



2015

Annual Activity Report

**Education,
Audiovisual
Culture
Agency** **and
Executive**

Foreword

2015 is the second year of the implementation of the new programmes. Calls were published on time and the Agency received a high level of applications (approximately 12,500) for most of the actions managed. Despite this increase, evaluations took place according to schedule and selections were completed on time. Around 4,500 contracts were duly signed with selected applicants. In parallel, work continued on the previous programmes. The Agency also continued to support European policy for Education, Training and Youth with the publication of several reports giving a comparative analysis of progress in the Member States.

Further effort was invested in ensuring that applicants are fully informed of the possibilities for funding, with information events taking place both in Brussels and in the regions. The Agency demonstrated its capacity to quickly react: events cancelled due to the terror threat were organised online with videos. The Agency improved its level of service to citizens by clarifying in the feedback that we provide to applicants possible mechanisms for appeal.

Following the reorganisation of the Commission at the end of 2014, several visits of key Commission officials took place in 2015 to ensure good working relations, as well as the usual coordination meetings between Directors. The Steering Committee met with its revised membership and the updated Memoranda of Understanding were signed by the parent DGs. A group of MEPs visited the Agency, together with Commissioner Navracsics, to better understand how we deal with evaluations and ensure equal treatment.

Internally, the management of the Agency was strengthened with the Head of Department for Erasmus+ and EU Aid volunteers taking up her duties, and several Heads of Unit being confirmed in their posts following selections at the Commission.

Dissemination strategies put in place across the last 2 years have generated fruitful results. Closer relations with parent DGs are helping the continuing efforts to improve the dissemination of outcomes and mechanisms for feedback. We see in these activities, which are of a more political and strategic nature, a great opportunity for the Agency to increase the added value of its work.

This year again, the reservation for the LLP programme is maintained as the error rate is over 2% for the fourth consecutive year. The preventive measures implemented (i.e. use of lump-sums, kick-off meetings for new projects, etc.) were well received and are expected to have a positive impact on the error rates of the related programmes in future years. Nevertheless two new reservations are issued for the Culture and the Youth in Action programmes (2007-2013).

All in all, the Agency achieved its operational objectives set out in the EACEA Work programme 2015. The internal control and management systems operated well and the performance of the internal control system was assessed as adequate.

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INTRODUCTION

EACEA in brief

Our mission is to support European projects that connect people and cultures, reach out to the world and make a difference. Working together in education, culture, audio-visual, sport, youth, citizenship and humanitarian aid, we foster innovation through the exchange of knowledge, ideas and skills in a spirit of cross-border cooperation and mutual respect. We strive to provide excellent programme management and high quality service through transparent and objective procedures, showing Europe at its best¹.

The role of the Agency is to manage European funding opportunities and networks in the EU programmes Erasmus+, Creative Europe, Europe for Citizens and EU Aid Volunteers. The tasks executed by the Agency are carried out in conformity with both the delegating Decision and the legal bases of these programmes.

The Agency has a duty to ensure financial transparency, efficiency and a high quality service to applicants and beneficiaries in full co-operation and transparency with parent DGs.

2015 in brief

A. Management of resources

Human resources

The staff occupation rate for available posts at the end of December was 95% and the staff turn-over 5.4%. 4 selection panels were organised for Contract agents and internal mobilities involved approximately 10% of the staff.

Regarding career development reviews, the evaluation exercises in 2015 for seconded officials, temporary agents and contract agents were conducted according to the new implementing rules of appraisal adopted by the Steering Committee. Several information sessions with staff, management and the Staff Committee were organised to explain the new process and rules.

In addition the Steering Committee adopted, in line with the Commission, implementing rules on engagement and use of temporary agents 2f), on the CEOs, as well as for measures concerning unpaid leave. The Agency's organisational chart was slightly revised to adapt the names of 2 units. A memorandum of understanding was agreed between the Executive Agencies to establish an inter-Agency Disciplinary Board and the corresponding procedure was finalised.

The Agency is fostering an attractive working environment: each staff member followed 5.9 days on training over the year (including 1.5 days of informal on the job training). Newcomers and staff who recently benefited from internal mobility can report to HR on their experience after 6 months. HR also put in place open meetings to enable staff to have direct replies to their HR questions in a quick and flexible way.

The 2014 results of the complementary staff satisfaction survey indicated a decrease in the levels of satisfaction. Specific actions were put in place such as specific training and information sessions targeted at managers. Information sessions on dealing with conflict were organised. Measures have been taken to enable the implementation of a culture of feedback internally.

¹ The Agency supports the implementation of the overall objectives and political guidelines of the European Commission by managing tasks which are carried out in conformity with Commission Implementing Decision of 2013/776/EU repealing Decision 2009/336/EC, Delegation Act C (2013) 9189 as amended by Commission Decision C(2014)4084 and Commission Decision C(2015)658 and the legal bases of the delegated EU programmes.

This mission statement was produced in 2014 through an exercise involving all staff at the Agency.

Financial resources

With regard to the operational budget, the execution of commitment credits was EUR 597.31 Mio or 97.3% of the available budget, which is slightly below the target (98%). This execution takes into account all types of credits (C1, C4, C5, P0/R0). This is explained by the fact that a lot of C4 credits were generated on the achievement line of the Legacy programmes. The Agency can no longer commit credits on these lines. These credits were transferred in 2016 to the new programmes as C5 credits. In the Work Programme 2016, this indicator is modified to include only C1 and C5 credits. This year the execution of C1+C5 in commitments and payments is excellent (100%). The execution of payment credits was EUR 570.21 Mio. The payments reached 96% of the available budget which is above the target (95%).

With regard to the operating budget, the execution of commitment appropriations was EUR 45.97 (98.1% of the available budget – EUR 46.86 Mio). The execution of payment appropriations was EUR 46.4 Mio (88.6% of the available budget). The financial indicators are globally in line with the forecast, in particular for time-to-pay.

The percentage of operating costs is 8.13% ($46.4/570.2 = 8.13\%$), see section 2.1. 'Control results'.

IT resources

The development towards the integration of the financial system (APPFIN) functionalities into the grant management system (Pegasus) continues. This integration will lead to simplified workflows and will create a single environment linking the project and financial information. The development of the online submission tool for interim/final reports has been finalised this year. This functionality is now integrated into the education participant portal, also used for the registration of organisations in the application process.

Logistics

The move of the buildings, which was initially foreseen to be at the end of 2015, was postponed by one year. Nevertheless the office space and the financial conditions of the new buildings have been negotiated with OIB. The renting contracts of both buildings were extended.

B. Communication

Communication with our stakeholders was also further improved: the Agency website was regularly updated, new functions and features were developed and more pages are available in DE and FR. 1.800 requests for information from both applicants and beneficiaries were treated, mainly related to the Erasmus+ programme (70%). Furthermore, the Agency organised 3 information events (Infodays) for the programmes and a range of kick-off meetings, cluster meetings and coordinators' conferences.

C. Control & Audit environment

The multiannual error rate is still above 2% for the Lifelong Learning Programme (LLP) (2007-2013) and consequently the reservation is maintained. In addition, two new reservations for the Culture programme (2007-2013) and for the Youth in Action programme (2007-2013) will be issued this year. Concerning the Culture programme (2007-2013), as the result of one random audit, the Agency has issued a high recovery order which brings the multiannual detected error rate to 9.13%. Concerning the Youth in Action programme (2007-2013), despite this year's good results, the multiannual detected error rate was 3% (including the 2014 single audit result which was considered not significant in AAR 2014). As it is the end of the programme's lifecycle, the value of the closed grants is still quite substantial, while the payments made during the reporting year are low.

