Annual Activity Report

2009

The Education, Audiovisual and Culture Executive Agency
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Message of Gilbert GASCARD, Director of the Executive Agency

The fourth operational year of the Executive Agency is earmarked on one hand by the implementation of actions aiming at strengthening the internal organisation and simplification measures contributing to a better management of the delegated programmes and on the other hand by the continuation of its mission in the framework of the additional programmes the Agency was entrusted with.

In its Annual Management Plan, the Agency identified 4 operational priorities for the year 2009:

1. Streamlining project selection process:
   - The revised comitology procedure allowed shortening the delays for the selection by one or two months in comparison to 2007 and 2008.
   - The e-forms are now available for most actions/strands under the following programmes: LLP, Culture and Citizenship and will be extended in 2010 to Erasmus Mundus, Tempus, MEDIA and Youth.
   - The framework contracts partnerships were extended to some strands of the MEDIA programme (more than 20% of the MEDIA budget are contracted under FPAs), extension of the use of flat rate (for Jean Monnet projects), of the use of decisions, rationalisation of grants (for MEDIA-distribution) and consolidation of experts comments transmitted to applicants for Culture, Erasmus Mundus and bilateral agreements.
   - During this year, the Agency published 31 calls for proposals together with 3 new Programme Guides (Erasmus Mundus 2009-2013; US-Canada and Citizenship). The calendar of some calls was anticipated so that the selection process could start earlier (mainly for operating grants). More than 10,000 proposals (not mentioning renewal of frameworks and applications submitted by designated bodies) were received and evaluated out of which 4,100 projects were selected. Therefore the selection rate is 37%. We note an increasing interest for some actions and therefore the number of applications received is higher than expected and the selection rate is slightly lower than last year (42%). Moreover, 733 Erasmus University Charters were awarded in 2009.

2. Providing improved guidance for project implementation and moving towards leaner reporting requirements:
   - Organisation of more Information Days for applicants and revised Agency web pages for programmes managed by the Agency
   - More than 250 monitoring visits were carried out throughout the year.
   - The budget execution for the operational budget is high at 99.3% (625 Mio€) for commitments appropriations and 99.9% (528 Mio€) for payments appropriations.
   - The average payment delay at year end is 30 days which represents a significant improvement with regard to last year figures (average 48 days in 2008). Moreover, the Agency reached the objectives set in its management plan and 87% of the payments were made in time while the objective was set at 85% for the whole year.
   - The PAR (abnormal RAL) the 2009 objective was to close 675 transactions by year end and since we closed 839 transactions, the objective is more than achieved.

3. Promoting and exploiting further the achievements of EU actions:
   - The communication activities towards potential beneficiaries and the activities aiming at the valorisation of the information concerning the projects were reinforced, for example through the introduction of EVE and the publication of the results of studies on the Agency's website
   - A number of events were organised in close cooperation with the Commission to present policy and project results, for example in the context of the European Year of Creativity and Innovation
   - Feedback was provided on the success of completed calls, supporting the Commission to define future calls and priorities
   - Input was provided for the development of Commission's policies relating to actions managed by the Agency.

4. Ensuring the take-over of the new Tempus IV Action and the programmes Tempus III as well as Erasmus Mundus 2009-2013:
   - In 2009, the Agency was entrusted with the management of additional projects in the field of education and training, in particular the Tempus programme (phases III and IV) as well as the bilateral cooperation initiatives with industrial countries (Japan, Korea, Australia and New Zealand). Within the framework of the evolution of its mandate, the legal delegation acts aiming at the execution of

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additional tasks were subject of new Commission decisions in 2009, in particular in the perspective of the extension of its activities of management to the program Erasmus Mundus 2009-2013 including the new action 2.

- The new Tempus unit was successfully set up in line with the established planning. On 1 April – the date agreed with DG EAC - the transfer of the programme's management took place. Indicators for the analysis of reports, processing of payments and treatment of project correspondence have strongly improved since the transfer of the programme’s management to the Agency.

- Since September, when cruising speed of unit was attained, all reports and correspondence were processed on time. 152 Tempus III projects could be closed bringing to 285 the total of open Tempus III projects at the end of 2009. A thematic study on university governance that provides an outline of the measures and policies adopted to improve university governance in the 28 Tempus partner countries was carried out. It highlights the variety of governance models and the role of Tempus in modernising higher education systems in the partner countries.

In 2009, the Agency has also further consolidated its internal organisation:

- Concerning the internal control, it appears that the Agency is compliant with most baseline requirements up to 91.5%, i.e. an improvement by almost 7% in comparison with last year. The most significant baseline requirements in light of the nature of the activities of the Agency are fully implemented. Concerning the three internal control standard prioritised in the AMP 2009, significant progress was made and in order to strengthen the results already achieved, these standards have been prioritised for 2010 as well.

- At the end of the year, the Agency has an occupation rate of 97% above the target and slightly higher than in 2008 (92%).

- Regarding the ex post controls, 183 audits were open on 1/1/09 and at year end only 29 were still open (154 were hence closed). The error rate is 1.04% (negative errors only).

- Concerning the administrative budget, 97.2% of the commitments appropriations were executed representing 46.4 Mio €. This very good execution rate is a positive consequence of the close monitoring performed and of sharp review of the needs through the year. Concerning the payments appropriations, the Agency used 85% of the credits i.e. 40.6 Mio €. This represents an increase of 2.5% compared to 2008 (31.6 Mio € used).

The overall results are positive and bring to light the capacity of the Agency to manage effectively several programmes very different by nature in due respect of the sound management principle. In 2009 the Agency has reached cruising speed as regards its programme management, both in the selection phase and in the implementation of projects.
### Indicateurs de performance et de gestion

<table>
<thead>
<tr>
<th>Gestion opérationnelle</th>
<th>Valeur fin juin 2009</th>
<th>Valeur fin décembre 2009</th>
<th>Valeur cible fin 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appels à propositions publiés</td>
<td>20</td>
<td>31</td>
<td></td>
</tr>
<tr>
<td>Appels d'offres publiés / Appel à manifestation d'intérêt publié</td>
<td>-</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>Nombre de propositions reçues, hors bénéficiaires désignés et renouvellement de conventions</td>
<td>5485</td>
<td>11.176</td>
<td>± 9000</td>
</tr>
<tr>
<td>Nombre de propositions sélectionnées et %</td>
<td>2807</td>
<td>4100¹</td>
<td>± 4000</td>
</tr>
<tr>
<td>Nombre de visites de surveillance</td>
<td>144</td>
<td>248</td>
<td>Above 280</td>
</tr>
<tr>
<td>Introduction de la soumission en ligne de projets</td>
<td>20 %</td>
<td>30%</td>
<td>50 % de 2009 applications</td>
</tr>
<tr>
<td>Durée de l'octroi aux bénéficiaires (de la date de dépôt au délai d'octroi)</td>
<td>± 3,5 mois</td>
<td>± 3,6 mois²</td>
<td>Within 3-5 months⁵</td>
</tr>
<tr>
<td>Durée de l'octroi aux bénéficiaires (de la date de décision d'octroi)</td>
<td>± 1,1 mois</td>
<td>± 1,4 mois⁴</td>
<td>Max 1 mois⁵</td>
</tr>
<tr>
<td>Durée de l'octroi aux bénéficiaires (de la date de décision d'octroi)</td>
<td>± 1,5 mois</td>
<td>± 1,6 mois⁶</td>
<td>Less than 2 months⁷</td>
</tr>
<tr>
<td>Diffusion des résultats du projet</td>
<td>-</td>
<td>900</td>
<td>Transfer of 1500 projects to the public domain on-line application EV²</td>
</tr>
<tr>
<td>Nombre de projets ouverts / terminés</td>
<td>7361 / 1842</td>
<td>8310 / 5462</td>
<td></td>
</tr>
</tbody>
</table>

1. Hors bénéficiaires désignés et renouvellement de partenariat.
2. Il est à noter que pour le programme MEDIA, pour lequel la comitologie est d'application, le délai moyen est de 4,2 mois.
3. Lorsque la comitologie ne s'applique pas
4. Moyenne pour l'ensemble des programmes du délai entre la signature de la décision d'octroi et la première convention envoyée au bénéficiaire.
5. La valeur cible du plan de gestion 2009 étant "90 % of contracts sent within 1-2 months".
6. Moyenne pour tous les programmes du délai entre la signature de la décision d'octroi et la signature de la première convention.
7. La valeur cible du plan de gestion 2009 étant "90 % of contracts signed by beneficiaries within 2-3 months".
### Évolution des indicateurs de performance et de gestion

#### Indicateurs

<table>
<thead>
<tr>
<th>Montant total des engagements effectués</th>
<th>Valeur fin juin 2009</th>
<th>Valeur fin décembre 2009</th>
<th>Valeur cible fin 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>178 Mio €</td>
<td>625 Mio €</td>
<td>629 Mio €</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Taux d'exécution des crédits engagement / budget total</th>
<th>27,9 %</th>
<th>99,3 %</th>
<th>Minimum 99 %</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Montant total des paiements exécutés</th>
<th>157 Mio €</th>
<th>528 Mio €</th>
<th>529 Mio €</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Taux d'exécution des crédits paiement / budget total</th>
<th>28,7 %</th>
<th>99,9 %</th>
<th>Minimum 95 %</th>
</tr>
</thead>
</table>

#### Délai de paiement en jours

<table>
<thead>
<tr>
<th>Délai de paiement global moyen (en jours)</th>
<th>42</th>
<th>30</th>
<th>-</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>First pre-financing payments</th>
<th>18,7</th>
<th>15,7</th>
<th>20 days by 1/10/2009</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Interim and final payments due within no more than 45 days</th>
<th>38,4</th>
<th>32,8</th>
<th>30 days by 1/10/2009</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Payments concerned by a single time limit for both the report approval and the payment</th>
<th>75,7</th>
<th>51,6</th>
<th>80 days by 1/10/2009</th>
</tr>
</thead>
</table>

#### % of payments on time

<table>
<thead>
<tr>
<th>All programmes concerned</th>
<th>77 %</th>
<th>87 %</th>
<th>85 %</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>New programmes (2007-2013)</th>
<th>79 %</th>
<th>90 %</th>
<th>90 %</th>
</tr>
</thead>
</table>

### Suivi de la bonne gestion des avoirs de la Commission - Budget opérationnel

#### Recouvrement des créances

| % d'OR nécessitant une action de l'Agence exécutive | 70 % | 84 % | 80 % des OR traités dans le trimestre suivant la balance âgée (hors Tempus) |

#### Suivi des RAL potentiellement anormaux (nombre d'engagements dormants)

<table>
<thead>
<tr>
<th>Nombre de cas de RAL anormaux clôturés</th>
<th>446 (67 %)</th>
<th>639 (124 %)</th>
<th>Clôture de 675 projets PAR (y compris Tempus) (592 hors Tempus)</th>
</tr>
</thead>
</table>

### Suivi de l'exécution des crédits de paiement - Budget de fonctionnement

<table>
<thead>
<tr>
<th>Taux d'exécution des crédits d'engagement</th>
<th>91,8 % (42,6 Mio €)</th>
<th>97,2 % (46,4 Mio €)</th>
<th>Minimum 97 %</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Taux d'exécution des crédits de paiement</th>
<th>33,4 % (15,5 Mio €)</th>
<th>85% (40,6 Mio €)</th>
<th>Minimum 80 %</th>
</tr>
</thead>
</table>

| Délai de paiement moyen en jours | 24 | 21,3 | 30 jours |

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8 Pourcentage calculé en fonction du budget révisé qui s'éleve à 47,9 Mio€ (budget initial était de 46,4 Mio€)
### Évolution des indicateurs de performance et de gestion

<table>
<thead>
<tr>
<th>INDICATEURS</th>
<th>Valeur fin juin 2009</th>
<th>Valeur fin décembre 2009</th>
<th>Valeur cible fin 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>III. Contrôle</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>➢ Suivi du contrôle interne</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taux de mise en œuvre des exigences de base des standards de contrôle</td>
<td>91,5%</td>
<td>90%</td>
<td></td>
</tr>
<tr>
<td>➢ Suivi des contrôles ex-post</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taux d'erreur des contrôles ex-post</td>
<td>1,19%</td>
<td>1,04%</td>
<td>Seuil inférieur à 2%⁹</td>
</tr>
<tr>
<td>➢ Régularité et légalité des opérations</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nombre de rapports d'exception</td>
<td>15</td>
<td>37</td>
<td>Réduction de 20% par rapport à 2008 (73) ≤88</td>
</tr>
<tr>
<td>Number of IAS/IAC audit recommendations implemented in 2009</td>
<td>11</td>
<td>22</td>
<td>25</td>
</tr>
<tr>
<td>IV. Ressources humaines</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Effectif</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Effectif cible et taux d'occupation des postes (hors prestataires)</td>
<td>388 - 91%</td>
<td>414 - 97%</td>
<td>426¹⁰ - ≥ 95%</td>
</tr>
<tr>
<td>➢ dont AT</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>➢ dont AC</td>
<td></td>
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<td></td>
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</tbody>
</table>

⁹ Valeur des audits et uniquement erreurs négatives

¹⁰ Le plan de gestion de l'Agence exécutive prévoit un objectif cible de 430 personnes dont 103 AT. Toutefois, l'augmentation de 4 AT pour Erasmus Mundus II est différée à 2010 compte tenu de la lourdeur que représenterait leur inscription au budget 2009. L'effectif cible de 426 personnes figure dans le tableau des effectifs de l'Agence adopté par le Steering Committee lors de la révision du budget 2009. Il comprend les 19 postes AC Elargissement.

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PART 1. ACHIEVEMENTS BY ABB ACTIVITY

1.1 Activity "Audiovisual"

In line with its mandate, the Executive Agency managed the actions towards the implementation of the MEDIA 2007 Programme and contributed to the achievement of the specific objective set by DG INFSO: "to develop the competitiveness of the European cinematographic and audiovisual industry through the continued development of a Community support and strategy in the audiovisual sector".

The results achieved in 2009 are the following:

1) 17 calls for proposals were published for the 6 strands managed by the Agency and 6 calls for proposals were prepared in 2009 and are to be published during the 2010 first quarter.

