multiannual nature of the programmes managed, HaDEA developed a multiannual ex-post audit strategy for legacy programmes (programming period 2014-2020) ⁽³¹⁾ built on the experience obtained by the predecessor entities in charge of these programmes and applicable to the audits launched by the Agency from 2021 onwards ⁽³²⁾.

The criteria for deciding whether there is a material error in the expenditure of the Agency, and so on whether to make a reservation in the AAR, will be principally, though not exclusively, based on the level of residual error identified in ex-post audits of financial statements.

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

Audit methodology

The ex-post controls (audits) are carried out on the accepted costs to the Agency and consist of verifying the legality and regularity of the underlying transactions and consequently the final eligible EU contribution.

⁽³¹⁾ Ares(2021)4528794-13/07/2021.

⁽³²⁾ The audit strategy for the new programmes under HaDEA's responsibility (Digital Europe Programme, Connecting Europe Digital, Single Market Programme and EU4health) will be designed in 2023, in collaboration with parent DGs.

Each programme is treated as a separate population. The estimated residual error risk is estimated per programme by the residual error rate.

The HaDEA Ex-Post Control strategy for the legacy programmes is based on the following principles, intended to find an optimal balance between being (i) maximum-corrective, (ii) reasonably cost-effective and (iii) sufficient coverage to draw an assurance conclusion.

Taking into account the limited ex-post control resources, the ex-post control strategy aims to detect and correct the most significant errors (amount in absolute terms). In that respect, HaDEA focuses on value-based audits (aiming at cleaning the largest amounts and thus maximising assurance). This type of approach is considered more control effective, resulting in higher returns on investment and having a dissuasive effect, as well as being cost-effective. To the best of our knowledge, there are no indications (at ex-post level) for inherently higher error rates (error in %) in the larger participations, thus the value-based audits are considered to be a non-biased 'proxy' – i.e. random enough to be able to draw conclusions from them. Auditing a statistically representative sample would not be considered cost-effective, given that then rather small participations would also be sampled.

Although the Agency recognises that the above approach is not fully statistically representative, in line with DG BUDG guidance it is considered as the second-best alternative.

In addition to the value-based audits, the Agency performs to a limited extent “risk-based” audits of beneficiaries. This selection addresses specific concerns, risks or issues, detected and highlighted either by the financial or operational teams. Due to their specific nature, error rates of these "risk-based" audits are not included in the average proxy error rate calculation.

Error rate calculation

Detected error rates

The Detected Error Rate is equal to: [the EC-share of] the costs claimed as initially accepted, after the ex-ante controls (on the basis of which the audited payment was made), minus, [the EC-share of] the costs claimed as finally accepted, after the ex-post control (audit).

The “value-targeted” audits deliver the Detected Error Rate on a multiannual basis ⁽³³⁾. The total of all individual errors calculated, covering all audits done on a given programme and leading to recoveries ⁽³⁴⁾, gives the total detected error amount and related error rate as a percentage.

⁽³³⁾ On an annual basis for Food and Feed Programme due to the design of the programme and in line with approach applied by DG SANTE.

⁽³⁴⁾ In some cases, a detected error at cost level has no impact on the EU contribution paid due to costs declared being over and above the maximum EU contribution.

The European Court of Auditors observed in its 2018 Annual Report and its review of the Commission's ex-post audits that for Horizon 2020 the Commission's methodology for calculating the error rate leads to an understatement of the error rate the extent of which cannot be quantified. As a result of further related guidance received by the central services, HaDEA has ensured its methodology for the calculation of the error rate is in line to the Court's observations. Previously, the detected error rate was calculated by considering the full value of an audited financial statement in the denominator. From 2019 onwards, the detected error rate calculation is based on the sum of the costs actually audited as the denominator.

Residual error rate

Residual error rates are calculated on a multiannual basis to reflect the multiannual nature of the programmes and projects. The results of ex-post controls carried out by the Agency from "value-based" audits are calculated over the programme lifetime to provide the multiannual detected error rate.

HaDEA deducts any corrections made by implementing the audit results from the total amount of errors detected. The residual error rate of each programme audited is the residual error rate applied to the audited part and the detected error rate presumed affect the non-audited part ⁽³⁵⁾.

Due to its multiannual nature, the effectiveness of the HaDEA ex-post control strategy can only be measured and assessed at the final stages of the programme's lifecycle and once it has been fully implemented. Notwithstanding the multiannuality of the ex-post control strategy, the Director of HaDEA is required to sign a yearly statement of assurance. In order to determine whether to qualify this statement of assurance with a reservation, the effectiveness of the control systems in place needs to be assessed not only for the year of reference but also with a multiannual perspective, to determine whether it is possible to reasonably conclude that the control objectives will be met in the future as foreseen.

Although not derived by statistical parameters which can be extrapolated to the unaudited payment population with statistical confidence, the detected and residual error rates obtained from the ex-post audits are a key building block in the assurance building process and provide the best available indicator of the level of error in the unaudited population per programme.

B. Current programmes (2021-2027)

For the current programmes managed by the Agency (EU4Health, Connecting Europe Facility-Digital, Digital Europe Programme, Single Market Programme), the general control objective, following the standard quantitative materiality threshold proposed in the standing instructions for Annual Activity Reports, is to ensure that the cumulative residual

⁽³⁵⁾ We consider that the part of payments remaining un-audited and un-corrected is affected by errors of the same magnitude of the detected error rate.

error rate, i.e., the level of errors which remain undetected and uncorrected, does not exceed 2%.

As the new programmes did not reach yet the corresponding level of maturity, no audit results are currently available. The audit strategy applicable to the current programmes, including the sampling methodology, will be designed in 2023.

3. 'De-minimis' threshold for financial reservations

Finally, as from 2019⁽³⁶⁾, a 'de-minimis' threshold for financial reservations has been introduced. Quantified AAR reservations related to residual error rates above the 2% materiality threshold are deemed not substantial for segments representing less than 5% of the total payments of a DG/agency and with a financial impact below EUR 5 million. In such cases, quantified reservations are no longer needed.

⁽³⁶⁾ Agreement of the Corporate Management Board of 30 April 2019.

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

Grants direct management (applicable to all programmes managed by the Agency, including legacy programmes 2014-2020 and current programmes 2021-2027)

The principles described per different stages below apply in particular to grants, as in 2022 the payments of grants represented 98% of the payments made by HaDEA. The remaining part concerned the payments for experts (evaluation and monitoring) and the procurement for which the principles for stages 1 to 3 apply by analogy unless specified differently.

The Agency uses one relevant control system per ongoing programme for the management of grants under the legacy programmes and new programmes.

The relevant control system for new programmes managed by the Agency is based on the principles and best practices implemented by the Agency for the legacy programmes.

The ex-post audit strategy for the new programmes implemented by the Agency is expected to be adopted in 2023.

The relevant control system for Horizon Europe, is similar to that of H2020. The main improvements for Horizon Europe are the co-creation of the work programme by the Directors' Groups according to the work of the various instances, and the simplification introduced with the single daily rate for personnel costs and the rollout of simplified cost forms, in particular lump sum funding and unit costs for personnel costs.

The Control Strategy for Horizon Europe grant management is under preparation and will be finalised by the first quarter of 2023. The ex-post audit strategy is expected to be adopted by the Horizon Europe steering board in January.

Stage 1: programming, evaluation and selection of proposals

Main internal control objectives: ensuring that the Agency selects the proposals/tenders that contribute the most towards the achievement of the policy or programme objectives (effectiveness); compliance (legality & regularity); prevention of fraud (anti-fraud strategy).

Specific internal control objective A: contribution to the (annual) work programmes, including the preparation, adoption and publication of calls for proposals/tenders.

Main risks It may happen (again) that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
There is a risk that: Work programmes and the subsequent calls for proposals/tenders do not adequately reflect the	The mitigating controls for these risks are mostly the ownership of the parent DGs. This said, in accordance with agency's Annual Work Programmes:	Coverage/Frequency: 100% of work programmes 100% of calls	Effectiveness: The work programme is adopted by the Commission. Success ratios in terms

<p>policy objectives, priorities;</p> <p>Topics/ activities are incoherent;</p> <p>Essential eligibility, selection and award criteria are not adequate to ensure effective, efficient and economic evaluations of the proposals/tenders.</p>	<p>HaDEA provides its contribution to the content of the work programmes (as per the MoUs and agreed working arrangements) in line with the policy objectives and priorities. While doing so, the Agency builds on its knowhow from managing the projects, to benefit the coherency of the topics.</p> <p>The Agency prepares, adopts and publishes the calls/tenders, while ensuring that the work programmes are translated into eligibility, selection and award criteria that are adequate to ensure effective, efficient and economic evaluations of the proposals/tenders.</p> <p>Controls are implemented in collaboration with the relevant services, and foresee appropriate hierarchical validation (including consultation of parent DG).</p>	<p>Depth:</p> <p>Work Programme contributions and call preparation, adoption and publication are thoroughly reviewed at all levels, including for operational and legal aspects.</p> <p>For each tender, the check list requires to check if the procurement need can be met by using existing or planned contracts or studies or using an inter-institutional procurement procedure.</p>	<p>of "over-subscription": number of grant proposals retained for funding compared to number of eligible proposals received.</p> <p>Number of tenders procedures launched and contracts awarded</p> <p>Efficiency:</p> <p>Estimation of cost of staff involved in the preparation and validation of the contribution to the Work Programme and preparation, adoption and publication of Calls for Proposals and Tenders / Value of Contracted Grants/Tenders (%).</p> <p>Economy:</p> <p>Good work programme and well-publicised calls should generate a large number of good quality proposals/tenders, from which only the best ones, meeting the policy objectives, are selected. This results in a real competition for funds.</p>
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Specific internal control objective B: contribution to evaluation and award procedures.

Main risks It may happen (again) that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
<p>The evaluation, ranking and selection of proposals is not carried out in accordance with the established procedures, the policy objectives, priorities and/or the eligibility criteria, or with the</p>	<p>Assessment by independent experts.</p> <p>Selection and appointment of expert evaluators.</p> <p>Conflict of interest</p>	<p>Coverage/Frequency:</p> <p>100% of experts</p> <p>100% of calls/tenders</p> <p>Technical expertise and independence is checked at different levels and different stages (e.g. Col,</p>	<p>Effectiveness:</p> <p>Number of proposals/tenders evaluated</p> <p>Success rate: Amounts of retained proposals /Amounts</p>

<p>selection and award criteria defined in the annual work programme and subsequent calls for proposals/tenders.</p> <p>Experts have a Conflict of interest regarding the proposals/tenders they are called to evaluate..</p>	<p>checks.</p> <p>Comprehensive IT system supporting this stage and allowing better monitoring of the process.</p> <p>Validation by the AOSD of ranked list of proposals/tenders. In addition, if applicable: Opinion of Programme Committees; inter-service consultation and adoption by the Commission; publication of publishable summaries of funded projects/tenders.</p> <p>Systematic checks on operational and legal aspects performed before signature of the Grant Agreement or tender contract.</p> <p>Redress/review procedure - allowing an applicant/tenderer, who considers that a procedural act by an authorising officer adversely affects its rights, to challenge the act</p> <p>Generally, fraud risk and legal checks are incorporated into the procedures or on ad-hoc basis in case of doubt.</p>	<p>nationality bias, ex-employer bias).</p> <p>Supervision of evaluation process and the work of evaluators.</p> <p>100% of contested decisions are analysed by a redress/review committee</p>	<p>of submitted proposals/</p> <p>Efficiency:</p> <p>% of Time-to-inform on time.</p> <p>Estimation of cost of all staff and other expenses (external experts, observers and logistics) involved in the evaluation and selection of proposals/tender process / Value of Contracted Grants or Tenders (%).</p> <p>Economy:</p> <p>The evaluation of proposals/tenders is objective and performed based on high independent technical expertise. Transparency, independence and objectivity of the evaluation process attested by independent observer(s). Policy objectives of the relevant programmes can be achieved in the most economical way by selecting the best proposals/tender, resulting in a real competition for funds.</p>
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Stage 2: contracting

Main internal control objectives: ensuring that the most promising projects/tenders for meeting the policy objectives are contracted; sound financial management (optimal allocation of the budget available); compliance; prevention of fraud.