However, the Agency believes that the action plan set up for LLP reservation in 2011 but implemented through all programmes of the Agency should address these two new reservations and be fully effective for projects committed in 2013. (see section 2.1. 'Control results').

Following the reservation in the AARs of 2011, 2012, 2013 and 2014, an action plan was implemented and the error rate for the LLP programme is being closely monitored (see section 2.2. *'Audit observations and recommendations'*).

Following the closure of the IAC at the end of 2014, the Agency has been audited up to the end of 2015 by both internal and external independent auditors: the Commission's internal audit service (IAS) and the European Court of Auditors (ECA). The IAS issued a good opinion on the Agency internal control systems. The ECA's opinion on the Agency accounts 2014 indicated that they are reliable, legal and regular in all material respects.

EXECUTIVE SUMMARY

The Annual Activity Report is a management report of the Director of EACEA to the College of Commissioners. It is the main instrument of management accountability within the Commission and constitutes the basis on which the Commission takes its responsibility for the management of resources by reference to the objectives set in the management plan and the efficiency and effectiveness of internal control systems, including an overall assessment of the costs and benefits of controls.

a) Implementation of the Agency's Annual Work programme - Highlights of the year

In its Work Programme for 2015, the Agency identified 4 operational priorities. The achievements made during the reporting period for each of them are listed below.

1. Need to adapt to the new Commission structure

Following the appointment of the new Commission, the Agency operated under the supervision of four parent DGs in 2015. The delegation act was consequently amended to include the 2 new parent DGs (DG HOME and DG CNECT). The signature of the General Memorandum of Understanding (MoU) between the Agency and its parent DGs established close working relations with the new parent DGs, while maintaining our already good cooperation with the two existing parent DGs (DG EAC and DG ECHO). Specific MoU were also agreed notably concerning financial resources, IT, procurements and the management of designated bodies. In addition, two programme-specific working arrangements were agreed: one on the monitoring framework with DG ECHO and a second one on procedure and ways of working between the Agency and DG EAC on policy analysis in the field of Education and Youth. The delegation act was also modified by the inclusion of the delegation for 3 additional budget lines. This enables the Agency to manage external windows under the Erasmus+ programme (Special Windows for Jordan in the capacity Building for Higher Education, Western Balkans for Capacity Building Youth and Jean Monnet actions supported by FPI credits).

The two visits of Commissioner Navracsics to the Agency during the first semester of 2015 show that the excellent cooperation established under the previous Commissioner Vassiliou has continued.

At Unit level, several team-building sessions were organised with the involvement of colleagues from the parent DGs; this has proved to be an effective mechanism to bridge the gap between policy and programmes.

The move of the Agency initially foreseen end of 2015 is postponed to end of 2016. The aim is to be in closer proximity with the parent DGs in order to facilitate a closer working relationship.

2. Further improve programme management

During 2015, the Agency implemented the delegated programmes in line with its work programme. 16 calls for proposals were published as well as 14 calls for tenders. In addition, 17 restricted calls were published. The Agency received approximately 12,500 proposals for the first wave of selections and around 4,500 proposals were selected. By the end of 2015, all targets set for the time to contract were met and all payment indicators were in line with the targets.

Further improvements were put in place regarding programme management. Streamlining and harmonising processes for the new programmes was made possible by the updated Grant Management procedures. These procedures reflect the new Financial Regulations. The Internal Guidelines for amendments were revised and simplified following an action from the Working Smarter initiative. The closure of the Internal Audit Capability which deprived the Director of a close but independent advice on potential issues has been overcome by new responsibilities attached to the Director's office,

primarily focusing on Quality Assurance. The aim is to monitor and improve the key processes and tools with a view to increasing the efficiency and effectiveness of the Agency. One example is the revision of the Agency's guidelines on legal remedies and the internal review system for grants. The guidelines have been updated after taking stock of the first few months of the implementation of the Agency's new system of internal remedy.

An analysis of the feedback from participants on Infodays organised by the Agency in 2014/2015 showed positive results: the majority of participants considered that the event had either met or exceeded their expectations. Web streaming services were offered for all Infodays in 2015. These types of event show the added value of the Agency even if there is still room for improvement, notably regarding digital services, networking and interactivity.

Development and greater use of IT tools were made to improve or ease project management and to enable savings on time and money. The ICT tools to support online interaction with experts were used for most selections. Systemic feedback from the experts is now collected through an online survey. The majority of the applications were received on-line (90%). A new tool (Speedwell) was introduced for the payments of the administrative budget: a paperless workflow is now in place which saves time, paper and money. eReporting was quoted in the EACEA AWP 2015 as an example of how the Agency will improve its functioning in 2015. The initial pilot project run by the unit in charge of the management of the Europe for Citizens programme was extended to several actions in 2015. The development of the eReport is an efficiency gain for both beneficiaries and Agency staff. It enables the collaboration within the partnership of the projects and also warrants a faster reception of reports by the Agency. Further developments will be needed but the initial reaction of staff and stakeholders is positive. In the future, this will gradually be further extended to all actions delegated to the Agency.

3. Providing policy support to the Commission

Appropriate statistics and information on selection and programme implementation as well as best practices and star projects were delivered to the relevant Commission services. Monitoring Strategies of the various operational units were discussed to identify the data collection needs of the DG and the results of the monitoring missions were shared with mirror unit(s). Selection results were published on the Agency website and the first automatic transfers of reports in VALOR, the tool for dissemination and valorisation, took place.

The Agency provided continued policy support in the youth and educational fields, as well as up-to-date information on recent reforms at national level. The continuous collaboration between the Eurydice National units, DG EAC and the Agency, allowed the adoption of the first integrated Work Programme 2016/2017, covering both Youth and Education. The Eurydice 2015 Work Programme was implemented on time according to agreements with DG EAC and the wiki-based National Descriptions of Education Systems was regularly updated to reflect policy reforms. Analytical and thematic reports were produced for Education which touched on several issues. For example:

- The report 'Assuring Quality in education: Policies and Approaches to School Evaluation in Europe' which analyses the structures and organisation of schools evaluation in primary and compulsory secondary level.
- The report "Adult Education and Training in Europe: Widening Access to Learning Opportunities" which provides a comprehensive overview of policies and data related to the renewed European agenda for adult learning. The report concentrates on measures to ensure that the most vulnerable groups of adult learners, in particular those with low basic skills or insufficient qualifications, have appropriate access to lifelong learning opportunities
- The report "European Higher Education Area in 2015: Bologna Process Implementation Report" which provides a snapshot of the state of implementation of the Bologna Process from various perspectives. It provides both qualitative information and

statistical data, and covers all main aspects of higher education reforms aiming at a well-functioning European Higher Education Area.

- The report on 'The Teaching Profession in Europe: Practices, Perceptions, and Policies' analyses the relationship between the policies that regulate the teaching profession in Europe and the attitudes, practices and perceptions of teachers. The analysis covers aspects such as initial teacher education, continuing professional development, transnational mobility, as well as teacher demographics, working conditions, and the attractiveness of the profession. It combines qualitative and quantitative data from Eurydice,
- The report "Languages in Secondary Education: An Overview of National Tests in Europe – 2014/15", which provides a comparative overview of the national tests in Europe assessing the language competences of secondary school students
- The report Structural Indicators for Monitoring Education and Training Systems in Europe – 2015 which contains more than 30 structural indicators that focus on country progress and key policy developments in five areas: early childhood education and care, achievement in basic skills, higher education, graduate employability, and learning mobility

For Youth, the new Youth Wiki network was set up and should soon contribute to an overview of Youth Policy Governance and Voluntary Activities. In addition, the 2015 EU Youth Report was published with substantial support from the Agency.