2) Concerning the selection and contracting processes, Framework Partnership agreements (FPA) were introduced and enabled the processes to be facilitated. More than 20% of the MEDIA budget are contracted under FPAs. In the training strand, there was an increased coverage of initial training scheme and as a result, most of major film schools in Europe are now part of the 13 consortia supported under the initial training scheme with objective of increase networking, mobility and transfer of know-how in Europe. In the framework of the continuous training: 13 new continuous trainings were selected in order to strengthen the MEDIA training offer (49 grants in total) especially in new media and new technologies. The number of interventions for continuous training is higher than foreseen as a result of an increased number of good applications received together with very good cost benefit ratio.

Under the development strand, the number of interventions for Single Projects was higher than foreseen due to an increased budget allocation that took into account the high number of applications (around 10% more applications received compared to 2008). On the other hand, the number of interventions for Slate Funding was lower than foreseen due to an increase in the average allocated amount. The problem of significant numbers of ineligible applications for Interactive Works improved slightly during the period and the 2010 guidelines were revised containing a clear definition of eligible activities.

Under the distribution strand, for the Cinema Automatic and Selective Schemes, the introduction of the simplification and consolidation procedure in mid 2009 allowed for the combination of multiple applications for small projects within a single grant. This had a significant impact on the results: in the Cinema Selective the number of grants committed fell from a scheduled 550 in the AMP to 387. For the Cinema Automatic, 727 projects were selected and the number of grants issued is 488 against 450 planned interventions in the AMP

3) The Agency published and managed effectively the call for tenders on for a framework contact for the organisation of events and promotional actions in the field of audiovisual, education and culture (Heading 4.4 Promotion: Stands).

4) As announced in the AMP, the following measures were introduced:

- Interactive Works (action 3.1): the scheme has been refocused in order to support Interactive Works that would complement an audiovisual work (drama, creative documentary or animation). The audiovisual works in question are the same as those that are targeted for Single Project and Slate Funding support. This repositioning aims equally at promoting relations between professionals from the audiovisual and interactive sectors with a view to reinforcing the competitiveness of the European audiovisual sector.

- Under the distribution strand (actions 3.1 and 3.4), one single grant was introduced. For the Cinema Automatic action, this is done in function of the number of projects received together (open deadline) while in the Cinema Selective action, this is done in function of all of the applications at each deadline (three per annum). The process is applied to all awards equal to or under 25,000. This allowed to increase by 26% the number of projects completed and granted during the year while actually reducing the number of grants issued by 15%. At the end of 2009, a further simplification which will significantly reduce the reporting requirements for small projects (defined as those with a value of less or equal of 25,000€) was approved and incorporated into the new Cinema Selective Guidelines published in September 2009.
- Festivals (action 4.2): introduction of the Decision instead of Grant Agreement. Another change has been that increased contribution and costs should be directly linked to an increase by the beneficiaries in European film programming.

- Pilot Projects (action 5.1): a new potential action line for Pilot Projects was approved by the Technical Advisory Group for the first time in 2009. The initiative encouraged the development of a modernised communication tool box for local cinemas to boost their ability to exploit the potential of the Internet to improve their marketing and potential audience. In 2010, it is planned to publish the Call two months earlier to allow a greater preparation period for potential beneficiaries.

- On-line Distribution (action 6.2): the scheme, now in its third year, was little changed from previous years except in relation to a tightening of the award criteria. A new emphasis on commercial planning, the provision of sufficient capital resources and marketing was introduced as a result of the somewhat disappointing development of the market in recent years.

5) 48 monitoring visits were carried out: 38 in Training and Promotion, 9 in Distribution and 1 in New Actions.

6) In 2009, the Executive Agency participated to Info days organised in parallel to film festivals that take place in some members states. The Agency also participated to MEDIA desks events organised in many EU countries.

7) In 2009, the Agency carried out 83 progress payments and more or less 1500 final payments were completed. In addition, 110 debit notes were sent to beneficiaries and 340 decommits were performed. 100% of the MEDIA budget has been committed and paid out.

1.2 Activity "Education and Training"

1.2.1 Implementation of the Lifelong Learning Programme

In cooperation with DG EAC, the Agency ensures the implementation of the actions of the Lifelong Learning Programme it has been entrusted with and contributes to the achievement of the following specific objectives:

a) "Develop an European area of Lifelong Learning and foster mobility in view of strengthening Europe's competitiveness, building its knowledge-intensive economy and deepening the sense of European identity and citizenship"

b) "Modernisation and reform of European education and training systems by the Member States in view of making them a world wide reference by 2010"

c) Multilingualism enables European citizens to use several languages, to access culture and to participate as active citizens; they benefit from better communication, inclusiveness and wider employment as well as business opportunities"

The main results achieved in 2009 are the following:

1) Regarding the calls for proposals and subsequent selections:

- From the general LLP call, deadline end of February 2009: total applications received: 864 out of which 217 were funded (62 for Erasmus, 48 for Comenius, 46 for Leonardo da Vinci and 61 for Grundtvig).
- From general LLP call, deadline end of March: total applications received: 396 out of which 71 were funded (6 for key activity1 "policy cooperation and innovation", 29 for key activity2 "promotion of language learning", 26 for key activity 3 "development of ICT-based content and services" and 10 for key activity 4 "dissemination and exploitation of results of actions supported under the programme and exchange of good practice).  
- National teams of Bologna experts: a total of 49 applications were received and 48 applications were funded.
- NARICS: the invitation was sent to the NARIC network: 19 applications were submitted and 17 applications are funded. The commitments and the grants will be made in the first 2010 quarter.
- ECTS/PS—call: 63 ECTS and 161 DS applications were received by the National Agencies. For those applications that had been accepted at the national level, a screening exercise at European level was organized by the Executive Agency which resulted in the award of 23 ECTS and 52 DS labels.
- Erasmus University Charter:
  - Call 2009: altogether 1095 applications were received and 733 Charters awarded.
  - Specific Call 2009 (addendum): special Erasmus University Charter call for higher education institutions in
Croatia and the Former Yugoslav Republic of Macedonia. 22 applications were received and 14 applications were awarded a Charter.
- Call 2010: the Charter call 2010 was published in advance: 601 EUC applications were received and 401 Charters were awarded.
- Jean Monnet Programme: Key Activity 1: altogether 444 proposals were received. In total 129 proposals are funded.
- Jean Monnet Programme: Key Activity 3: (Jean Monnet associations) 22 applications were received and 7 annual operating grants and 11 specific operating grants (framework partnership agreements) were funded in 2009
- ECVET and EQF specific call for proposals: the evaluation, selection of 21 ECVET projects together with 8 EQF projects.
- The Europass and Euroguidance actions were implemented according to the plan (30 applications each).
- Grants to LLP countries for participating in PIAAC: 19 applications were received and funded.
- The 2010 general call for proposals was launched in October 2009 as scheduled.
- Several working groups were established by DG EAC to make suggestions for the 2011 LLP call, for which significant changes are anticipated in terms of priorities and award criteria, and for the next generation of programme due in 2014.

2) Regarding the calls for tender, a first call was issued for a study entitled "Study on the use of Subtitling: The potential of subtitling to encourage foreign language learning and improve the mastery of foreign languages". A second call for tender was issued for a study entitled "Feasibility study for actions to support the mobility of literary translators". A third call for tender for a study entitled "Analysis and exploitation of results of two Grundtvig measures: Lot 1: European cooperation projects, networks and accompanying measures and Lot 2: in-service training activities" was published. All 3 award decisions will be taken beginning 2010. A call for tender "Study on general Governance and Globalisation" referenced EACEA/2009/03 was published; selection will take place in early 2010.

Several studies were concluded in 2009:
- Study on the contribution to multilingualism to creativity.
- Study on the impact of ICT and new media on language learning.
- Study on the impact of ICT in primary schools.
- Study on indicators on ICT in education.
- ECVET support.
- Study on the follow up of the Copenhagen process: research into forms of individual career development and continuing vocational training.
- Tender "VET teachers and trainers".

3) Further improvements were made to the selection process in order to better assure the quality of the work of the experts and avoid discrepancies.

4) Discrepancies with number of interventions planned:
- We note that the participation of schools remains low which is a continuing concern.
- For Grundtvig, the number of funded projects was decreased due to the lack of quality of projects submitted. The related budget was in part transferred to other centralised actions of different sub-programmes and to other Grundtvig decentralised actions.
- For ICT, the number of applications received was far higher than expected. Remaining budget was transferred to this action line to allow all six multilateral projects on the reserve list to be funded and to thereby increase the success rate to 12% from 9.5%.
- Jean Monnet: with the additional funding that the Commission granted (€ 320,000 transferred), 10 additional projects put on the reserve list could be selected so that finally 129 projects were committed which is very close to the 136 planned interventions.
- NARICS: a decision was taken by the Commission to launch a two-year invitation, the number of applications increased significantly and 17 applications were funded.
- For EQF and ECVET, the number of interventions planned is higher than the number of funded projects. For EQF, this is due to the fact that this year the grant available per project was increased from maximum of € 200,000 to maximum € 300,000. Regarding the ECVET call, only 21 projects were co-funded while 35 were scheduled.

5) Regarding the simplification measures:
- E-forms were developed and tested offering a user-friendly online submission system for the majority of applicants. There were some technical problems solved by subsequent developments by the IT team for the forms put into production for the other programmes.
- The approach for final payment was also simplified: the financial officer considers the risks involved with the file, taking into account the information available (feedback form on technical content, information in the Lifecard, results of audits etc). This approach has led to a speeding up of the payment process, however with an increase in the number of subsequent appeals.
- The approach to eligibility was simplified this year, treating many more cases as "administrative" that could be resolved during the contracting stage. This results in fewer ineligible applications.
- The introduction of grant decisions for Jean Monnet facilitated the grant award procedure and ensures a shorter 'time to contract' and a much quicker release of pre-financing payments.
- The introduction of flat rate systems for Jean Monnet projects for the 2010 call will reduce significantly the administrative burden in the application phase, the project management and the reporting back to the Agency. The release of final payments will also be much quicker than with the budget based approach.
- The former obligation for institutions to continue Jean Monnet projects for 2 years after the 3 years cofunding period was abandoned with the 2010 call. This will allow in particular third country institutions to apply more intensively to the Jean Monnet Programme.

6) 73 monitoring visits were carried out for projects

7) The main events relating to Information to beneficiaries are the following:

1. Two Information days were held in January (Brussels and Warsaw) for the 2009 call for proposals and in November/December (Helsinki and Brussels) for the 2010 call for proposals.
2. LLP units held a number of coordinator's meetings with 2008 ongoing projects:
3. The Agency participated to a conference for the LLP projects related to quality in eLearning (EFQUEL) in Helsinki
4. The Agency was present at the annual eTwinning conference for teachers in Prague and at the LLP conference in Prague, at which prizes were given to good practice projects, including several managed by the Agency.
5. The Erasmus "Bologna" Cluster Meeting was held aiming at bringing together project's coordinators working on the Bologna process.
6. ECTS/DS conference and award ceremony attended by 150 participants including LLP National Agencies.
7. Organisation of a Thematic Cluster meeting on Social Inclusion
8. Organisation of Jean Monnet Cluster meeting on European Graduate studies.
9. The Agency also participated to different conferences on education

8) The process of treating progress and final reports was speeded up due to simplifications. In anticipation of the significant number of Socrates / eLearning final reports and LLP progress reports due in the first quarter of 2009, a taskforce was put in place in some units involving a centralised group of operational, financial and secretarial staff; working with a group of on-site experts. As a result, the backlog has reduced to what is now considered as normal workflow.

Almost 900 payments were made in 2009, 80 recovery orders were launched and an important effort has been maintained to reduce further the potentially abnormal RAL. The budget execution is almost at 100% both for commitments and payments credits.

Eurydice

1) All studies in the 2009 work programme were completed, namely:
- Tackling social and cultural inequalities through early childhood education and care
- Integrating Immigrant Children into Schools in Europe: Measures to foster communication with immigrant families and heritage language teaching for immigrant children
- Higher Education in Europe 2009: Developments in the Bologna Process
- Key Data on Education 2009
- National Testing of Pupils in Europe: Objectives, Organisation and Use of Results
- Country descriptions on Vocational guidance education in full-time compulsory education
- Arts and Cultural Education at School
In addition, a working document version of the study on Gender Differences in Education was presented at a Presidency conference (final publication is planned for February 2010). The Thesaurus for Education Systems in Europe was published online, in 15 languages.

2) In order to solve the technical problems resulting from the transfer of the Eurydice website to the Agency, a new temporary website was created. This contained all recent publications and information, and the old site was cleaned up and left as an archive.

3) The Agency adopted a two-year work programme for the Eurydice Network (2010-11). During 2009 the Agency conducted a reflection process on the future development of the Eurydice Network. The new work programme is largely based on the outcomes of this and consultation with National Units at the Annual National Unit meeting in October and is based on the priorities of the "ET 2020" process.

4) A simplification of the grant award procedure and the grant, moving from grant agreements to grant decisions, was introduced at the end of 2009 and will be implemented in 2010.

5) For Eurydice, two meetings of the network were organised, mainly to develop particular studies and actions:
   - A reflexion meeting on the future development of Eurydice.
   - A working meeting on Literacy and Focus Higher Education 2010.

Together with the Commission, the Agency held a press briefing in the Commission Press Room to launch the study Tackling social and cultural inequalities through early childhood education and care. The study Key Data on Education was launched by the Commissioner at a breakfast with journalists and at a press briefing. A high press impact was achieved, with articles in many national newspapers.