Main risks It may happen (again) that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
<p>The beneficiary/contractor lacks operational and/or financial capacity to carry out the actions.</p> <p>Procedures do not comply with the regulatory framework.</p> <p>The evaluation stage has not detected a potentially fraudulent proposal/beneficiary/contractor</p>	<p>Validation of beneficiaries and financial capacity checks for selected coordinators/beneficiaries.</p> <p>Systematic checks on operational and legal aspects performed before signature of the GA or contract.</p> <p>Risk assessment and risk-based checks before the grant agreement or contract signature and reinforced monitoring flagging where necessary.</p> <p>Ad hoc anti-fraud checks for riskier beneficiaries/contractors.</p> <p>Financial Coverage against financial losses provided by the Participant Guarantee Fund.</p>	<p>100% of the selected proposals/tenders and beneficiaries/contractors are scrutinised.</p> <p>Coverage: 100% of draft grant agreements/contracts.</p> <p>Depth may be differentiated; determined after considering the type or nature of the beneficiary/contractor (e.g. SMEs, joint ventures) and/or the modalities (e.g. substantial subcontracting) and/or the total value of the grant/contract.</p> <p>Given the constraints on the time to grant set out in the legislation, "negotiation" of projects is kept to a minimum, as far as possible the positively evaluated projects are accepted without modification.</p>	<p>Effectiveness:</p> <p>Number of grants/contracts signed</p> <p>Efficiency:</p> <p>Average time to grant/contract;</p> <p>% of Time to grant on time</p> <p>Estimated cost of staff involved in stage 2 /value of contracted grants/contracts (%)</p> <p>Economy:</p> <p>This stage should lead to a higher assurance on the achievement of the projects/tender and contribution to policy objectives. Economy can also be quantified by justified reduction of EU contribution during grant agreement preparation.</p>

Stage 3: Monitoring the execution: operational, financial and reporting aspects for project and grant management

Main internal control objectives: ensuring that the operational results (deliverables) from the projects/tenders are of good quality and meet the objectives and conditions of the grant agreement/contracts; ensuring that the related financial operations comply with regulatory and contractual provisions; prevention of fraud; ensuring appropriate accounting of the operations.

Main risks It may happen (again) that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
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<p>The actions foreseen are not, totally or partially, carried out in accordance with the technical description and requirements foreseen in the grant agreement / tender contract (e.g. deliverables, open access to results and publications...)</p> <p>The amounts paid exceed what is due in accordance with the applicable contractual and regulatory provisions.</p> <p>The cost claims or deliverables are irregular or fraudulent.</p> <p>Ethics requirements are not fulfilled.</p>	<p>Kick-off meetings and "launch events" involving the beneficiaries/contractors in order to avoid project management and reporting errors.</p> <p>Effective external communication about guidance to the beneficiaries/contractors.</p> <p>Anti-fraud awareness raising training for the project officers.</p> <p>Enhanced R&I family approach (anti-fraud cooperation; common legal and audit service; comprehensive and common IT system for all of the R&I family).</p> <p>Operational and financial checks in accordance with the financial circuits.</p> <p>For riskier operations, reinforced monitoring.</p> <p>Selection and appointment of experts for scientific reviews of intermediate and/or final reporting.</p> <p>Application of suspension/interruption of payments.</p> <p>Referring grant/beneficiary/contractor to OLAF.</p>	<p>100% of the projects are controlled, including only value-adding checks.</p> <p>Riskier operations subject to more in-depth controls.</p> <p>The depth depends on risk criteria. However, as a deliberate policy to reduce administrative burden for beneficiaries/contractors, and to ensure a good balance between trust and control, the level of control at this stage is reduced.</p> <p>High-risk operations identified by risk criteria.</p> <p>Red flags: suspicions raised by staff, audit results, EDES, individual or "population" risk assessment.</p> <p>Audit certificates required for any beneficiary claiming more than EUR 325,000 (Horizon 2020).</p>	<p>Effectiveness:</p> <p>Number of payments (interim and final)</p> <p>Detected error rates</p> <p>Efficiency:</p> <p>Time-to-pay: % of payments made on time</p> <p>Cost of all staff and non-staff expenses (e.g. external monitors for Horizon 2020) related to the monitoring of the execution of projects/contracts / amount paid (%).</p> <p>Economy:</p> <p>Successful implementation of the actions, including building assurance on the achievement of the project/contract and policy objectives. Benefits due to operational review of projects/contracts and consequent corrective actions imposed on projects/contracts.</p>
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Stage 4: Ex-Post controls/Audits

A. Audits

Main internal control objectives: Measuring the level of error in the population after ex-ante controls have been undertaken; detect and correct any error or fraud remaining

undetected after the implementation ex-ante controls; identifying possible systemic weaknesses in the ex-ante controls, or weaknesses in the rules.

Main risks It may happen (again) that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
<p>Erroneous payment declarations have been accepted.</p> <p>Attempted fraud has not been prevented and/ or detected.</p>	<p>HaDEA's ex-post controls for legacy programmes (Third Health Programme, CEF Telecom and Food and Feed) are object of a multiannual audit strategy covering the period 2021-2025. The strategy is then declined into Annual Audit Plans.</p> <p>The Ex-post strategy for delegated programmes will be developed once the programmes reach the corresponding level of maturity.</p> <p>Procedures and detailed guidance are in place to address this objective. These guidelines include audit work programmes tailor-made per programme.</p> <p>The audits are carried out independently by external contractors (i.e. absence of conflict of interest).</p> <p>In addition, HADEA's external audit team is not involved in the ex-ante operational or financial circuits. This is expected increase the degree of independence and reliability of the ex-post controls.</p>	<p>Coverage and frequency are determined according to a multiannual ex-post control strategy for HaDEA covering the legacy programmes (2021-2027)</p> <p>Detailed review and testing of supporting documents and transactions related to the cost claims submitted by the audited beneficiary.</p>	<p>Effectiveness: Multiannual residual error rates per programme</p> <p>Efficiency: multiannual audit coverage, number of audits closed</p> <p>Economy: cost per ex-post audit</p> <p>Deterrent effect. Learning effect for beneficiaries. Improvement of ex-ante controls by feeding back findings from audit.</p>
<p>Horizon 2020 / Horizon Europe The ex-ante controls (as such) do not prevent,</p>	<p>Common Ex-post control strategy for the entire Research and Innovation family (Horizon 2020</p>	<p>- Common Representative audit Sample (CRaS): MUS sample across the</p>	<p>Effectiveness: Representative and residual error rate identified.</p>

<p>detect and correct erroneous payments or attempted fraud to an extent going beyond a tolerable rate of error.</p> <p>Lack of consistency in the audit strategy within the family.</p> <p>Lack of efficiency for absence of coordination: multiple audits on the same beneficiary, same programme: reputational risk and high administrative burden on the beneficiaries' side.</p>	<p>and Horizon Europe), implemented by a central service ((Common Audit Service (CAS) part of the Common Implementation Centre, DG Research and Innovation):</p> <ul style="list-style-type: none"> - At intervals carry out audits of a representative sample of operations to measure the level of error in the population after ex-ante controls have been performed. - Calculate the representative error rate for the R&I programme. - Additional sample to address specific risks. - When relevant, joint audits with the Court of Auditors. <p>Multiannual basis (programme's lifecycle) and coordination with other AOs concerned.</p> <p>Validate audit results with beneficiary.</p> <p>In case of systemic error detected, extrapolation to all the ongoing projects run by the audited beneficiary (or closed within two years).</p>	<p>programme to draw valid management conclusions on the error rate in the population.</p> <ul style="list-style-type: none"> - Research and Innovation risk-based sample, determined in accordance with the selected risk criteria aimed to maximise deterrent effect and prevention of fraud or serious error. 	<p>Number of audits finalised % of beneficiaries & value coverage.</p> <p>Efficiency: Percentage of implementation of CAS audit plan.</p>
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B. Implementing results from ex-post audits/controls

Main control objectives: ensuring that the (audit) results from the ex-post controls lead to effective recoveries; ensuring appropriate accounting of the recoveries made (effectiveness; economy, efficiency; compliance; prevention of fraud).

Main risks It may happen (again) that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
<p>Errors, irregularities and causes of potential fraud are not addressed.</p> <p>Errors, irregularities and causes of potential fraud are detected too late to take remedial measures.</p>	<p>Procedures and guidance are in place to address this objective. For legacy programmes, this includes: the procedure for implementation of ex-post audit findings (Horizon 2020 and other programmes)</p> <p>The Agency proceeds to the systematic registration of audit/ control results to be implemented and tracks its actual implementation.</p> <p>Validation of recovery in accordance with financial circuits.</p> <p>Authorisation by AOSD. If circumstances justify so, the Agency will notify suspicious cases to OLAF and ensure regular follow up of detected fraud.</p> <p>Reinforced monitoring implemented on ongoing projects.</p> <p>For Horizon 2020 and Horizon Europe: Coordination at the level of the R&I family: FAIR committee.</p>	<p>Coverage: 100% of final audit results with a financial impact.</p> <p>Depth: all audit results which lead to a recovery are examined in-depth in making the final recoveries. Systemic errors are taken into account when assessing new grant payments of the same beneficiary.</p> <p>For Horizon 2020 and Horizon Europe: Systemic errors are extended to all the ongoing non-audited projects of the same beneficiary (or closed within two years).</p>	<p>Effectiveness: Multi - annual residual error per programme For Horizon 2020 and Horizon Europe: Amounts being recovered and offset.</p> <p>Efficiency: Multiannual audit coverage, number of audits closed.</p> <p>For Horizon 2020 and Horizon Europe: Number/value/% of audit results pending implementation, Number/value/% of audit results implemented.</p> <p>Economy: Recovery status (%): recoveries/detected error amount For Horizon 2020 and Horizon Europe: Estimation of cost of staff involved in the coordination and execution of the ex-post audit strategies and in the implementation of audits. Costs of the appointment of audit firms and missions.</p> <p>Details of the estimated cost of controls related to shared/pooled control activities hosted by DG R&I (Common Implementation Centre including Common Audit Service) for the Research and Innovation family are reported in the Annual activity reports of DG R&I.</p>

ANNEX 7: Specific annexes related to "financial management"

1. Control benefits

Stage 1: Programming, evaluation and selection of proposals

The benefits of the Stage 1 – programming, evaluation and selection of proposals are difficult to identify in quantitative or monetary terms. Nevertheless, the Agency has estimated the benefits to more than EUR 417 million.

Benefits Stage 1 (m EUR)	EU4Health	SMP Food	Horizon Cluster 1	CEF-2	DEP	HE Cluster 4 - Digital	HE Cluster 4 - Industry	HE Cluster 4 - Space	Total
% Success rate: number of selected (funded) vs. eligible proposals	75%	97%	11%	78%	72%	22%	21%	34%	27%
Requested funding ineligible proposals	103.34	0.00	270.23	14.56	46.75	0.12	1212.97	32.93	1,680.91
Benefit (requested funding ineligible proposals * success rate)	77.40	0.00	28.81	11.42	33.53	0.02	255.10	11.31	417.60

In qualitative terms, the benefit of the evaluation and selection stage is the identification of proposals that best address the objectives and priorities of the work programmes which, thanks to their high maturity, have the best chances for successful completion within the eligibility period, and which provide the highest EU added value for the completion of the respective policy targets.