4. Enhance knowledge sharing and good practice

This priority was also put forward in the Annual Work Programme 2015 as an example of how the Agency will improve its functioning in 2015.

Knowledge Management at the Agency aims to increase knowledge sharing among staff to facilitate staff to share common values, connect units and better understand the work and competences of others. The management of the Agency approved the launch of a reflection on a global strategy for Knowledge Management (KM) encompassing all related aspects: analysis of needs, cultural and organisational issues, implications on HR policies, information and communication, tools, etc. To this end, a reflection group of volunteers was set-up; the high level of response proved the high interest in the subject. The group was mandated to reflect on an overall strategy of KM. To achieve this goal, the group took the mission statement of the Agency as a starting point and discussed the overall purpose of the exercise in order to have a common understanding of what the Agency wants to achieve. In parallel, the group was also mandated to reflect on "quick-wins", i.e. possible areas where the introduction of collaborative tools in the short-term could lead to efficiency and productivity gains.

By the end of the year some progress could be observed:

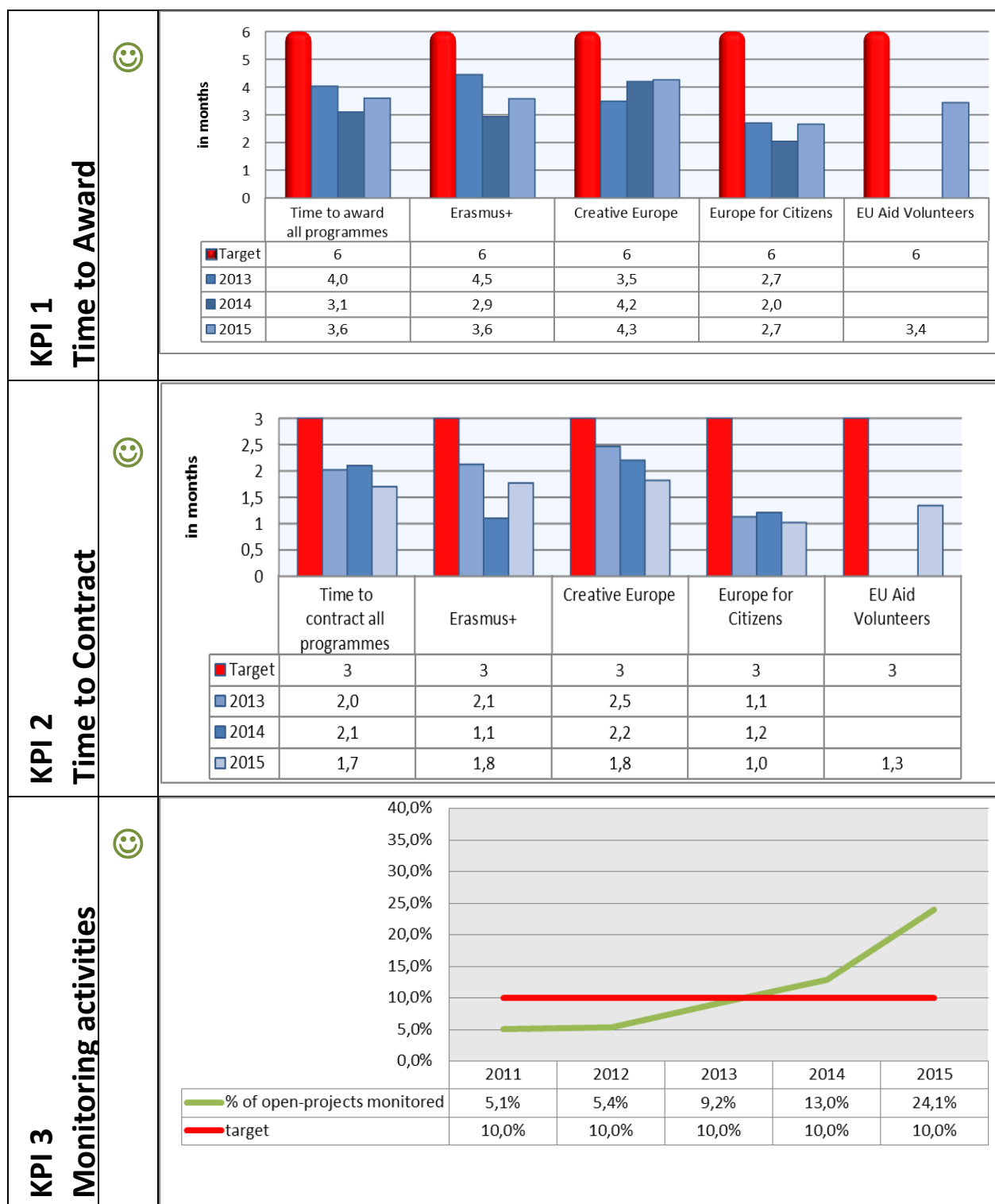
- As a result of a meeting organised in the format of a World Café the group gained a clear understanding as to why the Agency should be promoting knowledge management. This reflection will feed into the definition of the strategy
- All members of the group had come up with ideas for possible "quick-wins"; among them, the few that can potentially support the development of a culture of sharing will be selected and tested in 2016. This process will enable the Agency to assess the value of bottom-up initiatives to develop KM
- The group also realised that several KM initiatives were already taking place and proposed to carry-out a stock-taking exercise in order to raise awareness and enable the Agency to make a self-assessment