1.2.2 Implementation of the Erasmus Mundus Programme

In cooperation with DG EAC, DGs AIDCO and RELEX and in accordance with the legal provisions in force, the Agency implements three actions of the Erasmus Mundus programme and contributes to the achievement of the following specific objectives:

a) "Develop a European area of Lifelong Learning and foster mobility in view of strengthening Europe's competitiveness, building its knowledge-intensive economy and deepening the sense of European identity and citizenship"

b) "Modernisation and reform of European education and training systems by the Member States in view of making them a world-wide reference by 2010"

c) Enhance regional co-operation, including implementation of regional and multi-beneficiary programmes with and within the Western Balkans and Turkey

The implementation of Action 2 (including the former External Cooperation Window) further contributes to the achievement of the following specific objectives:

a) Furthering the conditions for close cooperation between the EU and its neighbours and of regional integration

b) Strengthening the "Strategic partnership" between Russia and the EU

c) Promote sustainable development, contribute to poverty eradication and facilitate the integration into the world economy

d) Promote social cohesion in Latin America

e) Build stability and economic development, in the five Central Asian republics, by implementing the EU strategy for a new partnership to improve governance, promote social sectors, trade and investments as well as energy security

f) Enhance regional co-operation, including implementation of regional and multi-beneficiary programmes

g) To advance networking and awareness of the EU amongst industrialised and high-income-partners

The main results achieved in 2009 are the following:

1) Erasmus Mundus Programme Guide/ Calls for proposals: selection 2009

   - The Erasmus Mundus 2009-2013 Programme guide was published together with the first call for proposals concerning Action 1 – Joint Programmes aiming at selecting joint masters and joint doctoral programmes to start in the academic year 2010-2011. The Programme Guide extended in order to cover all three actions was published in December with the second call.
• The restricted call for proposals\textsuperscript{12} regarding Action 3 – Information Grants was sent to the Erasmus Mundus National Structures.
• The call for proposals\textsuperscript{13} External Cooperation Window concerning Latin America was published and was a result of unspent funds under the initial call for proposals\textsuperscript{14}.

2) Selection process:
• Action 1 – Joint Programmes: the number of applications received was higher than foreseen (and more particularly for action 1.B "Joint Doctorate"). The number of projects selected was also higher than planned because of the quality of the proposals and thanks to budget availability. In addition to the selection of new joint programmes, the Agency carried out the eligibility check and validation of the scholarship proposals submitted by the 103 ongoing action 1 masters courses.
• Action 2 – External Cooperation Window: under this call published in 2008, the number of applications received was not as high as expected. This concerned especially Latin American countries, due to the fact that the time period for preparing the proposals coincided with the vacation period in most Latin American countries during which university are closed. A second call concerning Latin America only was published late June and was successful. Reflections are ongoing regarding the possibility to create projects of a smaller size and to change the starting date for mobility.
• Action 3: Restricted call for proposals for National Structures: 3 applications were submitted and selected but only 2 accepted the grant proposed by the Agency. The total budget consumption was below predictions. The reasons for this lack of proposals could be that not many resources are available to implement projects in addition to daily business (National Structures are usually very small entities) and that the 75% co-funding was considered an obstacle. To avoid this in the future, the percentage of co-funding was increased to 90% and the budget allocated to this action decreased.

3) Call for tender on "Clustering Erasmus Mundus Masters Courses and Attractiveness Projects" The Agency received tenders for 3 of the 5 lots published.

4) The following simplification measures were taken:
• Preparation of the first e-forms that will be used for the 2010 Erasmus Mundus Action 1 selection.
• Further simplification has been launched concerning the contractual management and reporting obligations for Action 1 and 2 (final payment procedure, reports contents, etc).
• Harmonisation between the different Erasmus Mundus actions: the programme guide published in December concerns all Erasmus Mundus Actions. Application forms were harmonised.
• The notification of results to applicants was harmonised: all applicants received consolidated expert comments.

5) 48 monitoring visits were carried out in 2009

6) Information to beneficiaries
• An Info Day was organised early February for potential applicants and two Erasmus Mundus Coordinators meetings were organised bringing together coordinators of the three actions.
• Several Higher Education fairs in Brazil, Argentina/Chile and in Hong Kong were attended and a promotion visit made to Dubai.
• Participation in numerous national information events organised by the Erasmus Mundus National Structures.
• Participation in the annual events organised by the NAFSA, the EAIE and the Erasmus Mundus Alumni Association.

7) Progress and Final reports: almost 350 reports were assessed in 2009 and both commitment and payment appropriations were executed without major problems reaching an execution rate close to 100%.

\textbf{1.2.3 Bilateral cooperation with industrialised countries}

\textbf{A. Cooperation with the United States and with Canada}

\textsuperscript{12} EACEA/2009/30
\textsuperscript{13} EACEA/2009/13
\textsuperscript{14} EACEA/2008/35
Through its activities, the Agency contributes to the achievement of the specific objectives
a) Develop a European area of Lifelong Learning and foster mobility in view of strengthening Europe's
   competitiveness, building its knowledge-intensive economy and deepening the sense of European identity and
citizenship
b) Modernisation and reform of European education and training systems by the Member States in view of
   making them a worldwide reference by 2010

The main results achieved in 2009 are the following:

• 1) The promoters showed increased interest in the bilateral programmes and as a result, for the EU-US
   programme 75 applications were received instead of 55 estimated and for the EU-Canada programme, 45
   instead of 25 planned applications. Regarding the US call for proposals, 25 projects were selected for a total
   of € 5, 7 million. Due to some additional financing/redistribution of funds within the budget line, the actual
   number of projects co-financed for the EU-US call exceeds by 5 the number of planned intervention.
   Regarding the Canada call for proposals, 8 projects were selected for a total of € 1, 1 million. New calls for
   proposals for cooperation projects with Canada and the US were launched end December respectively based
   on newly developed programme guides.

2) 2 monitoring visits were carried out and two specific info sessions took place in February in Vienna and
   Tallinn.

3) A project directors' meeting involving EU projects with the United States, Canada took place in Boston. The
   meeting gathered around 400 participants (200 European, 150 American and 50 Canadian project
   directors/partners) from 107 ongoing projects selected over the last 4 years. The Agency was involved in the
   preparation of the event and held specific training workshops for EU participants to brief them on contractual
   rules and reporting requirements. The project directors' meeting was preceded by the government meetings to
   discuss the state of play and future orientations.

4) Regarding the simplification measures, as announced in the AMP, all the applicants received for the first
   time this year consolidated experts comments instead of two separate comments by each expert, making the
   communication to applicants more coherent.

5) Both commitments and payments appropriations were executed without any particular problem and with an
   execution rate close to 100%.

B. Cooperation with Japan, the Republic of Korea, Australia and New-Zealand

The implementation of funding actions by the Agency contributes to the achievement of the following specific
objective set by DG RELEX; "to advance networking and awareness of the EU amongst industrialised and high-
income partners".

The main results on 2009 are the following:

1) According to the mandate, the files concerning the ICI-ECP were effectively transferred to the Agency.

2) ICI-ECP call for proposals was published in June: 9 projects with Australia, Japan and Korea were selected
   for a total EC contribution of € 3 million. Due to some additional financing/redistribution of funds within the
   budget line, the actual number of co-financed projects could be increased (from 7 to 9 projects).

3) The 11 ongoing ICI-ECP projects were invited to the project directors' meeting for industrialised countries
   which took place in Boston on 11-13 October

4) Regarding the simplification measures, as announced in the AMP, all the applicants received for the first
   time this year consolidated experts comments instead of two separate comments by each expert, making the
   communication to applicants more coherent.

1.2.4 Tempus Programme
The implementation of the Tempus programme (phases III and IV) by the Agency contributes to the achievement of the specific objectives set by DG AIDCO and DG ELARG:

a) Furthering the conditions for close cooperation between the EU and its neighbours and for regional integration

b) Strengthening the ‘Strategic Partnership’ between Russia and the EU

c) Ensuring that candidate and potential candidate countries stay on course to achieve the reform targets set with and for them by the European Council

1) Recruitment of Tempus staff: The Tempus unit was set up fully in line with the established planning. The Head of Unit took up his position in mid February. On 1 April - the date agreed with DG EAC for the transfer of the programme’s management - 14 staff members were in place (out of the 25 foreseen in the unit’s organigramme). The unit’s statutory staff was fully in place on 1 July with the exception of one financial agent whose starting date needed to be delayed to 1 November. Globally speaking, the recruitment procedures went very smoothly and the unit was able to put in place high-quality staff in a relatively short timeframe. Internal working procedures and circuits were rapidly established in line with the Agency’s general requirements. As a result, the unit was able to ensure a smooth taking up of the programme’s management from DG EAC without any disruption for the beneficiaries.

2) Transfer of Tempus management: In line with the established planning, the transfer of Tempus files form DG EAC to the Agency took place on April, 1st. The transfer comprised the following (i) 76 newly contracted Tempus IV projects; (ii) 437 open Tempus III projects, (iii) 28 Tempus III projects for which recovery orders were launched but not yet cashed; (iv) 5 files regarding common expenditure (conferences, studies, publications) and (v) 40 files regarding National Tempus Offices. Despite joint efforts deployed, the transfer in ABAC of the Tempus financial transactions from DG EAC’s fund centres was delayed. As a consequence, the Agency could not start processing financial transactions before mid-July. However, the Tempus unit was able to absorb the backlog by end of August. The Agency took over smoothly the operational and financial monitoring of ongoing projects. Very good relations were established with all involved Commission DGs. The mechanism of setting up regular interservice meetings has proven to be very useful.

3) The selection procedure for the second Tempus IV call for proposals\(^{15}\) was carried out fully in line with the agreed timetable. The Agency received more than 600 proposals (15% more than in 2008). The final interservice selection committee recommended 69 projects for funding. The third Tempus call for proposals\(^{16}\) was published in November, i.e. two month ahead of last year’s schedule so that it is foreseen that the selection could be finalised by September 2010.

4) Indicators for the analysis of reports, processing of payments and treatment of project correspondence have strongly improved since the transfer of the programme’s management to the Agency. Since September, when cruising speed of unit was attained, all reports and correspondence were processed on time. 152 Tempus III projects could be closed bringing to 285 the total of open Tempus III projects at the end of 2009. The budget execution is almost 100% at the year end both for commitments and payments credits allocated.

5) A thematic study on university governance that provides an outline of the measures and policies adopted to improve university governance in the 28 Tempus partner countries was carried out by two external experts. It highlights the variety of governance models and the role of Tempus in modernising higher education systems in the partner countries. The results of the study will be exploited in 2010.

6) Regarding the simplification measures, the Agency developed an on-line application form for the third Tempus call for proposals in order to simplify the submission procedure for beneficiaries as well as the data processing on the Agency’s side. The Agency also reviewed the way in which the financial part of final reports was analysed. The new system put in place for the Tempus IV projects, foresees that the Agency will check the detailed expenditure list provided by beneficiaries and that these will only need to provide supporting documents for equipment purchase and staff sub-contracting exceeding € 25,000.

7) Communication and dissemination of results: the programme’s website was completely repatriated from DG EAC in June. A set of promotion material is currently under preparation. Significant efforts were made to improve the production of reliable statistics and for the first time, a statistical report on the participation of higher education institutions in the programme since the beginning of Tempus. The update of the country fiches is ongoing.

\(^{15}\) EAC/2009/01
\(^{16}\) EACEA/2009/28
8) The Agency organised in October a first **networking meeting** of National Contact Points in the Member States and National Tempus Offices in the partner countries. A training by an external expert on the project cycle management and on the preparation of projects proposals was organised.

1.3 Activity "Culture"

In accordance with its mandate, the executive Agency implements three strands of the Culture 2007 Programme and contributes to the two specific objectives set by the parent DG:

a) "Support European cultural cooperation by promoting intercultural artistic creation, new professional pathways for artists, increasing the circulation of cultural works, with a view promoting cultural diversity, enhancing intercultural dialogue, and promoting a sense of European Citizenship".

b) "Promote the systematic integration of the cultural dimension in all external and development policies and programmes, and develop political dialogue and cultural exchanges with 3rd countries, with a view to integrating the cultural dimension as a vital element in the EU's international relations".

The results achieved in 2009 are the following:

1) In line with the Annual Management Plan, three revised versions of the **Programme Guide** were published in 2009. They were aiming at clarifying the existing conditions to participate to the Culture Programme for cultural operators, at improving the scoring system (Strand 1.2, 1.2.1, 1.3, 1.2.2 and 2 of the Culture programme), at clarifying the eligibility criteria for Strand 2 (European Cultural Organisations) relating to Festivals and Structure Platforms and at simplifying the conditions to participate for publishing houses under the Strand 1.2.2 (Literary translation projects).

2) The Agency managed the selection and contracting processes as announced in the AMP. The introduction of e-forms allowed reducing the duration of the procedure. In addition, in order to provide the applicants with improved information, the Agency decided to revise the evaluation method used to assess the proposals as regard the award criteria. In order to do so, the Agency introduced the so called "consensus method". This new method has proved not only to be useful to obtain substantiated comments from the experts but has also considerably reduced the number requests and appeals issued by applicants not retained. The only discrepancy with the 2009 AMP lies with the contracting of two Culture Contact Points. The Agency experienced some delays in receiving one application (the contracting was therefore only possible in June). Furthermore, one of the received applications was ineligible. A new Culture Contact Point structure was first to be designated to enable the Agency to proceed with the contracting (the contracting was therefore only possible by the end of the year).

3) As regards **calls for tenders**, the contracting process of 3 studies launched in 2008 was completed and the studies are currently being handled. Results are foreseen during the year 2010. The 3 studies are:

   1. Study on the entrepreneurial dimension of cultural and creative industries,
   2. Study on the contribution of culture to local and regional economic development as part of European regional policy,
   3. Study on the mapping and evaluating of existing platforms (websites) within the cultural sector aimed at stimulating debate and cross border exchange of matters concerning European culture.

4) Regarding the **simplification measures**, as foreseen in the AMP, the Agency published on its website e-forms related to strands 1.1 (multi-annual actions), 1.2.1 (cooperation projects) and 1.3 (special measures with third countries) as well as for Strand 2 (OCE). Following experience acquired last year, the Culture selection for literacy translation is now carried in one round instead of two. Conditions to participate under this strand were also simplified with a view to facilitate the application process for the concerned cultural operators.

5) 34 **monitoring visits** were carried out in 2009 according to the set planning. Moreover, the Agency managed around 15 **bilateral meetings** in Brussels with beneficiaries. Similarly, to the monitoring visits, these meetings are seen by beneficiaries as helpful and tailored information session to better comply with their contractual obligations and subsequently to avoid any additional difficulties in the management of their projects.