Control effectiveness ratios - proposals	EU4Health	SMP Food	Horizon Cluster 1	CEF-2	DEP	HE Cluster 4 - Digital	HE Cluster 4 - Industry	HE Cluster 4 - Space	Total
Number of submitted proposals	272	135	1459	60	124	230	1054	135	3,469
Number of inadmissible proposals	8	4	18	4	5	0	0	0	39
Number of ineligible proposals	12	1	50	3	20	1	331	4	422
Number of withdrawn/duplicate proposals	1	2	3	2	0	2	5	0	15
Number of eligible proposals	251	128	1388	51	99	227	718	131	2,993
Number of proposals selected for funding – “main” list	178	122	147	39	70	37	107	45	745

Number of proposals selected for funding – “reserve” list	10	2	1	1	1	12	44	0	71
Number of total proposals selected for funding	188	124	148	40	71	49	151	45	816
% success rate: number of selected (funded) vs. eligible proposals	75%	97%	11%	78%	72%	22%	21%	34%	27%

Control effectiveness ratios - evaluation review requests	EU4Health	SMP Food	Horizon Cluster 1	CEF-2	DEP	HE Cluster 4 - Digital	HE Cluster 4 - Industry	HE Cluster 4 - Space	Total
Number of proposals evaluated	251	128	1,388	51	99	227	718	131	2,993
Number of evaluation review requests received	4	-	14	1	3	3	17	4	46
Number of evaluation review requests leading to a re-evaluation	-	-	-	-	-	-	-	-	-
% of evaluation review requests vs proposals evaluated	1.59%	0.00%	1.01%	1.96%	3.03%	1.32%	2.37%	3.05%	1.54%
% of review requests leading to re-evaluation vs proposals evaluated	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Stage 2: grant preparation/contracting

The financial impact of the adjustment process is defined as the reduction, expressed as a percentage, of the EC contribution to the grant agreements as a result of the adjustment process itself. Detailed figures are shown below:

Financial impact of the adjustment process	EU4Health	SMP Food	Horizon Cluster 1	CEF-2	DEP	HE Cluster 4 - Digital	HE Cluster 4 - Industry	HE Cluster 4 - Space	Total
Number of GA signed	143	151	170	38	58	70	208	45	883
EC funding requested in proposals (in m EUR)	223.50	355.20	1,410.71	149.90	123.70	398.56	1,399.90	221.92	4,283.39
EC funding granted through signed GA (in m EUR)	224.75	289.20	1,320.88	149.49	123.03	374.88	1,342.53	217.82	4,042.57
Difference EC funding requested/granted	1.24	- 66.00	- 89.83	- 0.41	- 0.67	- 23.68	- 57.37	- 4.10	- 240.82
Reduction rate	-0.56%	18.58%	6.37%	0.28%	0.54%	5.94%	4.10%	1.85%	5.62%

During the grant preparation phase, a total of EUR 240,82 million was reduced from the awarded funding. This can be considered as a quantifiable benefit of the contracting phase in 2022.

Stage 3: monitoring the execution ⁽³⁷⁾

Detected errors ex-ante controls	EU4Health	3rd Health Programme	SMP Food	Food & Feed	Horizon Cluster 1	H2020 (SC1)	WiFi4EU	CEF-Telecom (DSI)	H2020 - SC5, LEIT	Total
Value of cost claims controlled ex-ante	1.05	37.79	113.25	12.72	7.19	570.74	22.76	47.32	998.03	1,810.85
Value rejected costs	0.00	0.48	16.47	0.44	0	10.13	0	4.10	15.95	47.58
%age detected error during ex-ante controls	0.01%	1.26%	14.55%	3.49%	0.00%	1.78%	0.00%	8.66%	1.60%	2.63%

The ex-ante controls aim to identify and prevent irregularities, allowing for immediate correction and avoid time-consuming recovery actions. As can be concluded from the table, the ex-ante controls result in a considerable amount of detected errors and rejected costs in the cost claims submitted by the beneficiaries for a total value of **more than EUR 47 million for legacy programmes** managed by the Agency. This can be considered as a quantifiable benefit of the monitoring phase in 2022.

Stage 4: Ex-post controls/audits

The qualitative benefits of this stage are as follows:

- An audit has a preventive and deterrent effect in the fight against fraud, corruption, conflict of interests and double funding;
- An audit has learning effect for beneficiaries, helping to reduce errors in the current and future cost declarations;
- It enhances the beneficiaries' awareness for correctly reporting eligible costs by demonstrating that their probability to be audited is not negligible;
- It also contributes to the improvement of ex-ante controls and clarification of rules and guidance by providing results and findings from ex-post audits to the actors responsible for the stages 1 to 3.

The quantitative benefits of Stage 4 correspond to the detected errors during the ex-post controls. In 2022, the detected errors for the programmes audited amounted to EUR 1.23 M (i.e. EUR 0.48 million for CEF Telecom, EUR 0.04 million for the Third Health Programme, EUR 0.00 for the Food and Feed programme and EUR 0.71 million for Horizon 2020).

⁽³⁷⁾ Please note that the programmes CEF 2, Digital Europe Programme and Horizon Europe Cluster 4 are not reported at this stage, since they did not reach yet the corresponding level of maturity in 2022.

The Agency carries out ex-post audits to contribute to the assessment of the legality and regularity of transactions. The ex-post audits are performed by the Agency on the costs declared to the Agency except for Horizon 2020 and Horizon Europe. For Horizon 2020 and Horizon Europe, the Common Audit Service is responsible for ex-post controls for the whole Research and Innovation family.

1. Ex-post controls performed by the Agency

The programmes managed by Agency are implemented under the direct management scheme, which entails direct financial contributions through co-financed contracts signed with beneficiaries / partners. To have reasonable assurance that the payments authorised are legal, regular and compliant with the applicable contractual provisions, Agency carries out ex-post controls. The ex-post controls complement the ex-ante controls embedded in Agency's programme management processes.

a) Legacy programmes (programming period 2014-2020)

The Agency's ex-post control strategy, applicable to the 2014-2020 legacy programmes managed by the Agency – CEF Telecom, Food and Feed and the Third Health Programme, was adopted after these programmes were transferred under the responsibility of the Agency, i.e., on 13 July 2021. This strategy contributes on a multiannual basis to the assurance on the legality and regularity of payments by systematic detecting and correcting errors made by beneficiaries.

RESULTS OF THE EX-POST CONTROLS

CEF Telecom (excluding WiFi4EU ⁽³⁸⁾)

Audits of CEF Telecom started in 2017 at INEA, the predecessor of the Agency responsible for this segment. In 2019, the residual error rate for the programme was at 5.26%, it decreased to 4.73% in 2020, to 3.84% at the end of 2021 and 3.28% at the end of 2022.

Most ex-post findings have been identified in the category of personnel costs. The set of eligibility rules as laid down in the basic act are complex, in particular as regards personnel costs, which represent a high share of the costs declared and are subject to inherent calculation risks and frequent source of errors in many EU Grant programmes under direct management. Errors related mainly to the use of incorrect methodology for calculating the hourly rates or number of productive hours, claiming the ineligible cost components or missing supporting documentation. However, the number of findings were detected as well in other cost categories related to claiming of costs not directly linked to the project, ineligible VAT included in the Financial Statement and costs incurred outside of the eligibility period of the actions.

⁽³⁸⁾ As WiFi4EU is based on a fixed lump sums and payment are based on technical parameters, it is not covered by the Audit Strategy, as there are no 'financial statements' available for the ex-post controls.

In 2021, following the administrative transfer of this programme to HaDEA, the segment did not fulfil the de-minimis criteria⁽³⁹⁾. The financial exposure of the programme was below EUR 5 M EUR (EUR 2.38 M EUR), but its share in budget implementation represented 5.23% of the total payments of the Agency. Although the impact was well below the established financial exposure limits, the Agency issued a reservation applicable to the programme CEF Telecom - DSI, as the cumulative criteria to fall below the 'de minimis rule' were not met.

To prevent, detect and correct the errors earlier in the project lifecycle, the predecessor Agency INEA and HaDEA adopted and implemented a number of remedial actions.

At ex-ante level:

- Improvement of the guidance provided to the beneficiaries, by issuing FAQ (September 2019), updating the guidelines on eligibility of costs under CEF Telecom (December 2018);
- A communication campaign to provide enhanced guidance to help avoiding errors in the future, as regards most common errors identified in the personnel costs (2020);
- Regular organisation of webinars with CEF Telecom beneficiaries which are invited to participate, covering the eligibility of costs and final payment submission (2021);
- Strengthened ex-ante control procedures were effective since 2019, with further refinement in December 2020; and
- An automatic reminder is sent to all coordinators 4 months before the end date of the action. The reminder was updated with a clear reference to the guidance and webinars available on the Agency website, including encouraging the beneficiaries to watch the Webinar on "Personnel costs in CEF Telecom Programme" and the latest Webinar "CEF Telecom GA implementation" which comprises a dedicated session on the eligibility of costs and the submission of the final payment request (February 2022).

At ex-post level:

- Launch of 19 new audits in 2021 to be finalised in 2022 and 23 new audits in 2022, with expected finalization in 2023⁽⁴⁰⁾. These audits should further increase the audit coverage and maximise the detection and cleaning effect, with the aim to reduce the residual error rate at the end of the multiannual programme cycle. The current audit coverage reached by the end of 2022 represents 11.03% of the total EU contribution accepted by the end of 2022 for the CEF Telecom programme.

⁽³⁹⁾ In 2019, a de minimis rule for financial reservations was introduced stipulating that quantified AAR reservations related to residual error rates above the 2% materiality threshold are deemed not substantial and are no longer needed for segments representing less than 5% of a DG's total payments and with a financial impact below EUR 5 million.

⁽⁴⁰⁾ Annual Audit Plan 2022

- Close monitoring and follow-up of the audit findings in order to reduce the residual error in the audited population.
- Analysis of the most common errors detected in the recent audits closed in 2022, shared with ex-ante colleagues, in view of sharing lessons learnt with project's coordinators.

The necessary improvements and reinforcements have been implemented and the risks are being appropriately monitored and mitigated. The implementation of the above-mentioned remedial measures has demonstrated their efficacy as the error rate has been dropping since 2019. The Agency expects this positive trend to continue, as the impact of the remedial measures listed above will bear further fruit in 2023 and progress will continue to be monitored closely.

In 2022, the residual error rate continued to decrease, but remained above the 2% materiality threshold at 3.28%. However, the reservation is lifted, as the cumulative conditions of the de-minimis rule are met: the share of the programme in budget implementation represented 0.62% of the total payments of the Agency and the financial exposure was below EUR 5 million (EUR 1.57 million).

The Agency will continue to closely monitor the evolution of the multiannual residual error rate on this programme. Considering the gradual phasing out of this programme, HADEA will assess the cost-efficiency of any additional measure before its deployment.

Error rates evolution (2018-2022)

CEF Telecom programme – DSI	2018	2019	2020	2021	2022
Detected error rate	1.24%	5.37%	4.95%	4.11%	3.91%
Residual error rate	1.10%	5.26%	4.73%	3.84%	3.28%
Reservation	No	No	No	Yes	No

Details on the multiannual residual error rate for CEF Telecom in 2022

Multiannual Residual Error Rate	CEF Telecoms
Total number of closed participations	69 ⁽⁴¹⁾
1. Audited EU Contribution value-based sample (EUR)	24,759,212
2. Audited EU Contribution risk-based sample (EUR) ⁽⁴²⁾	1,836,576
3. Total audited EU Contribution (EUR) = (1)+(2)	26,595,788
4. Detected error value-based sample (EUR)	966,950
5. Detected error risk-based sample (EUR)	378,912
6. Detected error rate = (4)/(1)	3.91%
7. Total errors corrected for value-based sample (recovery orders, or offsetting) (EUR)	486,082
8. Errors not corrected for value-based sample (EUR)	480,868

⁽⁴¹⁾ This includes closed reports only.

⁽⁴²⁾ More information about the risk-based selection is provided in Annex 5.

9. Total EU Contribution (EUR)	241,216,100.34
10. Audit coverage = (3)/(9)	11.03%
11. Calculated residual error (EUR) = (8) + [(9)-(3)]*(6)	7,900,945
12. Calculated residual error rate = (11)/(9)	3.28%

Third Health Programme

Audits of the Third Health programme started in 2018 at CHAFEA, the predecessor of the Agency. At the date of the transfer of this programme to the Agency, CHAFEA issued 24 final audit reports and the multiannual residual error rate was 1.96%.