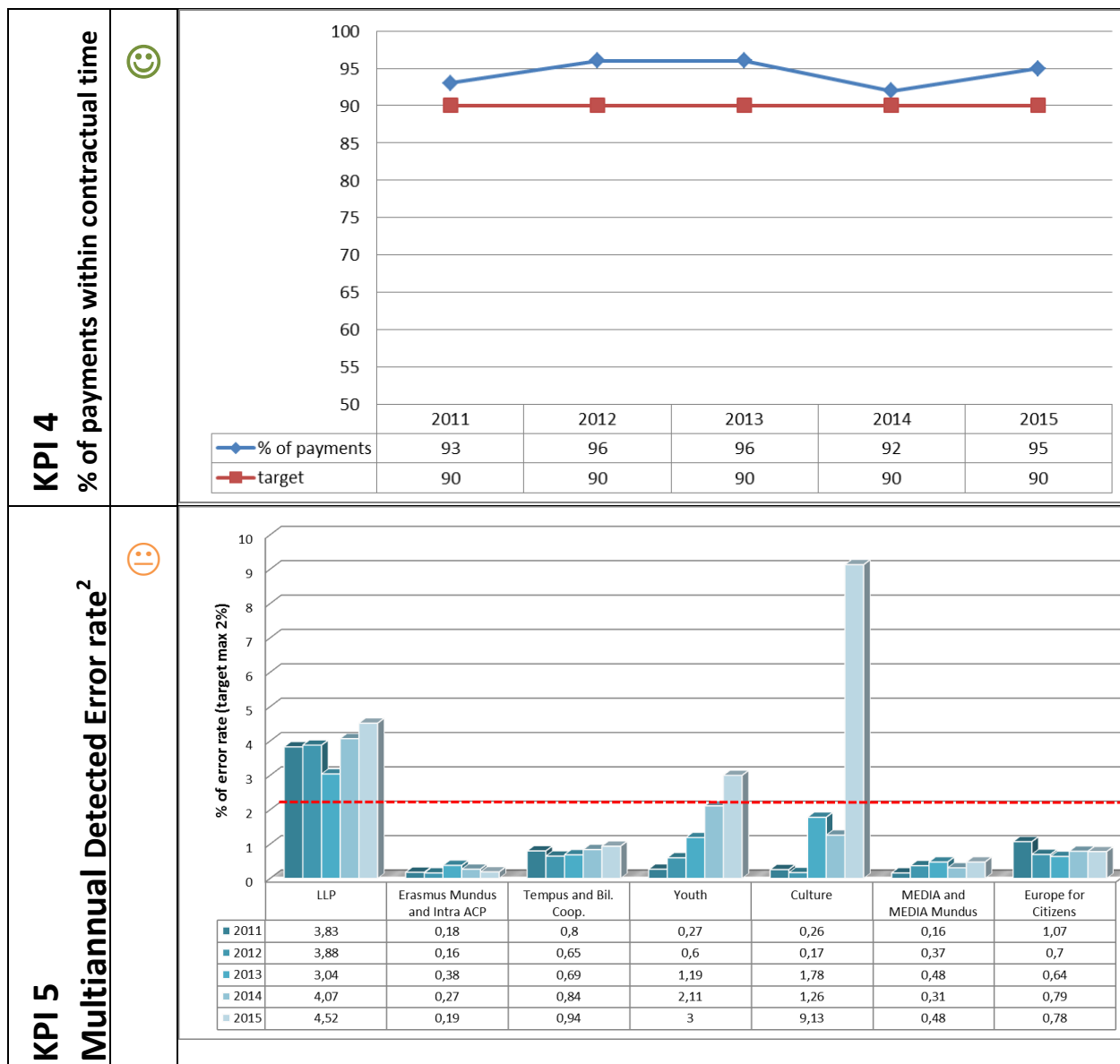
In 2016 the group will continue working on the definition of a strategy that meets the particular needs of the Agency. The strategy will be endorsed by the management of the Agency.

In the context of the Internal Communication & Staff Engagement awards 2015, the Agency received a special mention for its entry on Engaging Staff in Working Smarter. This internal initiative started in 2013 in response to the current age of austerity. With the aim to address the challenge of doing more with less, the Agency encouraged staff at all levels to develop ways of working smarter. Besides the award, the Working Smarter Initiative continues to drive staff engagement policies within the Agency. At the beginning of 2015, each unit drafted their mission letter based on the mission statement of the Agency which was produced through a participatory process. At the same time, a seminar took place in which senior management developed a strategy for the future of the Agency which focuses on people, knowledge and performance. Further effort was made to improve the way we work through the Working Smarter initiative and to encourage staff participation – for example through a bottom-up exercise to define the mission letter of each unit. An analysis was carried out in order to see how to tackle duplicate applications and double funding. Several guidelines were produced (Evaluation Committee, Document for the Management Meetings, Tender Specifications) or revised (Experts Engagement, Award Decision) to make the preparation of administrative documentation for the selection process easier. A Risk Management Workshop was organised, aiming to identify actions which are sensitive or risky. The conclusions of the complementary Staff Satisfaction Survey were discussed at all levels and lunchtime conferences were organised to raise awareness on the conclusions. In addition, dedicated training for managers were organised in order to ensure that the Agency remains a dynamic and rewarding place in which to work. The intranet of the Agency was entirely revamped resulting in improved navigation and the removal of out-of-date documents.

As the EACEA enters its tenth year as an Executive Agency it is an apt time for reflection on past achievements and forward thinking about the Agency's future. Therefore, at the end of 2015, a participatory event was organised, involving 50 staff members from across the Agency, to have a first reflection on the added value and performance of the Agency. The aim was to stimulate an open bottom-up discussion where colleagues could share their perspectives on the EACEA's added value and how this value could be measured and enhanced in the future. A diversity of themes were identified with common threads, notably the 'central' position of the Agency between the beneficiaries and the Commission was picked up in every discussion. One can conclude that the Agency's added value lies in this field of communicating and transmitting between the two. From the discussions a picture of the Agency emerged: an impartial, transparent knowledge provider with experienced and talented staff who can provide a client-oriented efficient service. The feedback mechanism of the Agency to the Commission, and to the outside world, was also placed at the forefront of the discussions. Finally, it was clear that the added value, both present and future, of the Agency was a subject which animated the participants to reflect on and consider how to improve the work of the EACEA.

b) Key Performance Indicators





The 5 KPIs were chosen to measure the efficiency of implementation of the delegated programmes to the Agency in 2015. This second year of implementation of the new generation of programmes was successful.

The sum of KPI 1 - Time to award (TTA) and KPI 2 - Time to contract (TTC) is compliant with the Financial Regulations ceiling (below 9 months) and is equivalent to 2014. In comparison to 2014, a small increase of the TTA is to be noted and is due to the increased number of applications received, which extends the period dedicated to the assessment of applications. On the contrary, a small decrease in TTC could be explained by the fact that the Agency is entering a cruise speed era: there is a 'routine' effect as most of the contractual documents were developed in 2014. It is the first year both indicators are displayed for the EU Aid initiative and it shows that the implementation is in line with the other programmes. The Europe for Citizens programme still has the best performance concerning these indicators. One can explain these good results by the simplifications put in place over the year (use of lump sums, e-reports, the eligibility check addressed by e-Forms) but also by the stability of the programme since 2006.

² For the programming period 2007-2013

The KPI3 - Project Monitoring shows that the Agency monitored almost one quarter (24%) of the open projects; approximately 900 projects. Compared to previous years (2013: 9%, 2014: 12%), this result shows the excellent performance of the Agency. The yearly monitoring strategy put in place since 2014 invited the units to make greater use of online monitoring and to cluster the missions wherever possible to tackle more projects. In 2016, the target of this indicator will be revised. Challenges remain with regard to the feedback of these monitoring activities to the Commission.

The KPI4 - Payment time limits indicates a very satisfactory situation well beyond the target and better than 2014, where calls were delayed impacting the budgetary execution.

The KPI 5 - Multiannual Detected Error Rate shows that for 3 programmes from the previous generation (2007-2013), namely LLP, Youth in Action and Culture, the error rate is above 2%.

The Lifelong Learning Programme (LLP) reservation is maintained this year. It is worth recalling the origin of the LLP reservation and the corrective measures taken to decrease the error rate below the materiality level of 2%. The first reservation for this programme was made in the AAR 2011 and was maintained in the AARs 2012, 2013 and 2014. Following the first reservation, the Agency drafted an action plan around three pillars covering all programmes and grant schemes.

- Improve the information provided to beneficiaries on financial obligations, audits and ex-post controls
- Improve the desk control strategies per unit/programme
- Consolidate the audit strategy

The action plan was implemented in conformity with the timetable in 2011 – beginning of 2012. While some corrective actions were already in place during 2011 for the LLP programme, other actions will lead to improvements in later years (i.e. the audit certificates under the new desk control strategy were mandatory for projects committed from 2013). Notwithstanding these actions, the biggest improvement will come from further financial simplifications to the "Erasmus+" programme 2014-2020. Most of the grants under the LLP programme were budget-based funding schemes which are much more prone to difficulties in terms of eligibility of costs. Hence, a greater use of lump sums and/or flat rates should reduce the error rates in future years.

In addition, two new reservations are issued for the Culture and for the Youth in Action programmes (2007-2013).

Concerning the Culture programme (2007-2013), as the result of one random audit, the Agency has issued a high recovery order which brings the multiannual detected error rate to 9.13%.