6) The Agency participated to the two meetings with the Cultural Contact Points (CCP) to inform them on the state of play of the selection processes, to give them a training concerning some strands. The Agency also presented the final **CPP Work Programme** to be used for the submission of the 2010 CCP proposals. Three **Info days** were organized in Brussels, Barcelona and Vilnius. These Info days were perceived as extremely useful by cultural operators.
7) The budget execution is around 100% both for commitments and payments appropriations. More than 260 payments (intermediate and final) were carried out in 2009 and 26 recovery orders were launched during the period. Almost 250 projects were closed.

1.4 Activity "Youth"

The implementation of funding actions by the Agency contributes to the achievement of the following specific objective set by DG EAC; "involving all young people, including those with fewer opportunities, through the Youth in Action programme, in projects promoting non formal learning and active citizenship ".

The results achieved in 2009 are the following:

1) Three selection rounds of the Programme Guide (February, June, September): for each round, around 90 projects were selected out of more than 300 applications received. Concerning the specific calls for proposals: 4 were launched in 2009:
   - Action 3.2: Cooperation with other countries: 137 applications were submitted out of which 30 projects were selected.
   - Action 4.1: Support to bodies active at European level in the youth field: 154 applications were submitted. The selection is ongoing.
   - Action 4.4: Projects encouraging innovation and quality: 135 applications were submitted out of which 33 projects were selected.
   - Action 4.6: Partnerships: 67 applications were submitted. The selection is ongoing.

The unit also renewed operating grants:
   - Action 4.1: Framework partnerships agreements for 2010: the beneficiaries were asked to submit their work programme by mid August. The exercise was anticipated compared to 2009 in order to permit an award decision, the contractualisation and the pre-financings as from the first quarter 2010.
   - Action 4.7: Support to structures of the programme (Eurodesks and Euromed Plateform) for 2009: the financing decision was taken in February i.e. 2.5 months earlier that in 2008 and the agreements were issued immediately after. Regarding the EX-VOL action, the management of these structures were simplified via a two years agreement signed. For 2010, the Terms of Reference for renewal of Eurodesk structures (33), Euro-Med Youth Platform in 2010 (1), for "Eurodesk Brussels Link" and for the structures of former European Voluntary Service Volunteers (13) were sent out. The financing decisions will be taken during the first quarter of 2010.

2) The Agency monitored and received already two interim reports for the study "study on access of young people to culture"

3) The number of interventions achieved is in line with the planning indicated in the AMP. It is to be noted that action 2 (European Voluntary Service) and action 3.1 (Cooperation with the Neighbouring Countries of the European Union) together with the specific calls encountered a real success (number of applications increased compared to 2008). These actions meet a growing interest among the stakeholders, however the number of applications received for actions 1.1 (youth exchanges), 1.3 (youth democracy projects) and 5.1 (meeting of young people and those responsible for youth policies) is less than expected. Action 4.7b (support to former European Voluntary Service Volunteers -EX-VOL) also raise a less interest due to the nature of these structures. Initially 33 interventions were planned but only 12 applications were received and selected. Finally, to a lesser extent, Action 4.3 (Training and networking of those active in youth work and youth organisations) had a moderate success with 67 received applications and 30 selected projects for 55 planned interventions. All these aspects had been drawn to the attention of the Commission, and particularly, the necessity to take into account the evolution of the programme in the future budgetary programming exercise.

4) The following simplification measures were introduced:
   - The forms for applications and final reports have been simplified;
   - The implementation of e-forms for operating grants and projects has been implemented;
   - The replacement of grant agreement by grant decision, whenever possible, has accelerated the production of grants.
   - The flat rate based financing for actions for operating grants received a very positive feedback from the applicant organisations since 50% of the applications to the Call and 86% of the Framework agreements had chosen this option.

5) 26 monitoring visits were carried out according to schedule.
6) Regarding the main Info Days:

- **Training and Information Day on the AXA insurance coverage (insurance coverage for EVS participants).** This meeting organised in the EACEA premises brought together the representatives of 29 National Agencies.
- **Training and Information Day on Funding for International Youth NGOs.** The event had attracted 42 organisations.
- Participation to the European Youth Forum, in order to put forward the main prospects as regards Youth NGO management.
- Participation and promotion of the Youth in Action programme to the « Biennale de l'Europe et de la Méditerranée » in Skopje, Republic of Macedonia.

- Participation of the Agency to several meetings with National Agencies, to reflection groups organised by DG EAC, to events organised by NAs and SALTO, and also a number of visits to Eurodesks.

7) The budget execution is around 100% both for commitments and payments appropriations. During the year, almost 450 reports were received and analysed and more than 300 payments were performed. Almost 370 projects were closed.

1.5 Activity "Citizenship"

In cooperation with the DG EAC and in accordance with its mandate, the Agency implements actions of the Europe for Citizens Programme and contributes to the two sets specific objectives:

a) Develop, for European citizens, a sense of ownership of the European project and a sense of European identity on the basis of common and shared values.

b) To foster active European citizenship by supporting appropriate structures and networks, by encouraging the development of civil society at European level through a dialogue with stakeholders and through policy initiatives, and by exploiting and disseminating the results of the Europe for citizens programme, notably through enhancing its visibility.

The results achieved in 2009 are the following:

1) The revised Programme Guide has been published at the beginning of the year. Two specific calls for proposals were also published : one related to 'structural support for European public policy research organisations and think tanks and for civil society organisations at European level' that provides for annual and framework operating grants from 2010 and one for 'innovative actions'.

2) The call for tenders for a 'study on maximising the potential of mobility in building European identity and promoting civic participation in the EU' has been published.

3) The selection and contracting processes were carried out according to the roadmap. As a general rule, the contractualisation has been performed before the start of the eligibility period of the activities. Moreover, selection, contractualisation and pre-financings of the structural support have been anticipated compared to 2008. The modernising strategy of the Town twinning has produced better quality projects and therefore a similar strategy is being developed for the Civil Society projects. The number of grants awarded during the year corresponds more or less to the AMP:

   a) Action 1: the number of interventions planned has been respected.
   b) Action 2: due to high number of quality projects received, a larger number of projects were co-financed.
   c) Action 3: among the 29 contact points planned, 17 submitted an eligible work programme and received a grant.
   d) Action 4: a slightly higher number of projects were co-financed.

4) Regarding the simplification measures, e-forms were introduced for all actions whose submission deadlines was as from August 2009. The e-forms enabled to shorten the selection procedure so that the contractualisation and the pre-financing payments were also anticipated. The call for proposals for structural support actions (actions 2.1 and 2.2) provides for two financing methods -flat rates and actual costs- and framework (3 years) and annual grants.

5) 19 monitoring visits were carried out according to planning.
6) The Agency organised a two-day training meeting for the PEC and provided information on the programme and support to the drawing-up of the 2010 work programmes. This also enabled the PEC representatives to consolidate the network. The Agency also participated to a number of events along the year.

7) The Agency performed more than 1,600 payments in 2009. The simplification of the requirements for final report and the streamlining of the payment procedure have contributed in reducing the payment delays. Appropriations were fully executed.
PART 2. MANAGEMENT AND INTERNAL CONTROL SYSTEMS

2.1 Introduction to the Agency

The role of the Education, Audiovisual and Culture Executive Agency is to manage European funding opportunities and networks in the fields of education and training, audiovisual, culture, citizenship and youth. The Agency has a duty to ensure financial transparency, efficiency and a high quality service to beneficiaries in full co-operation and transparency with the DGs concerned. The main tasks of the Executive Agency are to turn policy into action and results and to contribute to European knowledge and expertise.

While the European Commission is responsible for policy setting and overall programme management, the implementation of many programme strands has been partly or fully delegated to the Executive Agency. This mandate covers a variety of Europe- and worldwide opportunities for organisations, professionals and individuals, at all stages of life.

The Agency is responsible for most of management aspects of the programmes, including:

- Drawing up conditions and guidelines for funding opportunities;
- Evaluating applications, selecting projects and signing project agreements;
- Financial management;
- Contacts with beneficiaries;
- Monitoring of projects (intermediate and final reports, controls);
- On-site project visits.

In order to inform and support the applicants and beneficiaries, the Agency provides supporting tools and services such as:

- Dedicated web pages and online tools about funding opportunities;
- Events: information days, projects meetings and information visits;
- Information kits and leaflets on how to access and benefit from funding opportunities;
- Responding to inquiries: information mailboxes.

The Agency is committed to helping projects to promote their achievements and exploit their results. In close cooperation with the Commission, the Agency continuously seeks to identify good practices and success stories.

In 2009, the Agency was entrusted with the management of additional projects in the field of education and training, in particular the Tempus programme (phases III and IV) as well as the bilateral cooperation initiatives with industrial countries (Japan, Korea, Australia and New Zealand). Within the framework of the evolution of its mandate, the legal delegation acts aiming at the execution of additional tasks were subject of new Commission decisions in 2009, in particular in the perspective of the extension of its activities of management to the program Erasmus Mundus 2009-2013 including the new action 2.

The management and control system for the significant areas of the EACEA's is presented in the "Internal Control Template" in Annex 5 to this AAR.

The nature of the EACEA's legal working environment and operations notably the large number of different types of projects and actions/programmes involving a large number of beneficiaries may lead to some 'inherent' potential risks as explained in annex 5. However, in general; this risk is under control, given the ex-ante and ex-post controls which are working as intended. The error rate is below the 2% materiality threshold– see details in Part 3.2.

In its 2009 Annual Management Plan, the Agency identified one single "critical risk concerning the IT system: Further delay in the delivery of the IT tool SYMMETRY for the management of projects delegated to the Executive Agency, will compel the latter (i) to continue working with a range of systems that are not optimal for managing the new generation of programmes, the new financial regulation and its implementing rules (ii) to ensure the maintenance and harmonization of the coexisting systems that are continuously evolving.

Following the 2008 developments, the Agency defined, in collaboration with DG EAC, the remaining mandatory developments required. These developments were delivered in the autumn 2009 for testing allowing grants and...
initial payments to be generated. More than 150 projects were contracted in Symmetry and 49 pre-financings were generated. A joint evaluation process started at the end of 2009 to check the maturity of the Symmetry application and for the DG to check the benefits versus costs of maintaining a local financial system in DG EAC. Taking into account the decision of DG EAC to work without any local system, the Agency also decided to stop and phase out the Symmetry PMS1 project and to maintain the local financial application APPFIN in relationship with the high number of transactions per year. The targeted system for financial management is ABAC when the new project management IT system will be developed and put into production.

No "reputational events" were reported in 2009

2.1.1 Financial Resources Management

A Operational budget

• Budget execution
The execution of the commitment credits at year end amounts to 625 M€, i.e. 99.3% of the credits in line with the objective set in the 2009 annual management plan. The budget execution is optimum.

The execution of payments credits amounts by year end to 528 M€ (19 M€ for the old programmes, 333 M€ for the new programmes and 176 M€ for the external windows). The budget execution reaches 99.9%, above the objective set in the 2009 annual management plan.

• Payment delays
The average payment delay at 31/12/2009 is 30 days which represents a significant improvement compared to last year figures (average of 48 days in 2009). The Agency reached the objectives set in its management plan i.e. 87% of payments in time in 2009 (objective was set at 85%). Concerning more specifically the new programmes, the target was set at 90% and the Agency was able to achieve also this objective.

In conformity with the Commission's instructions, the Agency settled as objective by 31/12/2009 to pay in 20 days the pre-financings, to proceed with the intermediate and final payments in 30 days (when two distinct deadlines apply - 45 days for the payment) or in 80 days (single deadline for the approval of the report and the payment). The Agency obtained good results i.e. 16 days for the pre-financings, 33 days for the payments at 45 days (even better result for the new programmes where the delay is 21 days only) and 52 days in case of single deadline.

• Final Date of Implementation (FDI)
The number of commitments to be de-committed at year end amounts to 39 which represents a strong improvement compared to 2008 (110 de commitments left).

• PAR (Potentially Abnormal RAL)
Concerning the PAR, the 2009 objective was to close 675 transactions by year end and since we closed 839 transactions, we are above the set objective.

• Recovery Orders
Out of 188 recovery orders due and unpaid, reported during the 4 quarters of 2009, 179 of them have been treated within the year.

• Ex ante control
  1. 786 transactions were selected via the MUS: 77% were accepted without any comments. 11 transactions were subject to a negative opinion and were rejected.
  2. 30 exception reports were accepted. The main reasons were (i) extension of the period of eligibility of costs, (ii) insufficient budgetary commitment, (iii) applications received after the call deadline (operating grants – designated bodies). This represents a significant decrease compared with the 73 exception reports issued in 2008.

• Ex-post controls
  1. 154 audits of the previous years have been closed in 2009
  2. 98 new audits were contracted in the framework of the 2009 audit plan
  3. The 2009 error rate is limited to 1.04%.

Please refer to section 3.1.1

B Administrative budget

• Budget execution
In February, the initial budget was set at 46.4 M€. In July 2009, this budget was revised at 47.9 M€ to cover the expenses related to the extension of the Agency's mandate for the implementation of the Erasmus Mundus II programme and to take into account the economies at the light of the budget execution at 30/06/09. The budget was also revised in November 2009 to take into account the ICI window. Following these two budget updates, the Agency's total operating budget 2009 amounts to 47.7 M€ which represents an increase of 25% compared to 2008. The budget execution in 2009 - commitments credits- reached 97.2%, which is fully in line with the AMP
target. The execution of the payments credits reached 85% i.e. a 2.5% increase compared to 2008.

- Payment delays

The average deadline to pay the invoices related to the administrative budget is 21 days at year end, slightly improving compared to 2008. As in 2008, 84% of the invoices were paid out in time.

- Ex ante controls on financial transactions
  1. 1877 transactions were verified out of which 7% were rejected for correction
  2. 7 exception reports were accepted (extension of FDI, insufficient budgetary commitment)

2.1.2 Accountancy

All the controls planned in the accounting action plan 2009 were done at least once (except for two specific controls concerning a limited of transactions of low value). The periodicity of the controls planned initially was respected. Given that as from 2009 the Agency is part of the Commission's accountancy quality programme, the controls related to the reconciliation between the local system and ABAC have been performed since September on the basis of lists provided by DG EAC. The results of these checks will serve as a basis for the 2010 accountancy action plan.