To address the weaknesses detected during the audits, CHAFEA took management actions and those have been implemented later at the Agency. A risk-based ex-ante control strategy was developed, with more detailed control requirements, including the Certificate of Financial Statements as well as the introduction of corrective (risk-based) audits, to address specific concerns or issues detected and highlighted by both, the financial or operational teams.

In October 2021, the Agency launched 13 new audits to be finalised by the end of 2022 ⁽⁴³⁾ and later 13 new audits in 2022, with expected closure in 2023 ⁽⁴⁴⁾. These audits should further increase the audit coverage and maximise the detection effect, with the aim to reduce the residual error rate at the end of the multiannual programme cycle.

In 2022, the residual error rate continued in the decreasing trend and remained below the 2% materiality level (i.e. 1.88%). The main cause of the errors detected by the Agency are related to the personnel costs category. They include miscalculation of hourly rates, unreliable time records and lack of supporting documents.

Error rates evolution (2019 ⁽⁴⁵⁾-2022)

Third Health Programme	2019	2020	2021	2022
Detected error rate	0.82%	2.15%	2.15%	1.96%
Residual error rate	N/A	1.96%	1.96%	1.88%
Reservation	No	No	No	No

⁽⁴³⁾ Annual Audit Plan 2021.

⁽⁴⁴⁾ Annual Audit Plan 2022.

⁽⁴⁵⁾ No audit results available in 2018 for this programme.

Details on the multiannual residual error rate for the Third Health programme

Multiannual residual error rate	Third Health programme
Total number of closed participations	35 ⁽⁴⁶⁾
1. Audited EU contribution value-based sample (EUR)	5,706,072.21
2. Audited EU contribution risk-based sample (EUR) ⁽⁴⁷⁾	1,395,193.63
3. Total audited EU contribution (EUR) = (1)+(2)	7,101,265.84
4. Detected error value-based sample (EUR)	111,793.16
5. Detected error risk-based sample (EUR)	14,870.11
6. Detected error rate = (4)/(1)	1.96%
7. Total errors corrected for value-based sample (recovery orders, or offsetting) (EUR)	83,493.98
8. Errors not corrected for value-based sample (EUR)	28,299.19
9. Total EU Contribution (EUR)	146,816,584.73
10. Audit coverage = (3)/(9)	4.84%
11. Calculated residual error = (8) + [(9)-(3)]*(6)	2,765,596.75
12. Calculated residual error rate = (11)/(9)	1.88%

Food and Feed legacy programme

Ex-post controls are carried out on a sample of payments made based on Member States' cost declarations which are submitted on an annual basis.

For this programme, the error rate is therefore calculated on an annual basis.

Audits of the Food and Feed programme started in 2018 by DG SANTE. 2021 was a transition year, as although parts ⁽⁴⁸⁾ of the programme were transferred from DG SANTE to the Agency on 1 April 2021, the related ex-post audits launched before this date remained under the responsibility of DG SANTE for cost efficiency reasons ⁽⁴⁹⁾.

The Agency launched 6 audits for the Food and Feed programme in 2022. The final results of these audits are not yet available for the 2022 AAR. However, there is no indication that the results of the audits would significantly differ from DG SANTE's audit results.

Therefore, based on the information above, in terms of error rates for AAR 2022, the Agency has used, as best and conservative estimate, the average error rates of the Food and Feed programme from DG SANTE of the last three years.

⁽⁴⁶⁾ This includes closed reports only.

⁽⁴⁷⁾ More information about the risk based selection is provided in Annex 5.

⁽⁴⁸⁾ Veterinary eradication, for animal disease eradication, monitoring and European Reference Laboratories actions.

⁽⁴⁹⁾ In line with the delegation of programme management to Executive Agencies (2021-2027): transfer of legacy activities from the DG SANTE to the Health and Digital Executive Agency (HaDEA) Ares(2021)2108617-25/03/2021; it concerns the audits of grants for which the payments took place up to 2020 as well as European Reference Laboratories.

As regards the evolution of the error rates in 2022, audits were mostly performed on Salmonellosis disease, for which a large share of the costs is related to vaccination costs, claimed based on actual costs. For these more errors were identified compared to other veterinary eradication programmes audited in previous years, based on unit costs scheme.

Nevertheless, as this is the last year of the audit on this legacy programme, which is phasing out, there are less audited amounts. Therefore, the results of 2022 are not fully representative in comparison to the whole population of costs declared over the years of the duration of the Food and Feed programme. In terms of relevant expenditure, the total Food and Feed portfolio represents 1,26% in comparison to 11% in 2021.

Evolution error rates evolution (2019-2022)

Food and feed programme	2019	2020	2021⁽⁵⁰⁾	2022
Detected error rate	0.5%	0.9%	0.5%	1.36%
Residual error rate	0.4%	0.8%	0.5%	1.2%
Reservation	No	No	No	No

b) Programming period 2021-2027

Approximately **70% of the payments performed in 2022 in the Agency related to the programming period 2021-2027**. The payments for the Horizon Europe programme represented 60% of the payments in the Agency. Pre-financings occurred in 2022 for grants represented almost 95% of all payments made for the 2021-2027 programming period. For details, please see Annex 9, table X. Risk of errors in pre-financing payments is low because these funds remain the property of the EU and errors detected in pre-financing or interim payments can still be corrected at the final payment stage.

As the new programmes did not reach yet the corresponding level of maturity, with no interim or final payments performed in 2022 for Digital Europe Programme, Connecting Europe Digital and a limited number of interim or final payments on EU4Health and Horizon Europe, there are no audit results available for the new programming period. As regards Single Market programme, grants are implemented mainly via lump sum grants, not subject to financial audits.

The audit strategy for the programmes under HaDEA's responsibility (Digital Europe Programme, Connecting Europe Digital, Single Market Programme and EU4health) will be designed in 2023, in collaboration with parent DGs, to ensure a timely roll-out of the related audit plans.

⁽⁵⁰⁾ The error rates for 2021 have been updated based on the last available data published by DG SANTE in the Annual Activity Report 2021.

2. Horizon 2020 and Horizon Europe

Since 2007, the R&I Family has adopted a common audit strategy intended to contribute to the legality and regularity of expenditure on a multiannual basis, including detection and correction of non-systemic and systemic errors.

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

The Horizon Europe the Audit Strategy will be based on the achievements and lessons learnt from H2020 and will be risk based. The strategy is currently under preparation.

The **main indicators** on legality and regularity⁽⁵¹⁾ of EU Framework Programmes for Research and Innovation are:

- **Cumulative representative detected error rate**, based on errors detected by ex-post audits on a Common Representative Sample of cost claims across the R&I Family.
- **Cumulative residual error rate**, which is the extrapolated level of error after corrective measures have been implemented by the Commission services following the audits, accumulated on a multiannual basis.

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

- for Horizon 2020, to ensure that the cumulative residual error rate remains within a range of 2-5 %, aiming to be as close as possible to 2%. Progress against Horizon 2020 targets is assessed annually based on the results of the implementation of the ex-post audit strategy and considering the frequency and importance of the detected errors along with cost-benefit considerations regarding the effort and resources needed to detect and correct the errors.
- for Horizon Europe, to ensure that cumulative detected and residual error rates do not exceed 2%⁽⁵²⁾.

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

⁽⁵¹⁾ These indicators are described in section 1.1 of Annex 5.

⁽⁵²⁾ No representative error rate for Horizon Europe will be available in 2022 and 2023 as the ex-post audit campaign for the Programme is planned to be launched by the end of 2023, at the earliest.

Despite objective challenges due to carry over from the COVID-19 pandemic, the foreseen audit target was achieved. The CAS managed to finalise audits on 633 participations corresponding to 103.6% of the planned most probable scenario for the 2022 target ⁽⁵³⁾.

By the end of 2022, the Research and Innovation Family audited 4 060 participations, covering 58.26% of total H2020 expenditure to date.

The percentage of H2020 expenditure covered by the audits (58.26%) refers to the value of the participations of the audited beneficiaries. It includes both fully audited participations (3.77%), also referred to as the 'direct' coverage, and the non-audited participations, also referred to as the 'indirect' coverage, which after the full treatment of audit results, are clean from systemic errors (54.49%).

RESULTS OF THE EX-POST CONTROLS

Horizon 2020

In 2020, the Commission refined its methodology for calculating the Horizon 2020 error rates in line with the European Court of Auditors' observations in its 2018 and 2019 Annual Reports ⁽⁵⁴⁾. The methodology applied is described in Annex 5. As of January 2020, DG R&I applied the revised methodology on a sample of 1 937 audit conclusions. This results in the following error rates for Horizon 2020 ⁽⁵⁵⁾ on 31 December 2022:

- Cumulative representative detected error rate: **2.71%** ⁽⁵⁶⁾
- Cumulative residual error rate for the Research and Innovation Family DGs: **1.67%** (1.86 % for HaDEA).

In line with the Financial Statement ⁽⁵⁷⁾ accompanying the Commission's proposal for the Horizon 2020 regulation, a reservation is not necessary for the related expenditure if the

⁽⁵³⁾ Given the uncertainties related to the evolution of the COVID-19 pandemic and related carry-over, the CAS developed two scenarios for the closure of audit targets.

⁽⁵⁴⁾ When calculating the multiannual error rate, the Commission considered the results of the audit re-performed by the ECA as part of Module 2 of the DAS 2018-2019.

⁽⁵⁵⁾ The Horizon 2020 audit campaign started in 2016. At this stage, four Common Representative Samples with a total of 628 expected results have been selected. By the end of 2022, cost claims amounting to EUR 40.8 billion have been submitted by the beneficiaries to the services. The audit coverage for Horizon 2020 is presented in annex 7. In addition to the Common Representative Samples, Common Risk Samples and Additional Samples have also been selected. The audits of 4 060 participations were finalised by 31/12/2022 (of which 633 in 2022).

⁽⁵⁶⁾ Based on the 479 representative results out of the 628 expected in the four Common Representative Samples.

⁽⁵⁷⁾ The legislative financial statement accompanying the Commission's proposal for the Horizon 2020 regulation states: "The Commission considers therefore that, for research spending under Horizon 2020, a risk of error, on an annual basis, within a range between 2-5% is a realistic objective taking into account the costs of controls, the simplification measures proposed to

cumulative residual error rate for the programme falls within the target range of 2-5%. In 2022, and despite the above-mentioned caveats, HaDEA's cumulative residual error rate for Horizon 2020, calculated at 1.86%, more than fulfils this condition and is below the materiality threshold. Despite the absence of reservation, the root causes of errors have been identified and targeted actions taken to address any identified weaknesses.

Since Horizon 2020 is a multiannual programme, the error rates, and the residual error rate in particular, should be considered within a time perspective. Specifically, the cleaning effect of audits will tend to increase the difference between the representative detected error rate and the cumulative residual error rate, with the latter finishing at a lower value.

These error rates are calculated since the audit results available when drafting the Annual Activity Report. They should be treated with caution as they may change subject to the availability of additional data from audit results.

Given the results of the audit campaign, and the observations made by the European Court of Auditors in its Annual Reports, the Common Implementation Centre, in close cooperation with central Commission services, defined actions aimed at significantly simplifying the rules, and paving the way for a significant reduction of the error rate in Horizon Europe. Apart from the use of a Corporate Model Grant Agreement and a common Annotated Grant Agreement for all programmes directly managed by the Commission, other actions include further simplification, such as the increased use of simplified forms of funding (including lump sums and unit costs), focused communication campaigns to more "error-prone" types of beneficiaries with higher than average error rates, such as SMEs and newcomers, and enhanced training to external audit firms performing audits on behalf of the Commission (the last three measures also target H2020 grants and beneficiaries). Focusing on the most common errors, these events will be straightforward, reaching more participants and achieving higher impact.

In addition, the ECA recommended certain improvements related to the quality of the audit process. Following the recommendation of the ECA the Commission reinforced or introduced several actions to remedy the risks identified by the ECA. The Court has acknowledged all these efforts to improve the quality of audits and considers its recommendation to be fully implemented.