Concerning the Youth in Action programme (2007-2013), despite this year's good results, the multiannual detected error rate (including the 2014 single audit result which was considered not significant) was 3%. In fact, as it is the end of the programme's lifecycle, the value of the closed grants i.e. the funding (EUR 15.9 Mio) is still quite substantial, while the payments made during the reporting year are already quite low (precisely EUR 2 Mio representing 0.35% of 2015 total payments). Therefore, in order to respect the Agency's criteria established for having a reservation (namely when the multiannual materiality is higher than 2%), the Agency has decided to issue a new reservation.

However, the Agency believes that the action plan set up for LLP reservation in 2011 but implemented through all programmes of the Agency should be fully effective for projects committed in 2013.

Finally the first results for the two programmes (Europe for Citizens and Creative Europe) under the current generation were issued and shown that no major/important audit findings have been found up to now. For more details please see section 2.1.

c) Key conclusions on Management and Internal control

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

The Commission has adopted a set of internal control principles, based on international good practice, aimed to ensure the achievement of policy and operational objectives. The financial regulation requires that the organisational structure and the internal control systems used for the implementation of the budget are set up in accordance with these standards. EACEA has assessed the internal control systems during the reporting year and has concluded that the internal control principles are implemented and function as intended. Please refer to AAR section 2.3 for further details.

In addition, EACEA has systematically examined the available control results and indicators as well as the observations and recommendations issued by internal auditors and the European Court of Auditors. These elements have been assessed to determine their impact on the management's assurance as regards the achievement of control objectives. Please refer to Section 2 for further details

In conclusion, management has reasonable assurance that, overall, suitable controls are in place and working as intended; risks are being appropriately monitored and mitigated; and necessary improvements and reinforcements are being implemented. The Executive Director, in his capacity as Authorising Officer by Delegation has signed the Declaration of Assurance, albeit qualified by a reservation concerning the Lifelong Learning programme (2007-2013), a reservation on the Culture programme (2007-2013) and a reservation on the Youth in Action programme (2007-2013).

d) Information to the Commissioners

The main elements of this report and assurance declaration, including a reservation concerning the Lifelong Learning programme (2007-2013), a reservation on the Culture programme (2007-2013) and a reservation on the Youth in Action programme (2007-2013), have been brought to the attention of the Agency's Steering Committee and to the parent DGs Directors General, who have taken these into consideration in the Agency's reporting to Commissioner Tibor Navracsics, responsible for Education, Culture, Youth and Sport, Commissioner Dimitris Avramopoulos, responsible for Migration, Home Affairs and Citizenship, Commissioner Günther Oettinger, responsible for Digital Economy and Society and Commissioner Christos Stylianides, responsible for Humanitarian Aid and Crisis Management.

1. IMPLEMENTATION OF EACEA'S ANNUAL WORK PROGRAMME

1.1 Erasmus+

2015 was a year of consolidation for Erasmus+. The programme architecture remained unchanged in its essence yet it allowed for the introduction of some new initiatives e.g.: Small Collaborative Partnership under the Sport chapter, Policy experimentation in school education sector, first project selections under Western Balkan Youth Window (Capacity building in Youth).

The beneficiaries of the programme were supported by the Agency's growing use of ICT tools, digitisation, streamlined administrative procedures and a more focused monitoring approach.

To maximise the potential of selecting the best quality projects, the Agency used the services of external evaluators with relevant expertise in the fields of Education, Training, Youth and Sport. The manual for experts' assessment was updated and several expert assessment briefings were organised. Most of the expert briefings as well as expert evaluations were carried out remotely using various ICT tools.

In 2015, the Agency was responsible for managing funds under 59 different Work Programme Index references (WPI) grouped under a general Erasmus+ call, other specific calls, invitations to apply, calls for tender, Calls without financial impact and calls to select experts.

The implementation of the Erasmus+ Programme by the Agency contributes to the achievement of the specific objectives set by DG EAC as indicated in the general budget 2015 publication.

Erasmus+ at EACEA

The programme attracted over 4.000 applications, largely submitted through an electronic online format, with a global success rate of 46%. As anticipated in the Erasmus+ Multiannual Financial Framework, the total 2015 budget increased by 2.8 %. By the end of the year, the Agency had signed more than 1.500 contracts and 10 service contracts.

N°	Specific Objectives of budget lines 15.02
1.1	- To improve the level of key competences and skills, with particular regard to their relevance for the labour market and their contribution to a cohesive society, in particular through increased opportunities for learning mobility and through strengthened cooperation between the world of education and training and the world of work
1.2	- To foster quality improvements, innovation excellence and internationalisation at the level of education and training institution, in particular through enhanced transnational cooperation between education and training providers and other stakeholders ³
1.3	- To promote the emergence and raise awareness of a European lifelong learning area designed to complement policy reforms at national level and to support the modernisation of education and training systems, in particular through enhanced policy cooperation, better use of Union transparency and

³ As regards breakdown by type of organisations/country/sector, the public source of the reporting on indicators stipulated in the legal basis is to be defined.

	recognition tools and the dissemination of good practices
1.4	- To enhance the international dimension of higher education through cooperation between institutions from programme and partner countries, with a view to increasing the attractiveness of European higher education and supporting the Union's external action, notably the external projection of internal policies, the EU development objectives, through the promotion of student and staff mobility and cooperation between higher education institutions in particular targeted capacity-building measures in partner countries
1.5	- To improve the teaching and learning of languages and promote the Union's broad linguistic diversity and intercultural awareness
1.6	- To promote excellence in teaching and research activities in European integration through Jean Monnet activities worldwide
1.7	- To improve the level of key competences and skills of young people, including those with fewer opportunities, as well as to promote participation in democratic life in Europe and the labour market, active citizenship, intercultural dialogue, social inclusion and solidarity, notably through increased learning mobility opportunities for young people, those active in youth work or youth organisations and youth leaders, and through strengthened links between the youth field and the labour market
1.8	- To foster quality improvements in youth work, notably through enhanced cooperation between organisations in the youth field and/or other stakeholders
1.9	- To complement policy reforms at local, regional and national level and to support the development of knowledge and evidence-based youth policy as well as the recognition of non-formal and informal learning, notably through enhanced policy cooperation, better use of Union transparency and recognition tools and the dissemination of good practices
1.10	- To enhance the international dimension of youth activities and the role of youth workers and organisations as support structures for young people in conjunction with the Union's external action, notably through the promotion of mobility and cooperation between the Union and partner country stakeholders and international organisations and through targeted capacity-building in partner countries.
1.11	- To tackle cross-border threats to integrity of sport such as doping, match fixing, violence as well as all kind of intolerance and discrimination
1.12	- To promote and support good governance in sport and dual careers of athletes
1.13	- To promote voluntary activities in sport, together with social inclusion, equal opportunities and awareness of the importance of health-enhancing physical activity, through increased participation in, and equal access to sport for all.