2.1.3 Human Resources Management

- This year, the Agency reached an occupation rate of 97% which is above the target set in the AMP. For temporary agents, 91 of the total of 99 posts were occupied. Regarding contract staff, 323 agents were on post on a total of 327 posts.

- Staff turnover has stabilised over the year at around 8%. Success in EU-competitions and contract opportunities offered by the newly established executive agencies are the main reasons of departure for contract agents. For temporary agents, the reasons are that they return to the parent DG or become officials at the Commission.

- Internal mobility arrangements were put in place and after the success of the pilot phase, 30 agents started teleworking from home up to two days a week. The outcome seems already very positive.

- On average, an EACEA staff member received 11.1 days of training: 8.6 days of formal training and 2.5 days training on - the - job

- For the first time, the annual staff appraisal exercise was followed by the reclassification exercise,. This exercise was based on implementing rules on reclassification of contract and temporary staff which were adopted by DG ADMIN and validated by the Agency's Steering Committee, after consultation of the Agency's Staff Committee

- The Agency conducted its first staff satisfaction survey in 2009. Results confirmed on overall job satisfaction of 77%, with particularly high scores for interpersonal working relationships (90%) and the general working atmosphere (80%). On the less positive side, only 57% of staff members considered their workload as manageable. An action plan will be put in place in 2010 to follow-up to survey results.

- The Agency-wide policy for sensitive functions was established implying the putting into place of mobility arrangements after a sensitive jobholder has exercised the same sensitive functions for more than five years. In essence, functions considered as sensitive are related either functions of middle management or to the responsibilities of acting as authorising officer by sub delegation.

2.1.4 Informatics

- E-forms: the development and the implementation of the e-forms advances in conformity with the planning established for 2009-2010. The initial submission problems experienced with the first set of LLP-forms have been overcome (redesign of the submission mechanism). E-forms were also developed for major strands of Culture and Citizenship programmes and the operating grants e-form has been released into production and is common to several programmes (Culture, Citizenship, Youth and LLP). At the end of the year, additional e-forms were under development for the Media, Tempus and Erasmus Mundus programmes (delivery expected early 2010).

- Symmetry: please refer to section 2.1

- The harmonized Saykiss workflow for project evaluation and selection was finalised and adopted for all operational units

- The project to improve quality assurance (requirements management, release and configuration management) was conducted. The new set of procedures, roles and responsibilities for testing activities is now being followed for all projects, and new procedures have been implemented for requesting changes and reporting bugs. The DIGIT approved IT-project management methodology RUP (Rational Unified Process) was officially adopted as the standard for the Agency.

- After a testing phase, the EVE database became operational and by year end, 900 projects managed by the Agency were uploaded into EVE for Citizenship, Culture, LLP and Youth.
• The project to improve quality assurance (requirements management, release and configuration management) was conducted with interviews, followed by workshops. On this basis, a new set of procedures, roles and responsibilities for testing activities is now being followed for all projects, and new procedures have been implemented for requesting changes and reporting bugs.
• The IT Disaster Recovery Plan was tested during the move between the two Agency buildings. A dual site configuration is now implemented with server rooms. The IT Disaster Recovery Plan has been revised to take into account the latest IT infrastructure improvements and staff changes.
• For 2009, the availability rate of the Agency servers was 99.76 % (target 99.5%).
• The further harmonisation of IT-tools remains a challenge. A thorough analysis of the current use of Saykiss (+Filemaker) was conducted in 2009 and Saykiss-use was harmonised across all units. This paves the way to the definition and implementation of a multi-annual IT-strategy for project selection and monitoring.
• Several IT-security issues remain unsolved. In spite of the supportive attitude of DIGIT, ADMIN/DS is blocking full-access tokens and imposes constraints to securemail, access to the IT-tools used for internal removals....

2.1.5 Communication
External communication:
• Sharp rise in the number of hits on the Agency's website in 2009 (1.5 millions single visits, or a rise of more than 370%) for a total of 5.2 millions pages visited. Variations in the frequency of visits clearly correlate with the call publication calendars and proposal submission dates. The proportion of new visitors remains very high, primarily due to Erasmus Mundus 2009-2013 (launched at the start of 2009), but also due to other programmes and networks which have come under the management of the Agency relatively recently (Eurydice in 2008 and Tempus in 2009).
• General overhaul of the Agency's Europa Website finalised, with the on-line publication of new programme pages (Culture, Youth, Europe for Citizens, Erasmus Mundus, Tempus and Lifelong Learning) and the installation of an "RSS" functionality, allowing users to receive in real time all the latest news on the programmes.
• Around 200 electronic requests for general information dealt per month
• 8 Infodays organised by the Agency in 2009 (2900 people/organisations participated)
• 9 groups of visitors (144 people) benefited from the visit module established by the Agency.

Dissemination of results
• Contribution to the putting in place of the EVE interactive platform (DG EAC project): development of an automatic system to export information to the EVE tool, and establishment of an EVE cell to monitor the information provided by projects (almost 900 project information sheets exported)
• System of box ticking by experts to facilitate the compilation of statistics on targeted themes (equal opportunities, European Years).
• Coordinated and periodic highlighting of project information and results for DG's dissemination and exploitation purposes

Internal Communication
• Intranet: increased 'News' uploads and updates of other information (internal control standards, mandate, health / security, administration), and completion of the "guide to horizontal services" approach ("training" and "human resources" online guides).
• An event was organised for all Agency staff to mark the opening of the new building, BOU2.
• The lunchtime conference cycle "Discovering the programmes" continued, closing with presentations on the activities of Eurydice, and Tempus.

2.1.6 Internal coordination and communication with parent DGS
Four meetings of Resources Directors/ Horizontal Affairs EACEA-EAC-INFSO-AIDCO were organised in order to prepare the Steering Committees of the Agency which were held on 03/02,27/03,23/07 and 25/11 2009 and 3 decisions were taken via the written procedure17.

The following decisions were taken:
2008: annual activity report, Agency accounts
2009: adoption of Agency budget and subsequent revisions, audit programme, annual management

17 -approval of Agency's annual accounts; delegation Erasmus Mundus II and final adoption of 2008 accounts
plan, entry into force of the delegation for the Tempus Programme, adoption of the new organigramme, provisions for implementing regulation 45/2001 on data protection 2010: draft budget Other: revision of the cooperation modalities in the Human Resources Management domain (review of the CDR/Promotion exercise) and the reclassification of contractual agents, cooperation modalities in general and the specific ones regarding communication and IT cooperation modalities

The Director of the Executive Agency also participated to EAC Board Meetings. Regular meetings between the Agency's Heads of operational units and those from the respective mirror units in our parent DGs were held according to the needs.

2.1.7 Document management
The filing plan of the Agency was implemented at 99.7%, approaching the 100%-target. Documents were correctly attached in Adonis in 100% of cases (target 95%). The deadlines of the Code de bonne conduite administrative were respected in 83.8% of the ca. 1400 cases of correspondence or inquiries to be answered within 15 working days (81.8% in 2008).

2.1.8 Legal affairs
A Disputes
- In 2009, an appeal was introduced against the Agency to the Court aiming at the cancelation of an award decision but in the meantime the projects selected in the reserve list for the strand of the programme concerned were also co financed and therefore the procedure has been cancelled by the applicant.
- No significant development in the two other procedures (i) the Agency against the commune of Evere about taxes on office surfaces and (ii) an appeal introduced about incorrect treatment of the access rights to documents.

B OLAF
- 14 cases of fraud suspicions and/or irregularities out of which 9 were transmitted by the Agency to OLAF.
- 8 cases of fraud suspicion relating to files managed by the Agency were terminated by OLAF
- 3 coordination meetings between OLAF and the Agency were held in 2009

C Grant agreements/decisions
- The templates of the grant agreements used in the Agency were revised, new templates were produced in order to better correspond to the needs of the Agency.
- Following the entry into force of the Lisbon Treaty, all the templates were updated accordingly.
- Decision was taken to publish the general conditions of the grant decisions on the Agency's intranet. The consequence will be that these conditions will be not be added to each individual decision as from the calls that will be published in 2010.

D Data protection
In 2009, a deputy data protection officer was appointed. The main achievements are:
- 1. Establishment of an action plan for the implementation of the regulation 45/2001
- 2. Update of the inventory of all the data falling under the regulation. This was transferred to the Controller.
- 3. Finalisation of the Agency decision concerning the application of the regulation 45/2001. This decision was adopted by the Steering Committee.

2.1.9 Relations with Court of Auditors
In the course of 2009, the Executive Agency dealt with 64 requests regarding programmes and projects managed by the Agency and related to the "Statement of Assurance" for the financial years 2008 and 2009 (DAS 2008 and 2009). The draft replies to the Court's preliminary findings have been submitted to the relevant parent DGs according to the terms of cooperation established between the parent DGs and the Agency.

2.2 The functioning of the entire internal control system

2.2.1 – Compliance with the requirements of the control standards
An internal control coordination group monitors on a regular basis progress with the implementation of the action plan 2009 aiming at full compliance with the baseline requirements of the internal control standards applicable to Executive Agencies. The group has met on a monthly basis since June 2009.

The internal control coordination group has performed an annual desk review on compliance with the baseline requirements in January 2010. The exercise has been carried out on the basis of DG BUDG ICMT tool. As in 2008, two baseline requirements are not applicable to executive agencies, namely ICS 5.5 on "roadmaps of ongoing multi-annual activities" and ICS 14 on the "Evaluation of activities". It appears that the Executive Agency is compliant with most baseline requirements up to 91.5%, i.e. an improvement by nearly 7% in comparison with 2008. The most significant baseline requirements in light of the nature of the activities of the Executive Agency are fully implemented.

Progress from partial to full implementation has been made in 2009 in particular as regards ICS 7 on the "operational structure" with the definition of the mobility policy of the Executive Agency for sensitive functions and the mechanisms related to derogations that are now in place and will be effective from end 2010, and the specific procedures towards a standard IT governance policy that are implemented. Concerning ICS 10 on "Business continuity", the contingency and backup plans for information systems meet operational, business continuity and security needs.

Although much progress has been made globally, further efforts are needed as regards the implementation of some baseline requirements which impact on the full implementation of the 5 following internal control standards.

<table>
<thead>
<tr>
<th>ICS 4</th>
<th>Staff evaluation and development: the training passeport could not be kept up to date on account of the unavailability of Sysper2. This will be solved in 2010 with the availability and use of this application.</th>
</tr>
</thead>
<tbody>
<tr>
<td>ICS 8</td>
<td>Processes and procedures: the internal control coordination group has considered that further efforts are required on the documentation of the Agency's main operational and financial processes and procedures and IT systems. Work towards the revision of specific procedures has started in 2009 and is indeed ongoing</td>
</tr>
<tr>
<td>ICS 9</td>
<td>Management supervision: the procedure will be revised in the light of the experience of the supervision exercise carried out in 2009 on ex post operations and of the risk analysis. The recommendations resulting from the Agency's IAC audit on supervision and ex post control will also be taken into account.</td>
</tr>
<tr>
<td>ICS 11</td>
<td>Document management: as regards the compliance of document management systems and related procedures, vademecums and procedures are in place. However, concerning compliance with the rules on the production of personal data, the work is ongoing. The procedure has been developed, the provisions and the rules have been adopted by the Agency's Steering Committee and the inventory of the processing operations of personal data has been completed. The first notifications will be transmitted to the EDPS (European Data Protection Supervisor) by the end of first quarter 2010</td>
</tr>
<tr>
<td>ICS 12</td>
<td>Information and Communication: all baseline requirements are fully implemented except the compliance with the rules on protection of personal data.</td>
</tr>
</tbody>
</table>

The results of the desk review on compliance as perceived by the EACEA's management is confirmed by the assessment by the EACEA's staff through the ICAT 2009 exercise (see in section 2.2.3).

The Agency is fully compliant with the following ICS:

<table>
<thead>
<tr>
<th>ICS 1</th>
<th>Mission: The DG’s raison d’être is clearly defined in up-to-date and concise mission statements developed from the perspective of the DG’s customers</th>
</tr>
</thead>
<tbody>
<tr>
<td>ICS 2</td>
<td>Ethical and Organisational Values: Ethical and Organisational Values: Management and staff are aware of and share appropriate ethical and organisational values and uphold these through their own behaviour and decision-making</td>
</tr>
<tr>
<td>ICS 3</td>
<td>Staff Allocation and Mobility: The allocation and recruitment of staff is based on the DG’s</td>
</tr>
</tbody>
</table>
objectives and priorities. Management promote and plan staff mobility so as to strike the right balance between continuity and renewal

| ICS 5 | Objectives and Performance Indicators: The DG’s objectives are clearly defined and updated when necessary. These are formulated in a way that makes it possible to monitor their achievement. Key performance indicators are established to help management evaluate and report on progress made in relation to their objectives. (baseline requirement 5.5 on roadmaps of ongoing multi-annual activities is not applicable to Executive Agencies) |
| ICS 6 | Risk Management Process: A risk management process that is in line with applicable provisions and guidelines is integrated into annual activity planning |
| ICS 7 | Operational Structure: The DG’s operational structure supports effective decision-making by suitable delegation of powers. Risks associated with the DG’s sensitive functions are managed through mitigating controls and ultimately staff mobility. Adequate IT governance structures are in place |
| ICS 10 | Business Continuity: Adequate measures are in place to ensure continuity of service in case of "business-as-usual" interruption. Business Continuity Plans are in place to ensure that the Commission is able to continue operating to the extent possible whatever the nature of a major disruption |
| ICS 13 | Accounting and Financial Reporting: Adequate procedures and controls are in place to ensure that accounting data and related information used for preparing the organisation’s annual accounts and financial reports are accurate, complete and timely |
| ICS 14 | Not applicable to Executive Agencies |
| ICS 15 | Assessment of Internal Control Systems: Management assess the effectiveness of the DG’s key internal control systems, including the processes carried out by implementing bodies, at least once a year |
| ICS 16 | Internal Audit Capability: The DG has an Internal Audit Capability (IAC), which provides independent, objective assurance and consulting services designed to add value and improve the operations of the DG |

2.2.2 – Effectiveness of implementation of the prioritised control standards

In its 2009 Annual Management Plan, the Executive Agency has identified 3 priority internal control standards:
1) ICS 8 on "Processes and procedures";
2) ICS 9 on "Management Supervision";
3) ICS 12 on "information and communication".