Horizon Europe

2022 was the second year of implementation of the Horizon Europe framework programme. No representative error rate for Horizon Europe is available in 2022 as the ex-post audit campaign for the Programme is planned to be launched by the end of 2023 at the earliest, once a meaningful number of payments can be audited. Consequently, without elements allowing an assessment of the level of errors and considering the simplifications

reduce the complexity of rules and the related inherent risk associated to the reimbursement of costs of the research projects. The ultimate aim for the residual level of error at the closure of the programmes after the financial impact of all audits, corrections and recovery measures will have been taken into account is to achieve a level as close as possible to 2%."

introduced for Horizon Europe that aim to reduce the error rate, the detected and residual error rate will be estimated to 2% ⁽⁵⁸⁾ for HaDEA.

3. Efficiency of the controls implemented

a) Ex-post audits carried out and closed

CEF Telecom

In line with the Annual Audit Plan 2021, the Agency launched 19 audits for CEF Telecom programme in the second half of 2021. In 2022, the Agency aimed to close the 19 audits launched in Annual Audit Plan 2021 as well as one audit assignment inherited from CINEA which was after contradictory procedure at the time of issuance of AAR 2021. This CINEA remaining audit is closed at the time of issuance of this AAR.

The completion rate by the end of 2022 in relation to Annual Audit Plan 2021 is at 79%. The delays to finalise the audits were caused mainly by the complexity of the risk-based audits files.

In the Annual Audit Plan 2022 of 17 March 2022 the Agency launched 23 new audits for CEF Telecom programme to be finalised by 2023. The financial coverage of the 23 selected audits corresponded to 18.73% of the EU contribution accepted in 2021. This relatively high coverage aimed to maximise the cleaning of the population, taking into account the reservation issued for this segment in the AAR 2021 and the cumulative actual financial coverage of 6.61% reached by the end of 2021.

The state of play of the launched audits is presented in the following table:

	Audits launched	Final audit report issued by 31/12/2022	Preliminary audit report to be issued	Report under quality review	Contradictory procedure
Annual Audit plan 2021	19	15	0	2	2
Annual Audit plan 2022	23	2	3	13	5

Third Health Programme

The Agency launched 13 new audits for the Third Health Programme in the second half of 2021 in line with the Annual Audit Plan 2021 and 13 new audits in the Annual Audit Plan 2022 to be finalised by 2023.

As concerns the Third Health Programme, CHAFEA, the predecessor Agency in charge of this programme closed all audit reports before the transfer of the programme.

⁽⁵⁸⁾ These rates are in line with the objective set for Horizon Europe.

The completion rate by the end of 2022 in relation to Annual Audit Plan 2021 is at 84%. The delays to finalise the audits were caused mainly by the complexity of the open files.

The state of play of the launched audits is presented in the following table:

	Audits launched	Final audit report issued by 31/12/2022	Preliminary audit report to be issued	Report under quality review	Contradictory procedure
Annual Audit plan 2021	13	11	0	1	1
Annual Audit plan 2022	13	0	10	3	0

Food and Feed legacy programme

The Agency launched 6 audits for the Food and Feed programme in its Annual Audit Plan 2022 with the closing target 2023.

The state of play of the launched audits is presented in the following table:

	Audits launched	Final audit report issued by 31/12/2022	Preliminary audit report to be issued	Report under quality review	Contradictory procedure
Annual Audit plan 2022	6	0	4	2	0

Horizon 2020

The overall target (most probable scenario) in the Horizon 2020 Audit Strategy for 2022 was 611 audited participations. By 31 December 2022, the audits of 633 participations were closed, (completion rate 103.6%).

2. Fraud prevention, detection and correction activities developed within HaDEA in 2022

Objective: The risk of fraud is minimised through the application of effective anti-fraud measures and the implementation of the Commission Anti-Fraud Strategy (CAFS) ⁽⁵⁹⁾ aimed at the prevention, detection and correction ⁽⁶⁰⁾ of fraud

Indicator: Implementation of the actions included in HaDEA's anti-fraud strategy over the strategy's lifecycle

Source of data: HaDEA's annual activity report, HaDEA's anti-fraud strategy, OLAF reporting

Baseline (2021)	Interim milestone (2022)	Target (by end of the strategy's 3 year lifecycle in 2023)
0% (The agency became operational in April 2021 and the Anti-Fraud strategy will be established as per the OLAF guidelines)	79% of action points (15/19) implemented in time	100% of actions due
Situation at the end of the year:	All action points from the Action plan in HaDEA's Anti-fraud Strategy to be completed during the year have been implemented. The targets were reached except for the trainings activities, for which the participation rate is below the target of 100% and the EPPO agreement.	

Main outputs in 2022:

Output	Indicator	Target	Latest known results
Trainings on fraud risk awareness for staff involved in grant management	Number of training sessions organised	2 sessions per year	5 training sessions on fraud risk awareness (3 more sessions organised due to increased demand) In addition, 2 training sessions on the use of the anti-plagiarism tools.
	Participation rate of the target staff in fraud awareness trainings	100% by end of 2022	84% ⁽⁶¹⁾

⁽⁵⁹⁾ Communication from the Commission "Commission Anti-Fraud Strategy: enhanced action to protect the EU budget", COM(2019) 176 of 29 April 2019 – 'the CAFS Communication' – and the accompanying action plan, SWD(2019) 170 – 'the CAFS Action Plan'.

⁽⁶⁰⁾ Correction of fraud is an umbrella term, which notably refers to the recovery of amounts unduly spent and to administrative sanctions.

⁽⁶¹⁾ HaDEA's staff grew by 26% in 2022. A lot of newcomers did not have the opportunity to attend the anti-fraud related trainings yet, even though the Agency organised 5 training sessions on fraud risk awareness instead of the 2 initially planned. HaDEA expects to be able to reach the target as the number of staff gets more stable and the newcomers settle in.

Output	Indicator	Target	Latest known results
Participation in the Fraud Prevention and Detection network (FPDnet chaired by OLAF). Participation in the Fraud and Irregularities in Research Committee (FAIR chaired by CAS)	Effective participation in the meetings	Participate in all meetings organised during the year	HaDEA actively participated in all FPDnet and FAIR meetings organised in 2022.
Establishment and signature of the Agreement between HaDEA and the European Public Prosecutor's Office (EPPO)	Timely signature of the Agreement	30 June 2022	A working group was created involving all Executive Agencies with the purpose of signing a common Agreement with the European Public Prosecutor's Office (EPPO). By the end of 2022, a final draft was agreed between the EAs and was transmitted to the EPPO for discussions. HaDEA foresees the signature of the Agreement in 2023.
Periodical fraud risk assessment	Effective performance of a fraud risk assessment exercise	Once per year	HaDEA performed the annual review of the fraud risk assessment in September-November 2022 ⁽⁶²⁾ . The review exercise confirms that HaDEA has adequate controls in place, adapted to its control environment and risks identified.

3. Economy = the estimated cost of controls

In 2022, HaDEA's cost of controls was calculated based on the corporate methodology for the estimation, assessment and reporting on the cost-effectiveness of controls.

HaDEA costs of controls grant management	Costs (M€)			Operational Payments 2022 (M€)	Overall rate (total costs/total amount paid)
	Internal costs	External costs	Total		

⁽⁶²⁾ Approved on 24/12/2022 - Ares(2022)8972547

Stage 1 – programming and evaluation	5.73	0.65	6.39	2,795.40	0.23%
Stage 2 – contracting	3.92	0.06	3.98	2,795.40	0.14%
Stage 3 – monitoring the execution	24.99	2.63	27.62	2,795.40	0.99%
Stage 4 – ex-post controls and recoveries	0.99	0.33	1.31	2,795.40	0.05%
TOTAL	35.63	3.67	39.31	2,795.40	1.41%

To calculate the estimated cost of controls, the following costs were considered:

- 1) Costs of staff in control posts** – The number of control posts as identified in ATLAS were multiplied by the average staff costs per staff category (as communicated by DG BUDG). These control posts were distributed between the different control stages either directly (for control posts that are associated to only one control stage) or by applying a share according to the estimated time of work spent for each of the control stages in 2022.
- 2) Programme Support costs – Additionally to staff costs, the different programmes and control stages are** supported by expenditure on HaDEA’s administrative budget and operational budget. The following payments are included:
 - Payments for outsourced ex-post audits;
 - Payments for interim staff;
 - Payments for external evaluation experts.

4. Table Y on the estimated “cost of controls” at Commission level

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

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

EXPENDITURE

The absolute values are presented in EUR

HADEA	Ex ante controls***			Ex post controls			Total	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Relevant Control System (RCS) / Other as defined in Annex 6 of the AAR*	EC total costs	related payments Made	Ratio (%)** (a)/(b)	EC total costs	total value verified and/or audited	Ratio (%) (d)/(e)	EC total estimated cost of controls (a)+(d)	Ratio (%)** (g)/(b)
Grant management	37.992.641,56 €	2.795.404.484,31 €	1,36%	1.314.793,63 €	50.041.326,31 €	2,63%	39.307.435,19 €	1,41%
OVERALL total estimated cost of control at EC level for expenditure	37.992.641,56 €	2.795.404.484,31 €	1,36%	1.314.793,63 €	50.041.326,31 €	2,63%	39.307.435,19 €	1,41%

SHARED/POOLED CONTROL ACTIVITIES (RTD & REA)

Common Audit Service (only DG RTD)	- €	- €	0,00%	- €	- €	0,00%	- €	0,00%
Validation services (only REA)	- €	- €	0,00%	- €	- €	0,00%	- €	0,00%
Expert management (only REA)	- €	- €	0,00%	- €	- €	0,00%	- €	0,00%

NON-EXPENDITURE ITEMS ****

HADEA	Ex ante controls***			Ex post controls			Total	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Relevant Control System (RCS) / Other as defined in Annex 6 of the AAR*	EC total costs	related amounts	Ratio (%)** (a)/(b)	EC total costs	total value verified and/or audited	Ratio (%) (d)/(e)	EC total estimated cost of controls (a)+(d)	Ratio (%)** (g)/(b)
Only applicable for DGs with non-expenditure items								
	- €	- €	N/A	- €	- €	N/A	- €	N/A

* if the control costs are not attributable to a single RCS and may relate to a 'mix' of expenditure, revenue, assets/liabilities, etc, they may be grouped

** ratio possibly “Not Applicable (N/A)”, e.g. if a RCS specifically covers an Internal Control Objective such as safeguarding sensitive information, reliable accounting/reporting, etc

*** any 'holistic' control elements (e.g. with 'combined' ex-ante & ex-post characteristics) can be reported in the ex-ante column provided that a footnote clarifies this (their nature + their cost). Example: MS system audits in shared management.

**** These include revenue operations (e.g. assigned revenue, fines, interest); assets (e.g. (in)tangible or financial assets, inventories, treasury) and financial liabilities or 'off balance sheet' items (e.g. employee benefits, guarantees offered or other commitments)

5. Audits from the European Court of auditors (ECA) on the operational budget

In the framework of the statement of assurance (DAS) 2021, the European Court of Auditors (ECA) closed 16 transactions related to HaDEA's portfolio in 2022⁽⁶³⁾, with the following findings:

- In nine cases there were no findings detected;
- Financial errors were detected in the remaining seven cases, most of them related to the personnel costs category. For details, please see the table below.

CL Number	Error rates	Cause of errors
CL12801-1 CL12801-2	1.81%	1- Ineligible personnel costs - overclaimed hours (due to use of rounded figures and hours claimed during absences) and double ceiling rule not respected 2- weakness in time records
CL 12806	3,56%	1-Ineligible personnel costs - ineligible components in hourly rate, incorrect reporting of hours 2-double claim in equipment costs and incorrect calculation of depreciation
CL 12941	33,77%	1-Ineligible personnel costs - incorrect annual productive hours, inaccurate personnel costs, lack of evidence for the declared hours
CL 12959	1,24%	1-Incorrect calculation of equipment depreciation costs. Based on the depreciation method used by the Beneficiary (straight line depreciation model in 30 months), 130,10 € were over claimed on this concept.
CL13004-1 CL13004-2	8.65%	1- Ineligible personnel costs of one seconded staff: hourly rate includes profit margin and flat rate for indirect costs, incorrect calculation of productive hours and lack of supporting documents (invoices between the third party and the beneficiary). 2- Non transfer of EU funds by the coordinator to the audited partner
CL13166	1,75%	Ineligible personnel cost. For the one staff cost sampled, who signed a declaration of exclusive work, the Beneficiary calculates annual hourly rates using 1720 annual productive hours but has not applied the methodology foreseen by AMGA for determining the costs for persons working exclusively on the action.