Erasmus+

State of play Selection and Contracting phase - 31st December 2015

Budget line : 15.02.01.01 ; 21.02.20 ; 21.03.20 ; 19.05.20 ; 22.02.04.02

Education and Training

Sub-Programme Code	WPI	Heading 4	Action	PLANNED INTERVENTIONS	Call Ref	Call Deadline	Number of Applications	% Ineligible App	Number of selected Projects	% Selected Projects	1st Award Decision Date	Grant award decision mode	Time to award (in months)	Time to contract (in months)	Sum TTA TTC	Total Actual grants
EPPKA1	1.20	Yes	Erasmus Mundus Joint Master Degrees	180	EAC/A04/2014	04/03/2015	76	5,26%	15	19,74%	30/7/2015	CFP-EA	5,20	2,63	7,83	35.650.800
EPPKA1	1.21	Yes	Joint Erasmus Mundus Masters Programmes - FPA	28	EACEA 29/2009	06/03/2015	28	0,00%	28	100,00%	13/05/2015	CFP-EA	3,87	2,27	6,14	15.644.580
				30	EACEA 41/2010		30	0,00%	30	100,00%	13/05/2015	CFP-EA	3,87	2,27	6,14	17.561.002
				30	EACEA 42/2011		30	0,00%	30	100,00%	13/05/2015	CFP-EA	3,87	2,20	6,07	18.550.600
EPPKA1	1.22	No	Joint Erasmus Mundus Doctoral Programmes	11	EACEA 29/2009	27/02/2015	11	0,00%	11	100,00%	13/05/2015	CFP-EA	2,93	2,37	5,30	7.522.000
				10	EACEA 41/2010		10	0,00%	10	100,00%	13/05/2015	CFP-EA	2,93	2,20	5,13	6.836.000
				8	EACEA 42/2011		8	0,00%	8	100,00%	13/05/2015	CFP-EA	2,93	2,03	4,96	6.593.200
EPPKA1	1.24	No	Erasmus+ Quality Review	19	EACEA 09/2015	23/03/2015	18	0,00%	17	94,44%	18/05/2015	CFP-EA	2,37	1,93	4,30	15.264.600
EPPKA2	2.20	No	Knowledge Alliances for Higher Education	230	EAC/A04/2014	26/02/2015	200	2,00%	10	5,00%	31/7/2015	CFP-EA	5,40	3,57	8,97	8.967.245
EPPKA2	2.21	No	Sector Skills Alliances	10	EAC/A04/2014	26/02/2015	36	11,11%	8	22,22%	15/7/2015	CFP-EA	4,90	4,13	9,03	6.854.828
EPPKA2	2.32	No	eTwinning National Support Services (NSS)	35	EACEA 35/2014	03/12/2014	34	0,00%	34	100,00%	26/02/2015	D-EA	3,73	1,53	5,26	9.045.768
			eTwinning Partner Support Agencies (PSA)	6	EACEA 37/2014	10/12/2014	6	0,00%	6	100,00%	07/04/2015	D-EA	4,50	0,90	5,40	631.679
EPPKA2	2.34	No	EPALE National Support Services (EPALE NSS)	38	EACEA 01/2015	15/07/2015	35	0,00%	35	100,00%	28/10/2015	SPE-EA	3,80	-	-	4.393.409
EPPKA2	2.40	Yes	International HE capacity building - Joint Projects	122	EAC/A04/2014	10/02/2015	442	11,31%	119	26,92%	22/7/2015	CFP-EA	5,90	-	-	104.544.770
EPPKA2	2.40	Yes	International HE capacity building - Structural projects	18	EAC/A04/2014	10/02/2015	73	17,81%	18	24,66%	22/7/2015	CFP-EA	5,90	4,27	10,17	15.019.701
EPPKA3	3.01	No	Eurydice network	41	EACEA 39/2014	15/12/2014	40	0,00%	40	100,00%	18/02/2015	D-EA	2,40	0,50	2,90	2.538.902
EPPKA3	3.01	No	Support to better Knowledge in Youth Field - Youth Wiki	27	EACEA 26/2015	15/10/2015	28	3,57%	27	96,43%	4/12/2015	D-EA	1,90	0,13	2,03	416.000
EPPKA3	3.21	No	Support for policy reform - Prospective Initiatives – Policy experimentation *	6	EACEA 30/2014	20/03/2015	6	66,67%	1	16,67%	30/11/2015	CFP-EA	5,20	0,13	5,33	2.500.000
EPPKA3	3.40	No	Europass National Centres	38	EACEA 41/2014	15/12/2014	33	0,00%	33	100,00%	25/02/2015	D-EA	2,63	1,27	3,90	2.020.114
EPPKA3	3.41	No	Euroguidance network	38	EACEA 40/2014	15/12/2014	35	2,86%	34	97,14%	18/02/2015	D-EA	2,40	0,80	3,20	2.142.066
EPPKA3	3.49	No	EQF-National Coordination Points (Part A)	38	EACEA 42/2014	15/12/2014	29	0,00%	29	100,00%	25/02/2015	D-EA	2,63	0,97	3,60	1.042.814
EPPKA3	3.51	No	European Agenda for Adult Learning	38	EACEA 02/2015	19/05/2015	31	0,00%	29	93,55%	19/9/2015	SPE-EA	4,47	1,60	6,07	4.638.813
EPPKA3	3.57	No	Network of Higher Education Reform Experts	26	EACEA 37/2014	30/09/2015	26	0,00%	26	100,00%	26/11/2015	SPE-EA	2,13	-	-	1.352.030
EPPKA3	3.60	No	Erasmus Charter for Higher Education	1	EACEA 10/2015	30/04/2015	927	2,37%	302	32,58%	3/12/2015	APEL-EA	na	na	na	0
EPPKA3	3.65	No	Comprehensive Policy frameworks for Continuing VET	15	EACEA 04/2015	30/04/2015	10	60,00%	2	20,00%	15/7/2015	CFP-EA	2,80	3,97	6,77	375.066
EPPKA3	3.66	No	PIAAC - Programme for International Assessment of Adult Competencies	5	EACEA 27/2016	30/10/2015	5	0,00%	5	100,00%	2/12/2015	D-EA	1,33	0,27	1,60	349.184
EPPKA3	3.71	No	Forward Looking Cooperation Projects	40	EACEA 33/2014	24/02/2015	101	4,95%	40	39,60%	3/7/2015	CFP-EA	4,70	3,97	8,67	18.055.069
EPPKA3	3.75	No	Civil Society Cooperation	22	EACEA 31/2014	17/12/2014	29	3,45%	20	68,97%	9/04/2015	CFP-OP-EA	4,03	1,97	6,00	2.430.040
Total Education and Training budget line				1043	16	16	2202	7,32%	902	73,50%	14	6	3,60	1,97	5,56	310.940.281
Total hors partenariats, appels d'offres et organismes désignés				758	8	8	1010	15,64%	336	41,57%	2	1	4,11	2,72	6,83	279.939.461