Since June 2009, the Executive Agency’s internal control coordination group has met on a monthly basis in order to monitor progress with the actions underpinning the effectiveness of the implementation of the priority standards mentioned above. The group has also assessed how effectively each priority standard has been implemented in the Executive Agency.

The rationale behind the selection of those priority standards in 2009, the actions to improve their effectiveness and the results achieved for the reporting year are summarized below for each standard.

a) 2009 PRIORITY STANDARD – ICS 8 – PROCESSES AND PROCEDURES

Rationale: This standard was already prioritized in the 2008 AMP. Against this background and the assessment of its effectiveness end 2008, it was decided to pursue in 2009 the actions undertaken in 2008. This decision was taken in line with the increasing need for further harmonisation and simplification of the procedures of the Executive Agency.

Actions undertaken and results achieved in 2009:
Main operational, financial, administrative and IT processes and procedures are listed and documented. Where required, the revision of specific procedures has started and is ongoing. As regards the manuals on the programmes entrusted to the Executive Agency, the majority have been actualized. Different working groups for the harmonization of the grant selection processes have been set up and have produced interim reports and final reports with recommendations end 2009. Concerning the protection of personal data, the procedure has been
developed and the provisions and implementing rules have been adopted by the Agency Steering Committee. As revealed by the ICAT survey, the effectiveness of processes and procedures has much improved in 2009. Moreover, compliance assessment is in line with the results of the survey.

Next steps planned:
The actions undertaken in 2009 will be pursued in 2010 in order to document in the most appropriate way the Executive Agency's main operational and financial processes/procedures and to make them readily accessible. The objective of further harmonisation and simplification of the Agency's procedures is maintained in 2010.

Therefore, ICS 8 on "processes and procedures" is maintained as a prioritized ICS in the AMP 2010 in order to complete the exercise.

b) 2009 PRIORITY STANDARD – ICS 9 – MANAGEMENT SUPERVISION

Rationale: This standard has been prioritized in 2009 with a view to simplifying, harmonizing and strengthening the supervision actions at Executive Agency level. The aim is to make supervision more systematic and efficient.

Measures taken and results achieved in 2009:
As regards supervision by management, the management reporting exercises to the AOD on the achievement of AMP objectives are organized on a quarterly basis and cover legality and regularity aspects, operational performance and risks. The exercise is harmonized all throughout the Agency and is a complement to the Agency's weekly management meetings and the monthly bilateral meeting between each Head of Unit and the Director.

In addition to the supervision of activities by management, a supervision exercise on ex post operations and transactions has been completed in 2009. The results have been communicated to management and a follow-up is being organized.

The assessment of the effectiveness of ICS 9 is stable in comparison with 2008. However, concerning compliance, further improvement is needed as regards the adequate documentation of the supervision of activities involving potentially critical risks.

Next steps planned:
In light of the experience of the supervision exercise on ex post operations and the risk analysis, the procedure on supervision will be revised taking also into account the recommendations of the Agency IAC audit report on supervision and ex post controls.

Therefore, ICS 9 "management supervision" is maintained as a prioritized ICS in the 2010 AMP to reshape the supervision exercise.

c) 2009 PRIORITY STANDARD – ICS 12 – INFORMATION AND COMMUNICATION

Rationale: The objective is to strengthen internal communication to better enable management and staff to fulfil their responsibilities effectively and efficiently, including in the domain of internal control.

Measures taken and results achieved in 2009:
Concerning management information, the financial indicators have been reviewed and the scoreboard revised as initially planned. Results in consideration of the financial indicators are communicated to management on a monthly basis.

Although compliance regarding the baseline requirements is fully met, with regard to internal communication, staff expressed a need for more and better structured information via intranet. Equally, the modernisation of the IT- systems is a concern, taking into account the variety and age of the current IT-systems and reporting facilities. The assessment also shows that there is a request for a review of current arrangement used for internal communication and a request to improve the feedback from target audiences (applicants, beneficiaries, ...) in the framework of external communication

Next steps planned:
In light of the above and in consistency with the measures undertaken in 2009, further actions will be undertaken in 2010 in order to increase the effectiveness of this ICS.

As in 2009, ICS 12 "information and communication" is maintained as a prioritized ICS in the AMP 2010. The results of the internal staff survey carried out will be analysed in 2010 and an action plan will be defined.
2.2.3 – Conclusion

The ICAT exercise on the effectiveness of the ICS implementation at 31.12.2009 has been launched beginning 2010 (after its kick-off by a presentation at the management meeting). The selection of participants has been defined by the Internal Control Coordinator and the Executive Director and accesses to the ICMT tool have been given accordingly.

The global perception of the implementation of the baseline requirements has improved by 7% in comparison with 2008 reaching a perception rate of 73.2% in 2009. The perception rates show that the most significant baseline requirements in relation to the nature of the activities of the EACEA are implemented and well owned.

The global increase of 7% between 2008 and 2009 reflects in particular the impact of the efforts maintained in 2009 on the implementation of notably ICS 2 on "Ethical and organisational values" (93%) with a range of compulsory training courses organised at the Agency to raise awareness. This depicts a 29% increase in the perception compared with 2008 results.

The other significant improvements concern those ICS that had been prioritized in the Annual Management Plan 2008- which has consequently led to a series of actions undertaken in 2008 and pursued in 2009-in particular ICS 13 on "Accounting and financial reporting" (79%) and ICS 8 on "Processes and procedures" (79%) and ICS 4 on "staff evaluation and development" (76%). Improvement has also been made as regards ICS 7 on the "Operational structure". The measures taken are effective up to 100% as regards ICS 1 "Mission".

As in 2008, 2 baseline requirements were not applicable to Executive Agencies. They concern ICS 5 "Objectives and performance indicators" (roadmaps of ongoing multi-annual activities) and ICS 14 on the "Evaluation of activities". Nevertheless, many participants have assessed these requirements although they have political implications and are implemented by the parent DGs at Commission level. It is planned to withdraw the concerned questions in the 2010 ICAT assessment.

Concerning the overall state of the ICS effectiveness in the EACEA, for the majority of the internal control standards, the units comply with the three assessment criteria for effectiveness; i.e. (a) staff having the required knowledge and skills, (b) systems and procedures designed and implemented to manage the key risks effectively, and (c) no instances of ineffective controls that have exposed the Agency to its key risks. Consequently, the EACEA's overall ICS effectiveness can be considered as generally satisfactory: the majority of the controls are working as intended.

Nevertheless, the effectiveness of some existing controls in the context of a few underlying specific aspects should be further improved. Therefore, the following 3 ICS are maintained as prioritized ICS for 2010:
- Processes and procedures (ICS-8);
- Management supervision (ICS-9);
- Information and communication (ICS-12).
PART 3. BUILDING BLOCKS TOWARDS THE DECLARATION OF ASSURANCE (AND POSSIBLE RESERVATIONS TO IT)

3.1 Building blocks towards reasonable assurance

3.1.1 – Building block 1: Assessment by management

In the light of the conclusions of the desk review on compliance and the results of the ICAT assessment exercise on effectiveness (see Part 2 above), the EACEA’s management judges that the main risks to the achievement of the Executive Agency’s key objectives are sufficiently mitigated by the controls and procedures in place (which are working as intended).

This judgement is confirmed by other sources of information that have served as a basis for the assessment of the effectiveness of the Agency’s internal control system, i.e. the results of controls (including ex ante and ex post controls and audits of beneficiaries) and the risk analysis performed in the context of the Management Plan 2010. In addition, Heads of Unit have reported on a regular basis to the Authorizing Officer by Delegation during 2009. No overruling occurred in 2009. Further to that only minor exceptions considered of a limited relevance and non-systemic nature have been reported. They have been properly documented in the related file and logged through the appropriate administrative/financial tools.

Where appropriate, the Executive Agency has undertaken the corrective actions. The needs for improvement identified as regards a few ICS requirements did not affect sound financial management or the legality and regularity of the Executive Agency’s transactions in 2009. Moreover, steps have already been undertaken or planned towards the effective and full implementation of the standards concerned (as referred to above).

In addition, the cost-effectiveness evaluation on the activities of the Executive Agency, made in 2009 on Commission’s request, confirms the appropriate functioning of the Executive Agency with a view to achieving the objectives it has been entrusted with.

### Key indicators supporting reasonable assurance – Grants

<table>
<thead>
<tr>
<th>Input: resources devoted to ensure legality and regularity of underlying transactions</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Number of internal staff dealing with ex-ante verification</strong></td>
<td>1. First level ex ante: +/- 40 financial officers are devoted to ex ante controls first level in accordance with the circuits in use at the Agency which ensures that: 100% of operational commitments, 2nd pre-financing, interim and final payments, as well as recovery orders are controlled within the operational units of the Agency. 2. Second level ex-ante: 5 persons are devoted to ex ante controls level 2: MUS system = 10% of payments selected and 5% of commitments selected on the basis of monetary sampling</td>
</tr>
<tr>
<td><strong>Number of internal staff dealing with ex-post controls</strong></td>
<td>Centralized ex post: 5 persons are devoted to ex-post controls</td>
</tr>
<tr>
<td><strong>Number of internal staff in Internal Audit Capability</strong></td>
<td>3 persons are devoted to the IAC</td>
</tr>
<tr>
<td><strong>Financial resources used to fund external audit activities</strong></td>
<td>811,709 €</td>
</tr>
<tr>
<td><strong>Number of monitoring visits</strong></td>
<td>250 monitoring visits were carried out</td>
</tr>
</tbody>
</table>
### Output: controls during project implementation

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of financial transactions being subject to a 2nd level ex-ante verification</td>
<td>786 transactions selected by MUS 11 transactions were subject to an SR opinion</td>
</tr>
<tr>
<td>Number of registered exception procedures in year n</td>
<td>30</td>
</tr>
<tr>
<td>Number of instances of overriding controls in year n</td>
<td>zero</td>
</tr>
</tbody>
</table>

### Output: controls carried out during the ex-post phase of projects

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total value of contracts signed, with audit firm to implement the 2009 audit plan</td>
<td>14,876,823 €</td>
</tr>
<tr>
<td>Value of contracts for which the reports are finalised in 2009</td>
<td>23,807,314 €</td>
</tr>
</tbody>
</table>

### Results of controls

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Error rate</td>
<td>1.04 %</td>
</tr>
<tr>
<td>Amount of recovery orders linked to ex-post controls issued in year n</td>
<td>203,578 €</td>
</tr>
<tr>
<td>Number of reservations in AAR of the Agency</td>
<td>zero</td>
</tr>
</tbody>
</table>

### A. Ex ante

1. 786 transactions were selected via the MUS: 77% were accepted without any comments. 11 transactions were subject to a negative opinion and were rejected. The situation has slightly improved compared to 2008 (70% of the transactions were accepted without any comments).

2. 30 exception reports were accepted. The main reasons were (i) extension of the period of eligibility of costs, (ii) insufficient budgetary commitment, (iii) applications received after the call deadline (operating grants – designated bodies) This represents a significant decrease compared with the 73 exception reports issued in 2008.

### B. Ex post

1. Follow-up of audit plans prior to 2009

   In 2009, all in all, a total of 154 audits out of 183 (84%) have been closed by the operational units of the Executive Agency as regards audits inherited from parent DGs and the Agency audit plans 2006, 2007 and 2008. The table below provides the relevant results per audit plan.

<table>
<thead>
<tr>
<th>Audits inherited from parent DGs</th>
<th>Audit plan 2006</th>
<th>Audit plan 2007</th>
<th>Audit plan 2008</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audits open on 01/01/2009</td>
<td>7</td>
<td>18</td>
<td>65</td>
<td>93</td>
</tr>
<tr>
<td>Audits open on 31/12/2009</td>
<td>0</td>
<td>2</td>
<td>2</td>
<td>25</td>
</tr>
</tbody>
</table>

2. Follow-up of the audit plan 2009

   Projects to be audited are selected whether on a random basis (70% are "aléatoires"); whether because considered as risky (30% are "dirigés").

   The audit plan 2009 was contracted and includes 98 new audits to carry out. In accordance with the contractual provisions, all missions were carried out before end 2009. 8 final reports were received and the
results of 6 of them were implemented by the Agency. 90 draft reports were still expected by the Agency by end 2009.

Meetings with the audit firm leaders have taken place on a regular basis in 2009 to analyse progress achieved on both sides and set targets on a realistic basis. In October 2009, some qualitative adjustments were requested in the audit reports to better answer the need for a reconciliation of the ineligible costs identified by the Agency and those identified and disclosed by the external auditors. These adjustments are in force for the 2009 audit reports completed since then. Realistic targets as regards the delivery of the draft audit reports were agreed.

An additional audit plan has been prepared to cover a sample of Tempus projects managed by the new unit P10 as well as a few ad hoc audits (directed audits). The new contractual provisions have been analysed in light of the new DG BUDG framework contract and a request for services has been accordingly drafted for the attention of the audit firm.

There was no audit on Erasmus Mundus II action 2 (or its predecessor EMECW) since the projects have not been closed yet.

3. Preparation of the audit plan 2010

Following the IAC audit on supervision and ex post controls completed end 2009, the risk analysis necessary for the identification of the most relevant audits will be revised taking into account the recommendations of the audit report. The audit plan 2010 will be prepared on this basis.

C. Error rate

In 2009, the Agency closed 72 random ("aléatoires") audits and 43 directed ("dirigés") audits, i.e. 115 audits in total. This mainly relates to audit plans 2008, 2007 and 2006, the great majority (96) of which concerned programmes of the former generation.

The methodology of the rate of error 2009 calculation was documented and is similar to the one applied in 2007 and 2008. In particular only the negative errors, requiring the issuing of a recovery order were taken into account and divided by the total payments made for the audited projects. No compensation with the positive errors has been made.