⁽⁶³⁾ Six transactions related to Horizon 2020 and one related to CEF Telecom programme.

CL 13195	54.21%	Ineligible staff costs, considering two components: - Incorrect declaration of the personnel costs for two SME owners without a salary. Incorrect hourly rate applied. - Contracts ineligible under staff costs. Consulting agreement cannot be considered as a direct contract. Secondment contract which does not meet conditions from Article 11.1 of the Grant Agreement
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Except for one case, the ECA concluded that all audit findings were “not detectable” by the Commission services.

Status of implementation of DAS 2021 results:

Year SoA	Total ARCL	No findings	Implemented	Ongoing	CL ref. of ongoing files
2021	16	9	1	6	CL12801 CL12941 CL12959 CL13004 CL13166 CL13195

6. Cases of derogation from the principle of non-retroactivity of grants

The Article 193 FR (new Financial Regulation Article 193.2) of the 2018 Financial Regulation requires the Agency to report on the cases of derogation from the principle of non-retroactivity of grants.

In 2022, HaDEA had 254 such cases:

- **63 cases under EU4Health;**
 - 24 cases under the call EU4H-2022-ERN-IBA;
 - 14 cases under the call EU4H-2022-OG-FPA and 14 cases under the call EU4H-2022-OG-SGA;
 - 1 case under the call EU4H-2021-DGA-IO-IBA;
 - 1 case under the call EU4H-PJ-04.

The related grants were granted a retroactive starting date to enable continuity with previous funding.

- 2 cases under the call EU4H-2022-PRES-IBA. The grants needed to start early enough to ensure there was enough time to prepare the Presidency conferences co-funded through this call.
- 2 cases under the call EU4H-2021-DGA-IO-IBA: the grant agreements involved both the WHO Regional Office for Europe and the OECD. A

retroactive starting date ensured that the preparatory work involved for both projects could be finalised on time.

- 1 case under the call EU4H-2021-PJ2: the requested retroactive starting date was granted to allow the kick-off meeting of the project to be held on time.
- 4 cases under the Joint Actions EU4H-2021-JA-IBA and EU4H-2021-JA2-IBA, to ensure there was no delay in the implementation.
- **13 cases under Horizon Europe Cluster 1;**
- **18 cases under Horizon Europe Cluster 4;**
 - **Digital strand:** 3 projects
 - **Industry strand:** Under the calls HORIZON-CL4-2021-RESILIENCE-01, HORIZON-CL4-2021-HUMAN-01 and HORIZON-CL4-2021-CONF-1-IBA, the consortia of 14 projects requested and were granted a “fixed”, or retroactive starting date in the Grant Agreement Preparation phase. The requests were accepted to avoid uncertainty of the signature date of the Grant Agreements. Those starting dates were deemed not to have any particular impact on neither the projects implementation nor on the Commission administration. The consortia were informed about the risks of costs not being eligible in case of the non-signature of the Grant Agreement
 - **Space strand:** one project with 26 partners failed to sign the grant agreement on time. The grant agreement was signed one day after the project start.
- **128 cases under SMP Food;** As provided in the SMP Food Regulation and the work programme 2021-2022, retroactivity of grants have been foreseen for some of the actions of the work programme due to the late adoption of the SMP Food Regulation. This was the case for the 32 grants for veterinary programmes 2021-2022, 24 grants for phytosanitary programmes 2021-2022, 24 grants for AMR 2021, and 48 grants for EURLs/EURCs. The retroactivity avoided the interruption of these EU compulsory yearly recurrent activities.
- **26 cases under the Digital Europe Programme;**
 - 2 grant agreements under the call DIGITAL-2021-SKILLS-01: the request was justified by the applicants (mostly universities requesting contribution to develop a Master Programme), to align the start date of the action with the university year. The request was deemed justified in view of the call text requirements, the nature of the work to be done, and of the applicants.
 - 24 grant agreements under the call DIGITAL-2021-TRUST-01: these actions represent a continuation, in terms of tasks and (largely) in terms of consortia composition of CEF Telecom actions ongoing at the time of the call publication, but which ended before the signature of the DIGITAL grants. It was deemed critical by the policy DGs and HaDEA, to ensure the

starting of the DIGITAL actions immediately after the end date of the CEF ones, in order to avoid any disruption in the functioning of the systems/IT architecture that could derive from discontinuation of its maintenance.

- and **6 cases under CEF-Digital**: these concern 6 projects funded under the calls CEF-DIG-2021-5GCORRIDORS and CEF-DIG-2021-GATEWAYS. As the projects concern infrastructure, retroactivity can be in the interest of the institution, due to a higher degree of maturity. The call texts allow retroactivity back to the date of submission. No projects started before the date of submission.

ANNEX 8: Specific annexes related to "assessment of the effectiveness of the internal control system"

The Agency's Internal Control Framework, similarly to the framework of the other Commission services, is composed of 17 Principles. The Agency's framework also includes a set of Internal Control Monitoring Criteria (ICMCs), which is revised every year to translate HaDEA's risk and control environment. HaDEA's 2022 assessment of the effectiveness of its internal control system (self-assessment) was carried between December 2021 and February 2022, taking into account the following elements (but not exclusively): the risk management activities, deviation reporting activities reported during the year, relevant audit results, the checks on the Internal Control Monitoring Criteria, results of an internal control survey for staff and managers, declarations of assurance by the Authorising Officers by Sub-delegation, results of the monitoring of the anti-fraud action plan.

The self-assessment identified areas that present a robust system of controls. The analysis also highlighted a limited number of weaknesses that have an impact on the effectiveness of the overall control systems of the Agency.

The Agency has concluded that 14 out of the 17 principles are present and functioning well. For the three remaining principles 10⁽⁶⁴⁾ and 12⁽⁶⁵⁾ (component III – 'Control Activities'), principle 16⁽⁶⁶⁾ (component V- 'Monitoring'), some improvements are needed as minor deficiencies were noted.

The improvements and/or remedial measures implemented or envisaged are to:

- Continue the efforts to further develop ex-ante control strategies adapted to the specificities of each programme, following the adoption of the HaDEA control strategy in 2022, which outlines the control components, sets the control principles and covers both financial and non-financial activities.
- Ensure the continuous improvement of HaDEA procedures, notably in relation to grant and procurement management and to ensure the related raising awareness activities, in the context of the Agency's staff increase and the implementation of the 2021-2027 programmes.
- Reinforce the follow-up of the exceptions and non-compliance events in order to avoid the recurrence of similar issues where relevant.

⁽⁶⁴⁾ Principle 10 - The Agency selects and develops control activities that contribute to the mitigation of risks to the achievement of objectives to acceptable levels.

⁽⁶⁵⁾ Principle 12 – The Agency deploys control activities through corporate policies that establish what is expected and in procedures that put policies into action.

⁽⁶⁶⁾ Principle 16 – The Agency selects, develops, and performs ongoing and/or separate assessments to ascertain whether the components of internal control are present and functioning.

These measures are part of dedicated action plans targeting the areas with the identified deficiencies.

1. Risk Management Activities

HaDEA's risk management activities include the annual risk management exercise and a mid-term review. The latest version of HaDEA 's Risk Register for 2022 (mid-term review) included 9 significant risks and none at critical level. The monitoring of the risk register 2022 points out a positive outcome, as two risks were closed during the period and the residual risk scores were decreased for two other risks. This demonstrates that the monitoring activities have allowed the relevant services to continuously take stock of the situation and to reassess measures accordingly.

Finally, prior to the publication of this report, the Agency conducted the 2023 risk management exercise and identified 12 risks at significant level (none at critical level). While its results fall outside of the reporting period, it is important to highlight that this increasing trend provides evidence to the Agency's capacity to adapt to a volatile, complex and uncertain external environment. Some of the risks relate indeed to the negative impact the current high inflation rates and disruptions in supply chains may have on the implementation of project activities.

The risk management activities have shown the resilience of HaDEA's staff, despite increased and challenging workload on several programmes. The Agency identified the measures to reduce the negative effects of the risks identified to support the achievement of its objectives and will monitor the implementation of the action plan.

2. Deviation reporting activities

In 2022, 13 deviations were documented throughout the year, out of which 8 of them referred to exception requests, and 5 of them related to non-compliance events. The increase in the number of cases compared to 2021 can be explained by the increased budget managed by the Agency, which translates into a higher volume of activities. The Agency thus handled a higher number of calls, signed more grants and contracts, and processed a higher number of financial transactions, both on the operating and operational budgets.

The deviations are mainly related to exceptions, which shows the level of awareness and readiness of the Agency on internal control issues. The Agency will implement mitigation measures for each deviation. In addition, to lower the number of deviations and prevent recurrent errors, HaDEA will further develop its raising awareness activities and closely follow up on the exception and non-compliance events.

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

1. Table X: Estimated risk at payment and at closure

EA HADEA	Payments made (2022;MEUR)	minus new prefinancing [plus retentions made] (in 2022;MEUR)	plus cleared prefinancing [minus retentions released and deductions of expenditure made by MS] (in 2022;MEUR)	Relevant expenditure (for 2022;MEUR)	Detected error rate or equivalent estimates	Estimated risk at payment (2022;MEUR)	Adjusted Average Recoveries and Corrections (adjusted ARC; %)	Estimated future corrections [and deductions] (for 2022;MEUR)	Estimated risk at Closure (2022;MEUR)
-1	-2	-3	-4	-5	-6	-7	-8	-9	-10
Operational budget:	0.00	0.00	0.00	0.00	0.00% - 0.00%	0.00 - 0.00	0.00% - 0.00%	0.00 - 0.00	0.00 - 0.00
Grants 2021-2027	0.00	0.00	0.00	0.00	0.00% - 0.00%	0.00 - 0.00	0.00% - 0.00%	0.00 - 0.00	0.00 - 0.00
Horizon Europe	1 684.55	-1 683.75	6.39	7.19	2.00% - 2.00%	0.14 - 0.14	0.00% - 0.00%	0.00 - 0.00	0.14 - 0.14
Connecting Europe Facility (CEF) - Digital	35.63	- 35.63	0.00	0.00	0.00% - 0.00%	0.00 - 0.00	0.00% - 0.00%	0.00 - 0.00	0.00 - 0.00
Digital Europe Programme	55.15	- 55.15	0.00	0.00	0.00% - 0.00%	0.00 - 0.00	0.00% - 0.00%	0.00 - 0.00	0.00 - 0.00
Single Market Programme - veterinary eradication	75.74	0.00	0.00	75.74	0.50% - 0.50%	0.38 - 0.38	0.00% - 0.00%	0.00 - 0.00	0.38 - 0.38
Single Market Programme - laboratory, AMR, plant health	41.98	- 20.65	0.00	21.33	1.36% - 1.36%	0.29 - 0.29	0.16% - 0.16%	0.03 - 0.03	0.26 - 0.26
EU4Health Programme	71.05	- 70.22	0.22	1.05	1.96% - 1.96%	0.02 - 0.02	0.08% - 0.08%	0.00 - 0.00	0.02 - 0.02
Grants 2014-2020	0.00	0.00	0.00	0.00	0.00% - 0.00%	0.00 - 0.00	0.00% - 0.00%	0.00 - 0.00	0.00 - 0.00
Horizon 2020	717.67	- 69.25	888.12	1 536.55	2.71% - 2.71%	41.64 - 41.64	0.85% - 0.85%	13.06 - 13.06	28.58 - 28.58
Connecting Europe Facility (CEF) - Telecom - DSI	17.25	- 0.53	23.56	40.28	3.91% - 3.91%	1.58 - 1.58	0.39% - 0.39%	0.16 - 0.16	1.42 - 1.42
Connecting Europe Facility (CEF) - Telecom - WiFi4EU	22.76	0.00	0.00	22.76	0.50% - 0.50%	0.11 - 0.11	0.00% - 0.00%	0.00 - 0.00	0.11 - 0.11
Third Health Programme	14.91	- 1.18	23.82	37.55	1.96% - 1.96%	0.74 - 0.74	0.08% - 0.08%	0.03 - 0.03	0.71 - 0.71
Food and Feed Programme	8.68	0.00	1.17	9.85	1.36% - 1.36%	0.13 - 0.13	0.16% - 0.16%	0.02 - 0.02	0.12 - 0.12
Procurements	47.17	0.00	0.45	47.62	0.50% - 0.50%	0.24 - 0.24	0.00% - 0.00%	0.00 - 0.00	0.24 - 0.24
Experts (evaluation & monitoring)	2.86	0.00	0.00	2.86	0.50% - 0.50%	0.01 - 0.01	0.00% - 0.00%	0.00 - 0.00	0.01 - 0.01
Sub-total	2 795.40	-1 936.36	943.73	1 802.78		45.28 - 45.28	0.74% - 0.74%	13.30 - 13.30	31.99 - 31.99
operating budget	43.30	0.00	0.00	43.30	0.50% - 0.50%	0.22 - 0.22	0.00% - 0.00%	0.00 - 0.00	0.22 - 0.22
total EA (operational + operating)	2 838.71	-1 936.36	943.73	1 846.08		45.50 - 45.50	0.72% - 0.72%	13.30 - 13.30	32.20 - 32.20
					Overall risk at payment in %	2.46% - 2.46%		Overall risk at closure in %	1.74% 1.74%
						(7) / (5)			(10) / (5)