* Assessment of the proposals in 2 stages

Erasmus+

State of play Selection and Contracting phase - 31st December 2015

Budget line : 15.02.01.01 ; 21.02.20 ; 21.03.20 ; 19.05.20 ; 22.02.04.02

Education and Training

Youth

Programme / Sub-Programme Code	WPI	Heading 4	Action	PLANNED INTERVENTIONS	Call Ref	Call Deadline	Number of Applications	% Ineligible App	Number of selected Projects	% Selected Projects	1st Award Decision Date	Grant award decision mode	Time to award (in months)	Time to contract (in months)	Sum TTA TTC	Total Actual grants
EPPKA1	1.12	No	EVS Large-scale volunteering projects	3	EAC/A04/2014	03/04/2015	8	0,00%	4	50,00%	15/7/2015	CFP-EA	3,73	0,20	3,93	238.173
EPPKA2	2.11	No	Capacity building (Youth)	55	EAC/A04/2014	03/04/2015	144	1,39%	39	27,08%	14/7/2015	CFP-EA	3,67	0,43	4,10	4.603.608
						02/09/2015	202	1,49%	36	17,82%	1/12/2015	CFP-EA	3,27	0,07	3,34	4.358.279
EPPKA2	2.11	Yes	Capacity Building (Youth) - Western Balkans window	35	EAC/A04/2014	03/04/2015	149	2,01%	43	28,86%	14/07/2015	CFP-EA	3,67	1,03	4,70	1.769.117
						02/09/2015	176	2,84%	23	13,07%	1/12/2015	CFP-EA	3,27	0,40	3,67	1.171.961
EPPKA3	3.45	No	Eurodesk Brussels Link	1	EACEA 45/2014	22/12/2014	1	0,00%	1	100,00%	22/01/2015	D-EA	0,10	2,13	2,23	586.500
EPPKA3	3.72	No	Structured Dialogue Youth	30	EACEA 44/2014	16/12/2014	30	0,00%	30	100,00%	18/02/2015	MON-EA	2,53	0,97	3,50	997.802
EPPKA3	3.76	No	Civil Society cooperation: Youth	100	EACEA 31/2014	17/12/2014	115	5,22%	85	73,91%	20/03/2015	CFP-OP-EA	3,43	2,23	5,66	3.735.211
Total Youth budget line				224	4	3	825	1,62%	261	51,34%	3	4	2,96	0,93	3,89	17.460.652
Total hors partenariats, appels d'offres et organismes désignés				193	2	2	794	2,15%	230	44,96%	1	1	3,52	0,43	3,95	12.141.139

Jean Monnet

Programme / Sub-Programme Code	WPI	Heading 4	Action	PLANNED INTERVENTIONS	Call Ref	Call Deadline	Number of Applications	% Ineligible App	Number of selected Projects	% Selected Projects	1st Award Decision Date	Grant award decision mode	Time to award (in months)	Time to contract (in months)	Sum TTA TTC	Total Actual grants
EPJMO	4.10	Yes	Jean Monnet Centre of Excellence	26	EAC/A04/2014	26/03/2015	63	4,76%	32	50,79%	29/7/2015	CFP-EA	4,47	2,40	6,87	2.997.511
EPJMO	4.10	Yes	Jean Monnet Chair	28	EAC/A04/2014	26/03/2015	156	4,49%	41	26,28%	29/7/2015	CFP-EA	4,47	2,63	7,10	1.847.849
EPJMO	4.10	Yes	Jean Monnet Module	82	EAC/A04/2014	26/03/2015	409	1,71%	108	26,41%	29/7/2015	CFP-EA	4,47	-	-	2.655.346
EPJMO	4.11	Yes	Jean Monnet Network	9	EAC/A04/2014	26/03/2015	39	0,00%	10	25,64%	29/7/2015	CFP-EA	4,47	3,13	7,60	2.686.034
EPJMO	4.11	Yes	Jean Monnet Project	54	EAC/A04/2014	26/03/2015	176	1,14%	55	31,25%	29/7/2015	CFP-EA	4,40	2,93	7,33	2.832.595
EPJMO	4.12	Yes	Jean Monnet Support to Associations	8	EAC/A04/2014	26/03/2015	19	5,26%	10	52,63%	29/7/2015	CFP-EA	4,47	1,93	6,40	466.121
EPJMO	4.12	Yes	Jean Monnet Support to Institutions	4	EAC/A04/2014	26/03/2015	18	22,22%	4	22,22%	29/7/2015	CFP-EA	4,40	2,30	6,70	959.763
EPJMO	4.20-25	No	Jean Monnet Designated Institutions	7	NA	31/12/2014	7	0,00%	7	100,00%	20/03/2015	D-EA	2,87	1,10	3,97	29.226.468
Total Jean Monnet budget line				218	1	2	887	4,95%	267	41,90%	1	2	4,25	2,35	6,60	43.671.687
Total hors partenariats, appels d'offres et organismes désignés				211	1	1	880	2,47%	260	-0,580967	0	1	4,45	2,55	7,00	14.445.219

Erasmus+ State of play Selection and Contracting phase - 31st December 2015

Budget line : 15.02.01.01 ; 21.02.20 ; 21.03.20 ; 19.05.20 ; 22.02.04.02

Sport

Programme / Sub-Programme Code	WPI	Heading 4	Action	PLANNED INTERVENTIONS	Call Ref	Call Deadline	Number of Applications	%Ineligible App	Number of selected Projects	%Selected Projects	1st Award Decision Date	Grant award decision mode	Time to award (in months)	Time to contract (in months)	Sum TTA TTC	Total Actual grants
SPO	5.08	No	Support for Collaborative Partnerships - EWOS	5	EAC/A04/2014	22/01/2015	14	0,00%	5	35,71%	30/3/2015	CFP-EA	2,50	2,20	4,70	1.279.149
SPO	5.09	No	Support for Collaborative Partnerships	50	EAC/A04/2014	14/05/2015	254	0,39%	40	15,75%	1/10/2015	CFP-EA	5,07	1,60	6,67	15.684.010
SPO	5.10	No	Support for not for profit European sport events - EWQ	3	EAC/A04/2014	22/01/2015	67	4,48%	5	7,46%	30/3/2015	CFP-EA	2,50	1,00	3,50	987.887
SPO	5.11	No	Support for not for profit European sport events	3	EAC/A04/2014	14/05/2015	87	6,90%	3	3,45%	1/10/2015	CFP-EA	5,07	0,70	5,77	896.976
SPO	5.15	No	Dialogue with stakeholders - National Events	33	EACEA 08/2015	13/03/2015	31	0,00%	31	100,00%	27/4/2015	MON-EA	1,73	1,30	3,03	1.717.065
Total Sport budget line				94	2	3	453	2,21%	84	18,54%	0	2	3,37	1,36	4,73	20.565.087
Total hors partenariats, appels d'offres et organismes désignés				94	2	3	453	2,21%	84	18,54%	0	1	3,37	1,36	4,73	18.848.022
Total Erasmus+ programme				1579	23	24	4367	4,02%	1514	46,32%	18	6	3,58	1,77	5,34	392.637.706
Total hors partenariats, appels d'offres et organismes désignés				1256	13	14	3137	5,62%	910	11,75%	3	2	4,03	2,08	6,11	325.373.841

1.1.1 Education and Training activities

Publication of calls

The *General* Erasmus+ call was published by DG EAC on 20 October 2015 along with a revised Erasmus+ Programme Guide. The revision process of the Guide was the outcome of very fruitful cooperation between DG EAC and EACEA, and resulted in further clarifications on eligibility and award criteria as well as on the introduction of a flexible approach in the architecture of certain activities whose implementation was regarded as too complex or cumbersome, i.e. KA1-Erasmus Mundus Joint Master Degrees (EMJMD), KA2-Capacity Building in the field of Higher Education (CBHE).