For the random audits, (72 audits representing an audited value of 15.2 M€), 29 audit reports brought to light negative errors amounting to 94,748 €, representing an error rate of 0.62 %.

For the directed audits, (43 audits representing an audited value of 8.5 M€), 29 audit reports brought to light negative errors amounting to 412,540 €, representing an error rate of 4.83%.

The population at risk, on which the directed audits are based, is estimated -as the previous year- at a maximum of 10 % of the value of all the projects closed in 2008, relevant year of the audit plan 2009.

On this base, the average error rate of the Agency in 2009 is 1.04 % (0.62%x90 % + 4.83%x10 %), well below the threshold of 2 % of materiality considered in the declaration of assurance.

The average error rate of the audits for the DG EAC programmes is 1.26 % slightly higher than the average.

The global average error rate for the 34 audited projects of the MEDIA programme (DG INFSO) is limited to 0.3% resulting from specific contract provisions.

The 2010 audit strategy will be revised in the light of the error rates calculated on the audits 'aléatoires' and 'dirigés' during the last years.

3.1.2 – Building block 2: Results from audits during the reporting year

A. COURT OF AUDITORS
• The Court of Auditors (ECA) has carried out its annual audit on the Executive Agency's annual accounts for the financial year 2008 (operating budget). The Court has given a positive opinion on the reliability of the accounts and the legality and regularity of the underlying transactions. One comment was made by the ECA on the respect of the principle of annuality for which the Agency has provided a justification.

• Following the ECA audit on performance of the Executive Agencies carried out in 2008, no specific finding was issued concerning the effectiveness of the internal control systems at the level of the Executive Agency.

B. IAC

The Agency's work programme 2009 defined the main objective of the Agency's IAC to evaluate the efficiency and effectiveness of the Agency's internal control system in compliance with the guidelines. The actions to be carried out are defines as:

1. to plan and manage the activity of the Agency's IAC
2. to follow up the implementation of the recommendations issued by the IAS, IACs and the ECA in coordination with the entities concerned
3. to provide advice to the Director of the Agency on management, internal control systems and fraud matters
4. to establish the audit work plan 2009 taking into consideration the management risk assessment 2009
5. to carry out the audits planned in the work plan

Following the modalities of cooperation, the preparation of the audit plan as carried out in coordination with the parent DGs IACs and beginning of 2009, the work plan was approved by the Steering Committee of the Agency.

Assurance activities were carried out, in compliance with the audit work plan 2009:

1. IT audit of the Agency's IT services for the operational units carried out by the external resources. Already included in the 2008 AAR: for contractual reasons, the final version of the final report was received at the end of the year and therefore the action plan to implement the recommendations together with the IAC final report was issued in the first quarter of 2009.
2. Audit on procurement procedures: the final report issued 9 recommendations. 2 very important, 6 important and 1 desirable. 2 recommendations were already implemented.
3. Audit on recruitment procedures of contract staff: the final report issued 2 recommendations, 1 important and 1 desirable. The 2 recommendations are already implemented.
4. Follow up of the audit on recruitment procedures of temporary agents: 20 out of 21 initial recommendations were implemented or closed, 1 desirable is in progress and 1 new very important recommendation was issued; on 31/12/2009, the 2 recommendations were implemented.
5. Audit on supervision and ex-posts controls: the draft audit report issued 11 recommendations, 7 very important and 4 important recommendations.
6. Audit on final payments, jointly with the follow up of DG EAC "Audit on Final reports and RAL": the fieldwork is ongoing

C. IAC opinion on the quality of control systems

Based on the results of our audits as described in the objectives and scope of the engagements carried out by the IAC of EACEA during 2009, the internal control system in place in EACEA provides reasonable assurance regarding the achievement of the business objectives set up for the processes audited, subject to:

- Procurement procedures, where the supervisory role of the unit R2 in the monitoring and follow-up of procurement procedures should be strengthened and the Agency should appoint an opening committee when required by the Commission Regulation 2342/2002.
- Grant management, awarding and contracting (joint audit), where improvements are needed concerning internal reports on applicants and beneficiaries and the evaluation and scoring process.
- IT services for operational units, where improvements are needed concerning harmonisation of workflow processes, logical access (cleaning up, monitoring and security of access rights), strategic and tactical planning (quality plan with internal controls, fully integrated in the IT process framework).
- ICS of the family "Control activities" supervision excluded, where improvements are needed on the Agency's and units' inventories of main procedures and identification, documentation and revision of the procedures in general.
- Supervision and ex-post controls\textsuperscript{18}, where improvements are needed for the Agency's procedure on Supervision and on the Agency's procedure for ex-posts controls (audit strategy, risk analysis, selection of projects, role of ex-post sector and indicators)

In addition to the opinion given above, and taking into account their coverage of the activities/processes in the Agency, the Internal Control Auditor declares that he is not aware of anything not reported here which may lead to a potential reservation in the AAR. As regards the adequacy of the internal control system in place, the following issue should be duly taken into account: due the auditees' long time spent in the preparation of the action plans to implement auditors' recommendations and in their implementation, the monitoring of these activities must continue to be reinforced, in coordination between the Director and the ICC.

D. IAS
No new audit was performed in 2009.

3.1.3 – Building block 3: Follow-up of previous years' reservations and action plans for audits from previous years

No reservation was made the previous year. The state of play regarding the follow-up of the main IAS and IAC recommendations are listed below:

A. Follow-up of IAS recommendations

By end 2009, the following progress has been achieved as regards the implementation of IAS audit recommendations by the Executive Agency.

- Following the IAS \textit{in-depth audit of DG EAC}, the 2 remaining recommendations on the de-commitments and closure of MEDIA projects and on MEDIA management information and reporting have been fully implemented. Therefore, they are considered as completed by the Executive Agency and their status is ready for review by the auditor.

- Regarding the IAS audit of \textit{ex-post control activities and implementation of financial circuits}, 12 recommendations have been implemented out of 14 and are ready for review. Significant progress has been made in 2009 regarding the remaining recommendation on i) the harmonisation and identification of minimum management information and ii) the adaptation of manuals for the new programs and the revision of procedures. The strategy for reporting's automatisation will be redefined according to the revision of IT development of the Agency's management tools. Regarding manuals and procedures, a range of specific modules per programme have already been updated and the revision of procedures is ongoing. Full implementation is planned in 2010. Follow up review of IAS is foreseen in 2010.

- Concerning the ABAC audit on the 2006 closure, the remaining recommendation on the registration of incoming cost claims/invoices is partially implemented. Reporting on the time-limit regarding invoices registration has been put in place and an objective has been set in 2010 to that purpose. Full completion of the recommendation is foreseen by the end of the 1st semester 2010.

- As far as the audit on grant management awarding and contracting is concerned, the implementation of the action plan is ongoing. By the end of 2009, 2 very important recommendations (roadmap and eligibility criteria) out of 4 and 2 important recommendations (formal appointment of key actors and filing/archiving) out of 6 have been implemented and are ready for review. Progress is ongoing with the implementation of the remaining recommendations notably through the set up working groups.

The state of play of the above recommendations has been updated accordingly in the IAS Issue Track tool. No critical recommendation was made. All very important recommendations are implemented or under implementation according to plan.

B. Follow-up of IAC recommendations

IAC recommendations have been implemented according to plan except two very important recommendations relating to the 2008 audit on ICS which are under implementation (will be finalized in 2010).

\textsuperscript{18} Draft report issued on 22\textsuperscript{nd} of December 2009
3.1.4 – Building block 4: Assurance received from other AODs in cases of crossed sub-delegation
Not applicable since no crossed sub-delegation is permitted.

3.1.5 – Building block 5: Completeness and reliability of the information reported in the building blocks
In summary, when reviewing the combined status of the building blocks listed above, it appears that all elements of the control chain contribute to building up reasonable assurance about the adequacy of the design of the control system and its functioning. Therefore, the functioning of the Executive Agency's Control system can be considered adequate to mitigate the risks and weaknesses identified down to a reasonable level, taking into account the specificities and the nature of the Executive Agency's activities.

3.2 Reservations
The ex-ante and ex-post controls put in place are adequate and the error rate amounts to 1.04% well below the materiality threshold of 2% (please refer to the above sections). Therefore, no reservation is made in 2009.

3.3. Overall conclusions on the combined impact of the reservations on the declaration as a whole
As far as the operational activities of EACEA Agency are concerned, no qualification is to be made on its duties. Reasonable assurance can be given with regard to procedures relating to the selection of contractors and beneficiaries following calls for tenders and calls for proposals. The analysis of the control system put in place and the relevant indicators deriving from it show that the measures put in place are effective and therefore no reservation has to be made.
PART 4. DECLARATION OF ASSURANCE

I, the undersigned, Gilbert Gascard

Director of the Education, Audiovisual and Culture Executive Agency

In my capacity as authorising officer by delegation

Declare that the information contained in this report gives a true and fair view.\

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

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

Confirm that I am not aware of anything not reported here which could harm the interests of the institution.

Brussels, 26/03/2010

19 True and fair in this context means a reliable, complete and correct view on the state of affairs in the service.
ANNEX 1: Statement of the Resources Director

I declare that in accordance with the Commission’s communication on clarification of the responsibilities of the key actors in the domain of internal audit and internal control in the Commission, I have reported my advice and recommendations to the Director-General/Head of Service on the overall state of internal control in the DG/service.

I hereby certify that the information provided in Parts 2 and Point 3.1 of the present AAR and in its annexes 2 to 5 is, to the best of my knowledge, accurate and exhaustive.

Brussels, 24/03/2010

Hubert Cousin
Chef d'Unité R2

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20 This statement aims at informing the report's reader about the information flow between the Agency Head of Unit and Director of the executive Agency on internal control matters in the context of the AAR's preparation. By signing this statement, the Resources Head of Unit also certifies that the information in the annexes to the report is accurate and exhaustive. As there is no standard definition of the function of Head of Resource Director across the Commission, the term 'resource director' refers to the person designated by the Director of the Executive Agency to oversee the implementation of internal control systems with the DG or service.

ANNEX 2: Human and Financial resources by ABB activity

<table>
<thead>
<tr>
<th>Code ABB Activity</th>
<th>ABB Activity</th>
<th>Human Resources by ABB activity</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Temporary Agents</td>
</tr>
<tr>
<td>1502-1905-1908-1909-1910-2202</td>
<td>Education</td>
<td>47</td>
</tr>
<tr>
<td>1504</td>
<td>Culture</td>
<td>4</td>
</tr>
<tr>
<td>1505</td>
<td>Youth</td>
<td>5</td>
</tr>
<tr>
<td>1506</td>
<td>Citizenship</td>
<td>4</td>
</tr>
<tr>
<td>0906</td>
<td>Audiovisual</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>Administrative support</td>
<td>17</td>
</tr>
<tr>
<td></td>
<td>Coordination and Communication</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>91</td>
</tr>
</tbody>
</table>
### ANNEX 2: Draft annual accounts and financial reports

#### Operational budget implementation

**Commitment appropriations on 31 December 2009**

<table>
<thead>
<tr>
<th>Budget line</th>
<th>Programmes</th>
<th>Total Appropriations</th>
<th>Execution by 31/12/09</th>
<th>Execution by 31/12/2009 in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>90600101</td>
<td>MEDIA</td>
<td>102,836,637</td>
<td>102,836,637</td>
<td>100.00%</td>
</tr>
<tr>
<td>15002001</td>
<td>Erasmus Mundus</td>
<td>74,132,460</td>
<td>74,087,099</td>
<td>99.81%</td>
</tr>
<tr>
<td>15002300</td>
<td>Programmes USA/EU and Canada/EU</td>
<td>6,815,971</td>
<td>6,795,027</td>
<td>99.81%</td>
</tr>
<tr>
<td>15022200</td>
<td>U.L.P.</td>
<td>124,356,928</td>
<td>124,356,928</td>
<td>100.00%</td>
</tr>
<tr>
<td>15044400</td>
<td>Culture</td>
<td>43,397,456</td>
<td>43,397,456</td>
<td>100.00%</td>
</tr>
<tr>
<td>15055500</td>
<td>Jeunesse</td>
<td>20,980,022</td>
<td>20,985,022</td>
<td>99.95%</td>
</tr>
<tr>
<td>15066500</td>
<td>Croyenneté</td>
<td>27,299,035</td>
<td>27,299,035</td>
<td>100.00%</td>
</tr>
<tr>
<td>19001100</td>
<td>MED (EMI A2) + Tempus</td>
<td>25,069,426</td>
<td>25,069,426</td>
<td>100.00%</td>
</tr>
<tr>
<td>19001300</td>
<td>Europe de l'Est (EMI A2) + Tempus</td>
<td>37,704,849</td>
<td>37,704,849</td>
<td>100.00%</td>
</tr>
<tr>
<td>19010100</td>
<td>Amérique latine (EMI A2)</td>
<td>53,027,125</td>
<td>53,027,125</td>
<td>99.83%</td>
</tr>
<tr>
<td>19101001</td>
<td>Asie régionale (EMI A2)</td>
<td>63,086,927</td>
<td>63,086,927</td>
<td>99.83%</td>
</tr>
<tr>
<td>19102001</td>
<td>Asie centrale (EMI A2) + Tempus</td>
<td>10,103,001</td>
<td>10,103,001</td>
<td>99.83%</td>
</tr>
<tr>
<td>19103001</td>
<td>Yem-Fam-Ineg (EMI A2)</td>
<td>2,291,675</td>
<td>2,291,675</td>
<td>99.83%</td>
</tr>
<tr>
<td>22007011</td>
<td>Western Balkans (EMI A2) + Jeunesse</td>
<td>33,571,492</td>
<td>33,571,492</td>
<td>99.72%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td>529,650,633</td>
<td>624,781,587</td>
<td>99.32%</td>
</tr>
</tbody>
</table>