Notes to the table X

- (1) Relevant Control Systems differentiated per relevant portfolio segments and at a level which is lower than the total.
- (2) Payments made or equivalent, e.g., expenditure registered in the Commission's accounting system, accepted expenditure or cleared pre-financing. In any case, this means after the preventive (ex-ante) control measures have already been implemented earlier in the cycle.
- (3) New pre-financing actually paid by out by the department itself during the financial year (i.e. excluding any pre-financing received as a transfer from another department), as per note 2.5.1 to the Commission annual accounts thus excluding "Other advances to Member States" which are covered on a purely payment-made basis (note 2.5.2).
- (4) Pre-financing actually cleared during the financial year (i.e., their 'delta' in the Financial Year 'actuals', not their 'cut-off' based estimated 'consumption').

(5) For the purpose of equivalence with the ECA's scope of the EC funds with potential exposure to legality & regularity errors (see the ECA's Annual Report methodological annex 1.1), our concept of "relevant expenditure" includes the payments made, subtracts the new pre-financing paid out [& adds the retentions made], and adds the pre-financing actually cleared during the FY. This is a separate and 'hybrid' concept, intentionally combining elements from the budgetary accounting and from the general ledger accounting.

(6) In this column, we disclose the detected error rates or equivalent estimates. To calculate the weighted Average Error Rate (AER) for the relevant expenditure in the reporting year, the multiannual detected error rates have been used. For Food and feed, as best estimates, an average estimate based on the last 3 years has been applied. In addition, for EU4Health programme, Single Market Programme (laboratory, plan health and AMR), as no audits are yet available on these new programmes, the results of the predecessor programmes, respectively 3rd Health programme, and Food and Feed, have been applied. For Horizon Europe, in line with the approach taken at Research family level, the detected and residual error rates used is at 2%, in line with control objective, considering that there are no audit results available on Horizon Europe allowing for an assessment of the level of errors and taking into account the simplifications introduced for Horizon Europe that aim to reduce the error rate. For low-risk types of expenditure, including simplified cost options such as lump sums' grants for SMP grants and CEF Telecom Wifi4Europe, where there are indications that the equivalent error rate might be close to 'zero' (*e.g. administrative expenditure, operating contributions to agencies*), the rate which should be used is 0.5% as a conservative estimate, following DG BUDG instructions.

(8) The adjusted average recovery and corrections percentage was calculated as follows:

For Horizon 2020, in line with the research and Innovation family, HaDEA has adjusted this value for grant management expenditure and used as best estimates the difference between the family expected representative error rate for the full sample (2.71%) and the HaDEA H2020 residual error rate (1.86%).

For CEF Telecom, in line with the approach applied by the predecessor Agency INEA, the Average Recoveries and Corrections (ARC) are determined by comparing the auditable expenditure on a multiannual basis with the total amount to be corrected (all material errors are or will be corrected). The percentage of audit corrections compared to the auditable expenditure is the ARC. For the other programmes, as best estimates and based on the information available, the difference between the detected and residual error rates have been used. For other types of expenditures (procurement, experts, and operating budget), HaDEA assumed that the ex-post future corrections would be 0%, as a conservative estimate.

The average amount of the implemented corrections over the past 2 years (2021-2022) is 0.88 million euros (0.06% of the average amount of relevant expenditure of that period), compared to an average amount of estimated future corrections during the same period of 9,37 (million) euros (0.67% of the average amount of relevant expenditure of that period). The deviation of 0.61% between the two averages is mainly attributed to audit results becoming available at the end of 2022, which implementation will take place in the coming months.

2. Reservations

Reservations issued for Operational Programme or Paying Agency in last year's annual activity report and lifted in 2022

N°	Programme	Ref	Title	Type	Reasons for Reservation	Financial impact (MEUR) in 2021	Reason for lifting the reservation
1	Direct management – CEF Telecom DSI segment for legacy grants (2014-2020)	Connecting Europe Facility Telecom Programme – Digital Single Infrastructure segment – programming period 2014-2020	Direct management – CEF Telecom DSI segment for legacy grants (2014-2020)	Financial, quantified.	Reservation concerning the rate of residual error within payments in reimbursements of cost claims in the Connecting Europe Facility Telecom Programme – DSI segment – programming period 2014-2020. The residual error rate for 2021 was estimated at 3.84%, which is above the materiality threshold of 2% for the legality and regularity of the financial transactions.	EUR 2.38 million	In 2022, the residual error rate continued in the decreasing trend, but remained above the 2% materiality threshold (i.e. 3.28%). However, by the end of 2022, the cumulative conditions of the de minimis rule were met: the share of the programme in budget implementation represents 0.62% of the total payments of the Agency and the financial exposure is below 5 M EUR (EUR 1.57 M EUR). Therefore, the reservation is now lifted.

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

1. Human resources

Objective: HaDEA employs a competent and engaged workforce and contributes to gender equality at all levels of management to effectively deliver on the agency's priorities and core business.

Indicator 1: Number and percentage of first female appointments to middle management positions

Source of data: SYSPER, proportion of female holding middle management (HoD and HoU) positions on 01/04/2021

Baseline (female representation in management) (31/12/2021)	Target (2024)	Latest known results
Out of 13 middle management posts foreseen in the organisation chart of HaDEA, 6 are currently occupied by female colleagues (46%), 6 by male colleagues (46%), and 1 is vacant (8%)	50 %	46% - Out of 13 middle management posts foreseen in the organisation chart of HaDEA, 6 are currently occupied by female colleagues (46%) and 7 by male colleagues (54%).

Indicator 2: HaDEA staff engagement index

Source of data: Commission staff or pulse survey [data to be provided by DG HR]

Baseline (last European Commission staff survey and pulse surveys)	Target (European Commission pulse survey N+1)	Results (Commission staff survey 2021)
67.5 % (average of the six Executive Agencies in 2018) ⁽⁶⁷⁾	67.5%	72%

Main outputs in 2022:

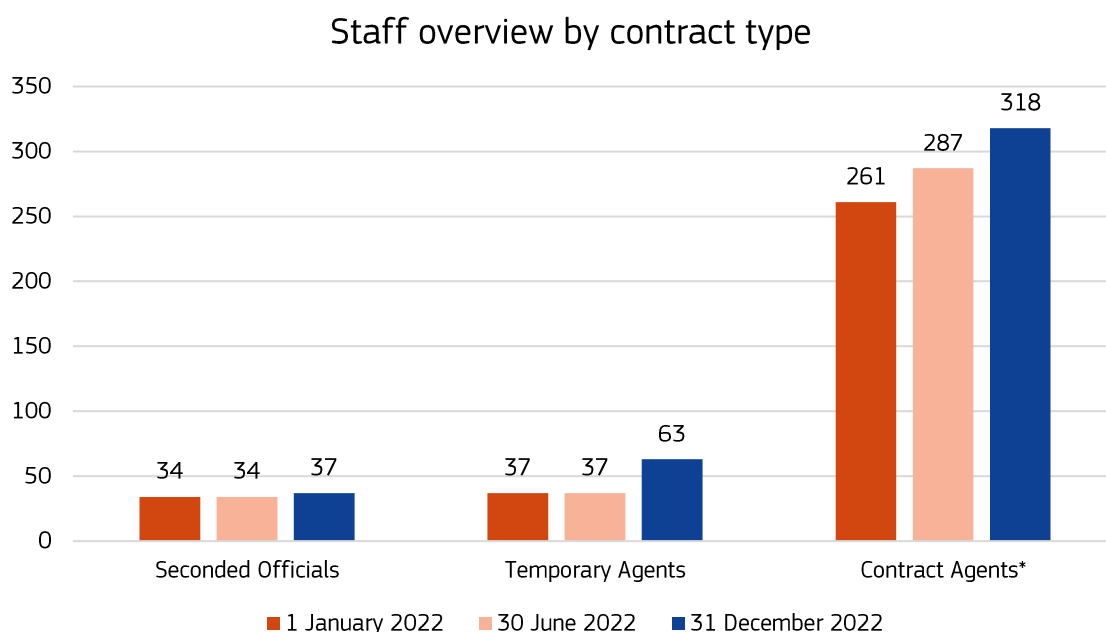
Description	Indicator	Target	Latest known results
Occupation rate	Percentage of staff in place by 31 December 2022	95%	96% ⁽⁶⁸⁾

⁽⁶⁷⁾ Pulse surveys are in use if no staff survey is launched.

⁽⁶⁸⁾ This is the result obtained when taking into account the additional resources from the frontloading to the operational teams working on Cluster 4 and from Third countries' contributions, allocated to the Agency in May. If we consider only the resources allocated from the Specific Financial Statement, then the percentage increases to 98%.

Description	Indicator	Target	Latest known results
HaDEA's multiannual HR Strategy	Timely adoption of the strategy	30 September 2022	The six executive agencies Directors agreed to replace the development of separate local HR strategies under one 'chapeau' document, a common multiannual Inter-Executive Agency HR Strategy. HaDEA coordinated this exercise. The adoption was shifted to early 2023 with the approval of all executive agencies to allow the common staff committee consultation.
HaDEA's anti-burnout Strategy	Timely adoption of the strategy	31 March 2022	Adopted within the deadline.
Introduction of HR periodical reports	Timely completion of the first set of reports	31 March 2022	Completed in January 2022
New general implementing provisions on working time and hybrid work	Timely adoption of the provisions	31 March 2022 (depending on the prior adoption of the Commission's implementing rule)	Adopted on 4 April 2022, days after the adoption of the Commission's implementing rule.
Managerial Excellence Programme	Timely adoption of the programme	31 March 2022	Adopted within the deadline
Staff Survey Development Plan	Timely adoption of the development plan	30 June 2022	Adopted within the deadline

Staff Overview by contract type



*Including 7 staff members financed from EFTA and third countries' contributions allocated to the Agency in May 2022.

Gender balance

	% of females	% of males
Senior and middle management (Director, Heads of Department and Heads of Unit)	50%	50%
Middle management (Heads of Department and Heads of Unit)	46%	54%
All staff ⁽⁶⁹⁾	62%	38%

⁽⁶⁹⁾ Including staff financed from EFTA and third countries' contributions allocated to the Agency in May 2022.