**Credit de paiement**

**Operational budget implementation - Payment appropriations on 31 December 2009**

<table>
<thead>
<tr>
<th>Budget line</th>
<th>Programmes</th>
<th>Total Appropriations</th>
<th>Execution by 31/12/09</th>
<th>Execution by 31/12/2009 in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>90600201</td>
<td>Accomplishment MEDIA</td>
<td>3,721,468</td>
<td>3,718,246</td>
<td>99.91%</td>
</tr>
<tr>
<td>15002001</td>
<td>Accomplishment éducation, formation</td>
<td>12,117,713</td>
<td>11,912,535</td>
<td>98.31%</td>
</tr>
<tr>
<td>15002002</td>
<td>Accomplishment Culture</td>
<td>2,975,319</td>
<td>2,886,100</td>
<td>97.00%</td>
</tr>
<tr>
<td>15059000</td>
<td>Accomplishment Jeunesse</td>
<td>353,923</td>
<td>309,384</td>
<td>87.42%</td>
</tr>
<tr>
<td>15059010</td>
<td>Accomplishment Croyenneté</td>
<td>267,755</td>
<td>22,777</td>
<td>85.27%</td>
</tr>
<tr>
<td><strong>TOTAL Accomplishment</strong></td>
<td></td>
<td>18,719,273</td>
<td>18,494,104</td>
<td>98.22%</td>
</tr>
</tbody>
</table>

**New programs**

<table>
<thead>
<tr>
<th>Budget line</th>
<th>Programmes</th>
<th>Total Appropriations</th>
<th>Execution by 31/12/09</th>
<th>Execution by 31/12/2009 in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>19001001</td>
<td>MEDIA</td>
<td>88,861,044</td>
<td>88,859,740</td>
<td>100.00%</td>
</tr>
<tr>
<td>19002020</td>
<td>Erasmus Mundus</td>
<td>74,550,588</td>
<td>74,550,588</td>
<td>100.00%</td>
</tr>
<tr>
<td>15023000</td>
<td>Programmes USA/EU and Canada/EU</td>
<td>3,216,074</td>
<td>3,216,074</td>
<td>100.00%</td>
</tr>
<tr>
<td>15023200</td>
<td>U.L.P.</td>
<td>93,534,239</td>
<td>93,534,239</td>
<td>100.00%</td>
</tr>
<tr>
<td>15044400</td>
<td>Culture</td>
<td>34,519,866</td>
<td>34,519,866</td>
<td>100.00%</td>
</tr>
<tr>
<td>15052500</td>
<td>Jeunesse</td>
<td>17,530,490</td>
<td>17,530,490</td>
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<tr>
<td>15066200</td>
<td>Croyenneté</td>
<td>20,852,751</td>
<td>20,852,751</td>
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<tr>
<td><strong>TOTAL New programs</strong></td>
<td></td>
<td>153,317,052</td>
<td>153,319,148</td>
<td>100.00%</td>
</tr>
</tbody>
</table>

**Erasmus Mundus international fees**

<table>
<thead>
<tr>
<th>Budget line</th>
<th>Programmes</th>
<th>Total Appropriations</th>
<th>Execution by 31/12/09</th>
<th>Execution by 31/12/2009 in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>15001001</td>
<td>EMI A2/EFOS</td>
<td>300,000</td>
<td>300,000</td>
<td>100.00%</td>
</tr>
<tr>
<td>15001002</td>
<td>MED (EMI A2) + Tempus</td>
<td>28,211,139</td>
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</tr>
<tr>
<td>19060101</td>
<td>Europe de l'Est (EMI A2) + Tempus</td>
<td>35,522,635</td>
<td>35,470,057</td>
<td>99.95%</td>
</tr>
<tr>
<td>19080100</td>
<td>Amérique latine (EMI A2)</td>
<td>25,050,000</td>
<td>25,050,000</td>
<td>100.00%</td>
</tr>
<tr>
<td>19101001</td>
<td>Asie régionale (EMI A2)</td>
<td>45,975,703</td>
<td>45,975,703</td>
<td>100.00%</td>
</tr>
<tr>
<td>19102001</td>
<td>Asie centrale (EMI A2)</td>
<td>2,662,653</td>
<td>2,662,653</td>
<td>100.00%</td>
</tr>
<tr>
<td>19103000</td>
<td>Yem-Fam-Ineg (EMI A2)</td>
<td>2,988,638</td>
<td>2,984,338</td>
<td>99.68%</td>
</tr>
<tr>
<td>22005010</td>
<td>Western Balkans (EMI A2)</td>
<td>1,456,124</td>
<td>1,455,529</td>
<td>99.99%</td>
</tr>
<tr>
<td>22005050</td>
<td>Western Balkans Erasmus-Mundus</td>
<td>4,406,567</td>
<td>4,406,567</td>
<td>100.00%</td>
</tr>
<tr>
<td>22007010</td>
<td>Western Balkans</td>
<td>24,265,653</td>
<td>24,265,653</td>
<td>100.00%</td>
</tr>
<tr>
<td><strong>TOTAL Erasmus Mundus + international fees</strong></td>
<td></td>
<td>178,675,634</td>
<td>178,440,641</td>
<td>99.37%</td>
</tr>
</tbody>
</table>

**GRAND TOTAL**

528,898,064
### Administrative budget Implementation on 31 December 2009

<table>
<thead>
<tr>
<th>Chap.</th>
<th>Description</th>
<th>Crédits dégagés (€)</th>
<th>Montants engagés (€)</th>
<th>Montants effectués (€)</th>
<th>Crédits dégagés (€)</th>
<th>Montants engagés (€)</th>
<th>Montants effectués (€)</th>
<th>Déficit over</th>
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</thead>
<tbody>
<tr>
<td>Chap. 11</td>
<td>Personnel et activités</td>
<td>24,709,000,000</td>
<td></td>
<td>24,709,000,000</td>
<td></td>
<td>24,709,000,000</td>
<td></td>
<td>0,00</td>
</tr>
<tr>
<td>Chap. 13</td>
<td>Frais de missions et déplacements</td>
<td>630,000,000</td>
<td>597,019,000</td>
<td>597,019,000</td>
<td>630,000,000</td>
<td>597,019,000</td>
<td>597,019,000</td>
<td>0,00</td>
</tr>
<tr>
<td>Chap. 14</td>
<td>Infrastructures et équipements sociétaux</td>
<td>635,000,000</td>
<td>603,076,045</td>
<td>603,076,045</td>
<td>635,000,000</td>
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<td>0,00</td>
</tr>
<tr>
<td>Chap. 15</td>
<td>Carte de la nature enfance</td>
<td>610,000,000</td>
<td>657,239,860</td>
<td>657,239,860</td>
<td>610,000,000</td>
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ANNEX 3: Draft annual accounts and financial reports

Currently under validation
ANNEX 4: Materiality criteria

EACEA considers that the standard quantitative materiality threshold of 2% applies to determine whether a weakness should be subject to a formal reservation in the AOD declaration.

As far as error rates relating to ex post controls are concerned, no specific error rate by programme or activity can be made as the audited projects relate to a lot of different programmes of two generations (2007-2013 programmes and programmes of the former generation) and as the number of audits closed per programme or activity is not significant (for instance 10 audited projects for the Youth and Citizenship activities). Consequently, the analysis of error rates has been made in this 2009 activity report globally for the whole Agency and for all of the programmes under the responsibility of a single DG, for which the number of closed audited project is significant (34 audits for the MEDIA programme -DG INFSO- and 81 audits for all DG EAC programmes in 2009).

Furthermore, qualitative criteria, such as the nature and scope of the weakness, its duration and the mitigating / corrective measures are also considered, if relevant, in assessing the importance of a weakness.
ANNEX 5: Internal Control Template(s) for budget implementation (ICT)

<table>
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<th>ICT No:</th>
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<td>Management mode:</td>
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<td>- Indirect centralized management for the operational budget</td>
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<td>- The grant award decisions are taken by the Commission when comitology procedure applies or by the Agency Director.</td>
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</table>

**Key figures:**

- The Agency is involved in:
  - the management of projects related to (i) 7 major programmes of the current generation (2007-2013) and to (ii) bilateral cooperation agreements with industrialized countries
  - the closure of projects related to 14 programmes of the previous generation
- Number of new contracts signed in 2009: 4700
- Number of contracts running on 1/1/09: 8100 (RAL 2008) and on 31/12/09: 8300 (RAL 2009)
- Budget execution:
  - Commitments appropriations: 625 Mio € (2009 rate: 99.3%)
  - Payments appropriations: 528 Mio € (2009 rate: 99.9%)
- Abnormal RAL: 839 cases closed by end 2009
- Nature and volume of transactions:
  - Commitments: 4700
  - Payments: 7960
  - RO issued: 700
**Total: 13360 transactions**

*Average amount of commitment/grant: 132978€*

*Average amount of payment: 66332€*
Management and control systems: stages and main actors

Key inherent risks in the Executive Agency environment
- Many different types of programmes and/or actions, involving a large number of beneficiaries who usually do not have sophisticated management structures.
- Large number of projects and of different organisations or beneficiaries.
- Although the management of programmes has been simplified e.g. by the introduction of lump sums and flat rate to reduce the risks of errors linked to the eligibility of expenditure, detailed eligibility and financial rules still exist for a certain number of actions.

Key controls in place
- Financial circuits and segregation of duties
- Control of eligibility of costs and desks checks
- Supervisory measures
- Simplification measures and harmonisation implemented within the same programme and between different programmes (best practice)
- Use of lump sums and flat rates for some strands/actions.
- Management information, AOOSD reporting (monthly, quarterly, half-yearly and yearly (AAR)
- Centralised organisation of ex-ante control level 2
- Ex-post controls

| Selection process (of beneficiaries, intermediaries, agencies, contractors etc), including preventive measures | - Proposals are selected according to their credentials and financial stability and other criteria imposed by the calls for proposals. Key controls include the screening of submitted proposals for eligibility;
- The quality of proposal selection is enforced by the use of external experts for the evaluation and an evaluation committee panel (Agency + Commission) for quality control and ranking of proposals;
- The award decision is taken by the Agency (if no comptology and under the informative procedure) or by the Commission (after consulting the programme committee);
- Legal and financial verifications as well as safeguarding measures;
- Contractualisation by grant agreements or by Decisions |
| Communication and information measures to improve the quality of financial management and provision of supporting data by beneficiaries, contractors and intermediaries | - Multilingual website;
- Information and project's meetings (e.g. Info Days, kick-off meetings, coordinator's meetings) with beneficiaries and applicants;
- Leaflets on the programmes produced by the Commission, compendia;
- Extensive guidance notes;
- Valorisation strategy has been implemented for the dissemination and the exploitation of results;
- Direct contact with beneficiaries to resolve particular issues. |
| Detective and corrective controls: Checks and monitoring during the initial phases of the programme/contract | Controls before and during the implementation period of projects
- Standard control provisions provided in the agreements;
- Desk checks of expenditure based on supporting documents, including progress and final reports, and project deliverables;
- Monitoring controls on projects
- Ex ante verification level 2 on a MUS basis |
| Checks and monitoring during the final/closure phases of the project | Checks and monitoring during the final/closure phases of the project
- Desk checks of expenditure based on final report (technical and financial)
- Ex ante verification level 2 on a MUS basis
- Ex post controls and audits are carried out on a small number of beneficiaries |
| Preventive and corrective controls and audit: Desk reviews, on-the-spot audits carried out either ex-ante or ex-post. | - Ex post controls and audits are carried out on a small number of beneficiaries
- Projects are selected on random basis (70%) and against risk profile (30%) |
Feedback which enables control activities to be optimised

*In this section the AOD should explain the mechanisms put in place to supervise/monitor their internal control processes, including, where appropriate, performance of third parties working on their behalf.*

| Verification that processes are working as designed | -Supervision system selecting specific control processes within the Agency and subjecting them to in-depth tests to ensure correct functioning and appropriate corrective measures;  
-Discussion of Risk Management and ICS – conclusions of the exercise at the Agency management level;  
-In line with the requirements of the Financial Regulation and the Delegation Act, the Directors General of parent DGs have verified and approved the internal control system and procedures of the Agency before they became operational. When systems or procedures are modified, the parent DGs have to agree on the changes. |
| Monitoring of performance of independent bodies, 3rd party auditors, externally contracted auditors | -Audit framework contractor is monitored via an internal team;  
-Close review and analysis of all reports, joint missions, and regular contacts with coordinating team responsible for quality control;  
-Audit framework contract is bound to follow precise audit rules;  
-The management of the Agency is supervised by the Steering Committee that validates all the major decisions and documents and is regularly kept informed on management and control issues;  
-Feedback is provided by the Agency's Internal Audit Capacity (IAC), the parent DG's IAC, the Commission's Internal Audit Service (IAS), the European Court of Auditors and in the discharge procedure before the European Parliament. Recommendations made by these bodies are followed up systematically within the Agency;  
-The risk assessment process also serves to integrate results of ex post controls and highlight key issue to ensure preventive mitigating action is taken. |
To the Commission
In 2009, the Agency reports regularly to its three parent DGs (DG EAC, INFSO and AIDCO):
- According to the cooperation terms, a reporting system -detailed below- has been implemented;
- Meetings of the Steering Committee of the Agency and minutes;
- Coordination meetings with Resources/Horizontal Affairs Directors;
- Quarterly bilateral meetings between the Director of the Agency and the operational Directors of the parent DGs.

To the Director and its role in monitoring problem issues
- The Agency priorities are in line with the Commission general objectives and transposed into specific objectives in the Agency's Annual Management Plan. A risk analysis is carried out to identify critical risks and implement the relevant action plans;
- The Agency has established roadmaps covering the planning of the specific actions delegated;
- A budget implementation Plan covering the expenditure cycle has been prepared and updated

Description of the reporting system
- Monthly report on operational budget execution and financial indicators;
- Quarterly, half-yearly and annual (AAR) reports by the AOSD to the Director of the Agency (AOD) on progress achieved towards operational objectives against indicators (AMP), on the internal control system, audits, finances and budget execution. All reports produced by the Agency are transmitted to the parent DGs.
- Weekly meetings of the management and minutes
- Monthly bilateral meetings between the Director and the Agency Heads of Unit.

High level management reporting
(e.g. to the Director General and its role in monitoring problem issues)
ANNEX 6: Implementation through national or international public-sector bodies (*if applicable*)

Not applicable
ANNEX 7: AAR of Executive Agency/ies *(if applicable)*

Not applicable