Staffing table

(Based on actual staffing as of 31 December 2022)

Operational Staff ⁽¹⁾	Staff (EU Budget and NGEU)					
	TAs	Of which Seconded officials	CAs	Total	SFS	Filling rate
EU4HEALTH	22,0	6,0	75,0	97,0	102,0	95%
SMP	3,0	2,0	10,0	13,0	14,0	93%
HE: Cluster 1	13,0	7,0	50,0	63,0	64,0	98%
CEF	6,0	2,0	19,0	25,0	26,0	96%
DEP	4,0	1,0	30,0	34,0	36,0	94%
HE: Cluster 4 ⁽²⁾	27,0	14,0	81,0	108,0	104,0	104%
TOTAL OPERATIONAL STAFF	75,0	32,0	265,0	340,0	346,0	98%

Management and Administrative Support	Staff (EU Budget and NGEU)					
	TAs	Of which Seconded officials	CAs	Total	SFS	Filling rate
TOTAL MANAGEMENT AND SUPPORT	25,0	5,0	46,0	71,0	75,0	95%
TOTAL STAFF	100,0	37,0	311,0	411,0	421,0	98%

	Staff from other fund sources (EFTA and third countries contribution) ⁽³⁾					
	TAs	Of which Seconded officials	CAs	Total	allocated	Filling rate
EU4HEALTH	0,0	N/A	1,0	1,0	2,0	50%
HE: Cluster 1	0,0	N/A	2,0	2,0	2,0	100%
DEP	0,0	N/A	1,0	1,0	1,0	100%
HE: Cluster 4	0,0	N/A	3,0	3,0	3,0	100%
TOTAL STAFF	0,0	N/A	7,0	7,0	8,0	88%

⁽¹⁾ All operational staff (including operational finance). For financial sectors, the distribution of staff between programmes is indicative.

⁽²⁾ In accordance with the Final report of the Working Group Horizon Europe Cluster 4 on the repartition of staff and budget, operational Units dealing with Horizon Europe Cluster 4 are reinforced with 8 posts of contract agents frontloaded from 2023, allowing to go beyond 100% of staff foreseen in SFS. The frontloaded posts are solely dedicated to the operational units dealing with Horizon Europe Cluster 4 within department B.

⁽³⁾ Staff financed from EFTA and third countries contributions allocated to the Agency in May 2022.

2. Digital transformation and information management

Objective: HaDEA is using innovative, trusted digital solutions for better information management and administrative processes to become a truly digitally transformed, user-focused and data-driven Agency

Indicator 1: Degree of implementation of the digital strategy principles by the most important IT solutions

Source of data: HaDEA assessment based on DIGIT EC Digital Strategy maturity model for a given Information System

Baseline (2021)	Interim milestone (2022)	Target (2024)	Latest known results
50%	68%	90%	68%

Indicator 2: Percentage of implementation of the corporate principles for data governance for HaDEA's key data assets

Source of data: HaDEA data inventory

Baseline (2021)	Interim milestone (2022)	Target (2024)	Latest known results
0%	30%	100%	30%

Indicator 3: Percentage of staff attending awareness-raising activities on data protection compliance

Source of data: EU Learn

Baseline (April 2021)	Interim milestone (2022)	Target (2024)	Latest known results
0%	80% of staff in post for 6 months or longer	100% of staff in post for 6 months or longer	22% of staff in post for 6 months or longer ⁽⁷⁰⁾

Main outputs in 2022:

Description	Indicator	Target	Latest known results
HaDEA IT Steering Committee	Number of meetings	At least one meeting in 2022	3

⁽⁷⁰⁾ The baseline for this percentage is the total number of staff employed on 31 December 2022. A significant number of staff has been recruited during the last months and has not yet had the opportunity to follow training, which explains the lower result. It should also be noted that most of the staff followed data protection training sessions provided by their previous employers (agencies/Commission services) prior to joining the Agency.

Description	Indicator	Target	Latest known results
HaDEA key data assets assessment and reporting	Finalisation of the first assessment of data assets	by 31 January 2022	HaDEA conducted two assessment exercises of its data assets (January and December 2022).
	Availability of the Agency's data assets' database	by 31 December 2022	Since April 2022 HaDEA created and made available a data assets' inventory database.
	Percentage of assets reported to corporate EU Data Catalogue.	30% of the Agency's key data assets, assessed in 2022, reported in the corporate EU Data Catalogue	30% of the HaDEA data assets (identified as to be reported in the Commission's data catalogue) were included into it.
Awareness-raising activities on data protection matters	2022 Data protection Day	1 event	1 event
	Number of data protection information sessions	6 training sessions	6 training sessions
DPO networking	Participation in network meetings	At least 8 meetings	More than 8 meetings
Documentation of personal data processing activities	Number of data protection notices and records issued	At least 20	20

3. Sound environmental management

Objective: HaDEA takes account of its environmental impact in its actions and actively promotes measures to reduce the related day-to-day impact of the administration and its work and promote climate and biodiversity mainstreaming, with the support of its respective EMAS Correspondents.

Main outputs in 2022:

I. More efficient use of resources (energy, water, paper)

Description	Indicator	Target	Latest known results
Participation in the end-of-the-year energy saving action, by closing down the Agency's buildings during the Christmas and New Year's holiday period	Number of buildings participating	100% of the Agency's buildings participating, i.e., 1	COV2 participated in both BEST actions, during the summer, and winter.

II. Reducing CO₂, equivalent CO₂, and other atmospheric emissions

Description	Indicator	Target	Latest known results
Staff awareness actions on reducing greenhouse gases emissions (such as actions on sustainable commuting during EU Mobility week and VeloWalk corporate events).	% of staff participating in VeloWalk	10 % of staff participating in VeloWalk	7% of HaDEA staff participated in the Walking Challenge in 2022. 8% of HaDEA staff participated in VeloMai in 2022. When removing colleagues appearing twice, a total of 14% of HaDEA staff participated in at least one of those events.
Staff awareness on sustainable commuting in collaboration with the Office for Infrastructure and Logistics in Brussels (OIB) and Luxembourg (OIL) (e.g. availability of bike parking facilities, lockers and showers, promote the reduction of parking spaces' use amongst staff).	% of staff informed	100% of staff informed	100% staff informed. HaDEA promoted all corporate mobility-related events and actions. On top of communication through the intranet, the onboarding guide for newcomers also includes promotion of sustainable commuting ⁽⁷¹⁾ .

⁽⁷¹⁾ HaDEA's office building is well equipped with bike parking facilities and showers. HaDEA promotes sustainable commuting with own schemes like the cycling contribution.

Description	Indicator	Target	Latest known results
	% of sustainable commuters ⁽⁷²⁾ at HaDEA	50% sustainable commuters ⁽⁷³⁾	<p>OIB 2022 Staff mobility survey did not include executive agencies.</p> <p>Based on available figures in HaDEA and mobility.net: 34% staff claimed reimbursement of public transport; 10% staff claimed cycling contribution.</p> <p>The EC survey also shows that 18% of staff walk to the office.</p> <p>We can therefore consider that at least 50% HaDEA staff are sustainable commuters.</p>
Gradual increased use (and number of) videoconferencing (VC) meeting rooms for meetings with stakeholders (avoiding business trips) in the EA, in collaboration with DG SCIC, OIB and OIL.	Number of videoconferencing meeting rooms	5 meeting rooms + Director, HoDs and HoUs' offices (baseline: 1 in 2021)	2 meeting rooms equipped with SCIC equipment, 2 surface hubs (movable), and 2 small meeting rooms equipped with large screen and webcam. 14 managers offices equipped with SCIC equipment.
Staff awareness on digital pollution and gradual change of behaviours avoiding heavy emails, encouraging the use of ICT platforms, avoiding unnecessary storage of data.	Number of events organised	1 event organised ⁽⁷⁴⁾	On top of encouraging migration to the Welcome domain, the HaDEA greening group participated in the preparation of the 'Digital frugality' campaign which kicked-off in December 2022.

⁽⁷²⁾ Sustainable commuting usually refers to environmentally friendly travel modes, such as public transport (bus, tram, subway, light rail), walking, cycling, and carpooling.

⁽⁷³⁾ Only for Brussels: based on the results of the staff mobility surveys conducted by the OIB.

⁽⁷⁴⁾ In line with migration towards Welcome domain.

III. Reducing and management of waste

Description	Indicator	Target	Latest known results
Staff awareness actions about waste reduction and sorting in the framework of EMAS corporate campaigns and/or staff awareness actions about the Agency's waste generation in collaboration with OIB/OIL where appropriate (for example, promote and label the waste sorting schemes in place).	Number of actions Percentage of staff informed	1 action 100% of staff informed	HaDEA took part in the Green week on waste reduction in Covent Garden and organised two sessions as part of this event: a sustainable breakfast using only unsold food, and an info session on sorting stations, organised with the OIB.

4. External communications

External communications

Main outputs in 2022:

Output	Indicator	Target	Latest known results
Promotion of funding activities	Website visits/ page views <i>(Source of data: Web Statistics)</i>	125 000 Baseline: 112 000	228 000 website sessions
	Unique visitors <i>(Source of data: Web Statistics)</i>	90 000 Baseline: 82 000	150 000 website visitors
	Number of Twitter posts on calls for proposals <i>(Source of data: Socialbakers)</i>	80 Baseline: 56	285
	Average organic impressions on Twitter posts about calls <i>(Source of data: Socialbakers)</i>	7 500 Baseline: 6 200	1628 ⁽⁷⁵⁾

⁽⁷⁵⁾ The Agency published four times more posts on calls in 2022 than in 2021. Because of the frequency and quantity of the posts, they did not attract as many impressions organically. However, between July and December, HaDEA focused heavily on paid promotion of posts related to calls for proposals, and the figures of impressions increased significantly.

	Average organic engagement rate on calls for proposals post on Twitter <i>(Source of data: Socialbakers)</i>	3% (monthly average) Baseline: 2.8%	0.57%
	Number of LinkedIn posts on calls for proposals <i>(Source of data: Socialbakers)</i>	70 Baseline: 55	269
	Average organic engagement rate on posts about calls for proposals on LinkedIn <i>(Source of data: Socialbakers)</i>	2.5% (monthly average) Baseline: 1.9%	0.38% ⁽⁷⁶⁾
Engaging with beneficiaries and stakeholders	Number of participants in events	1 000 Baseline: N.A.	12 435
	Satisfaction rate at events <i>(Source of data: Feedback forms)</i>	85% Baseline: N.A.	88%
	Number of followers on Twitter <i>(Source of data: Twitter)</i>	2 900 by end of 2022 Baseline: 2 200	5 273
	Number of followers on LinkedIn <i>(Source of data: LinkedIn Statistics)</i>	3200 by end of 2022 Baseline: 2700	11 640

5. Internal communications

Internal communications			
Main outputs in 2022:			
Communication to staff			
Output	Indicator	Target	Latest known results
Promotion of information on the intranet	Number of visits on the intranet	100 000	156 454 visits

⁽⁷⁶⁾ See above the reasoning is the same as for the lack of organic impressions for Twitter posts. Moreover, HaDEA's followers have different interests (health, food safety, digital, industry, space). Not all followers are interested in all calls which means that they do not engage in all our posts. Between July and December 2022, the Agency focused heavily on paid promotion of calls and targeted stakeholders by field of interest.

HaDEA Discovery Tour	Number of presentations to staff	4	5
Weekly staff newsletter	Number of newsletters	40	38
Engaging with staff			
Output	Indicator	Target	Latest known results
Staff surveys	Number of surveys	8	8
	Participant/response rate	15%	57,9% (average)
Events	Number of events	5	3
Informing staff of management's decisions			
Output	Indicator	Target	Latest known results
Management meeting videos	Number of videos	25	37 videos
	Number of views	2000 views	2644 views (total)
	Average time viewed	35% average time viewed	70% average time viewed

ANNEX 11: Implementation through national or international public-sector bodies and bodies governed by private law with a public sector mission

Not applicable.

ANNEX 12: EAMR of the Union Delegations

Not applicable.

ANNEX 13: Decentralised agencies and/or EU Trust Funds

Not applicable.