In addition to the general call, the following calls and invitations to submit were published by the Agency:

– EPALE National Support Services	EACEA 01/2015
– National Coordinators for the Implementation of the European Agenda for Adult Learning	EACEA 02/2015
– Comprehensive policy frameworks for continuing Vocational Education and Training	EACEA 04/2015
– Quality review of EMMC (FPA 2010)	EACEA 09/2015
– Erasmus Charter for Higher Education (ECHE)	EACEA 10/2015
– EQF-NCP Databases	EACEA 24/2015
– Youth Wiki: Better knowledge in the youth policy	EACEA 26/2015
– Programme for the International Assessment of Adult Competencies (PIAAC)	EACEA 27/2015
– eTwinning National Support Services	EACEA 30/2015
– eTwinning Partner Support Agencies (PSA)	EACEA 31/2015
– Policy experimentation	EACEA 34/2015
– Eurydice National Units	EACEA 35/2015
– Europass, Euroguidance, EQF	EACEA 36/2015
– National Erasmus+ Offices (NEOs)	EACEA 37/2015
– Higher Education Students Survey (EUROSTUDENT VI)	EACEA 40/2015
– Support for SMEs engaging in apprenticeships	EACEA 41/2015
– NARIC	EACEA 44/2015
– EQAVET	EACEA 46/2015
– Support for policy reform – Initiatives for policy Innovation	EACEA 05/2016
– Transparency and recognition of skills and qualifications	EACEA 39/2015
– Support to the implementation of EHEA reforms	EACEA 49/2015
– Civil Society Cooperation (FPA 015)	EACEA 31/2014

The Agency actively contributed to the implementation of the Erasmus+ promotion campaign. The campaign was strengthened as compared to 2014, to ensure a higher number and a better quality of applications. In particular for the international dimension of Erasmus+ the Agency in cooperation with DG EAC launched a joint information campaign in the Programme and Partner countries in order to increase the overall visibility and the participation of institutions from specific regions. The Agency organised two Information Days in Brussels/Belgium, contributed to the organisation of numerous Information days organised by Erasmus+ National Agencies and carried out several Erasmus+ information and promotion focused business trips and meetings. An Information day (Knowledge Alliances and Sector Skills Alliances) was cancelled due to the security lockdown in Brussels in November 2015. The Agency showed its adaptability by running the event online and producing short videos to introduce the presentations.

For each of the above mentioned calls, a well-organised set of documents, including guides for applicants, e-form application guide, lists of frequently asked questions, etc.

■ EACEA's quick thinking

The example of the E+ Knowledge Alliances and Sector Skills Alliances Infoday

Due to the security situation the Erasmus+ Knowledge Alliances and Sector Skills Alliances Infoday on 23/11/2015 was cancelled.

Units A2 and A5 took the initiative to produce 4 short professionally made videos to introduce the presentations.

Available on [EACEA's web page](#)



These videos covered information on [how to prepare a good application](#), [financial aspects of the projects](#), [overview of Knowledge Alliances](#) and [Sector Skills Alliances](#).

was published on the Agency's website. In addition, a series of e-tutorials for International Higher Education and Jean Monnet actions were produced. On the occasion of the unexpected cancellation⁴ of an Info Day for the Knowledge Alliances and Sector skill Alliances actions, a series of short videos were produced to guide prospective applicants. The short videos were enthusiastically welcomed by the public as a way to promote the call and the Agency is considering applying this approach in a more systemic manner in the future. The Agency's activities in relation to procurements mainly consisted of the launch of 6 negotiated procedures. The Agency ensured timely publication of the calls, accessibility of the funding available and transparency of related administrative procedures.

Selection

Education and training projects selected under the general Erasmus+ call promote activities related to the learning mobility of individuals (KA1), and Cooperation for innovation and the exchange of good practices (KA2). Although the call generated high demand in the Knowledge Alliances sector, the number of applications for Sector Skills Alliances, Erasmus Mundus Joint Master degrees and Capacity-building in Higher Education was lower than expected; the latter had a rather high percentage of ineligible applications. The Agency has examined the reasons for this internally, by assessing the complexity of the relevant call conditions, and externally, by carrying out a survey involving external experts, previously unsuccessful applicants and Erasmus+ National Agencies. As a result, the Erasmus+ Programme Guide was revised to address the issues identified.

Contrary to the general Erasmus+ call, the overall number of applications responding to specific calls in the field of Education and Training increased compared to 2014. In the framework of the support for (education) policy reform, the call targeting forward looking cooperation projects attracted a substantial number of good quality innovative proposals. Following a re-allocation of funds not used by other actions, the projects placed on the reserve list of this new action could be funded. Regretfully the call addressing the development of comprehensive policy frameworks for continuing Vocational Education and Training struggled to attract a sufficient number of quality applications. As a consequence, the number of selected projects significantly deviated from the work programme indication. The Agency provided the Commission with analysis and feedback on the results of the Call and recommendations regarding issues identified. This was taken into account when preparing the Call for SMEs engaging in apprenticeships.

The 2015 selections were successfully completed in line with the Work programme. The majority of the grant award decisions were signed by the end of the year. The accreditation process in the framework of the European Charter for Higher Education (ECHE) was successfully finalized, registering almost 400 new Higher Education institutions in the ECHE database before the general Erasmus+ call deadline.

To ensure that the Commission's specific policy objectives are supported and that it continues to receive updated information on developments in the field of education, training and youth and that the Programme results are disseminated according to its objectives, the Eurydice, the Euroguidance and Europass networks, the National Coordination Points for European Qualifications Framework (EQF), the Eurodesk network, the eTwinning National Support Services, were invited to apply for annual funding. The Agency also prepared reports on the impact and outcomes, of three of the above networks, which are to be presented to DG EAC and DG EMPL in 1st quarter of 2016.

While the implementation of the Erasmus+ marked its second year, the Agency continued managing a significant volume of projects selected under the previous LLP, Tempus and Erasmus Mundus (EM) programmes. The parallel implementation of EM Master Courses and EM Joint Master Degrees (Erasmus+ EMJD-KA1) allowed a redistribution of funds which could not be absorbed under KA1.

⁴ Due to Brussels' lock-out for security.

The Agency successfully concluded and monitored a number of service contracts including Central Support Services for eTwinning and EPALE. To improve the quality of outputs and allow further improvement of the platform the renewed contract with the service provider for EPALE has been enriched by clearly identified targets and Key Performance Indicators.

The Agency continued to oversee and steer the developments of Erasmus+ Online Linguistic Support (OLS). In 2015 the Agency recorded an unprecedented growth in OLS usage and OLS licence consumption. Nevertheless, as the obligation to use OLS for Erasmus+ mobilities was introduced only in January 2015, the overall licence consumption in the context of activities selected under the 2014 general Erasmus+ call remained below expectations.

As the 2015 call marked the first period when OLS had to be used by all the three sectors (HE, VET, Youth) the perspective of reaching the licence distribution targets is rather positive. The Agency is closely monitoring the progress.

Monitoring

The monitoring was carried out on the basis of a tailored monitoring strategy developed for the various Education and Training related actions. The individual strategies were the result of needs analysis (e.g. follow up on policy objectives) and risk assessment, and included desk monitoring, on site and remote monitoring. A list of planned monitoring visits with estimated dates and purpose indicators, such as follow-up and advice, in-depth review/project at risk or potential best practice, has been annexed to the strategy and benefitted from a mid-year revision/update.

In 2015 the Agency launched an intensified results and deliverables oriented approach which presented a shift from participating in kick-off meetings organised by beneficiaries in early stages of project implementation, to a more real-time monitoring approach. Along with the onsite monitoring visits and project coordinators conferences the Agency organised several remote monitoring activities such as video conferences, live streaming conferences with active chat fora and webinars.

Where appropriate, the components of networking, knowledge and experience sharing were incorporated in the programme of an event. The results of project monitoring were regularly communicated to beneficiaries by means of feedback letters including progress appreciation as well as recommendations for further improvements (if applicable). For high risk projects clear action plans were developed to ensure that the project objectives would be achieved.

To allow continued exchange of information and know-how, virtual communities were set up e.g. Knowledge Alliances and EPALE National support services.

A significant part of the monitoring activities was geared towards addressing projects selected in the context of the previous generation of programmes in Education and Training (LLP, TEMPUS, Erasmus Mundus, Intra ACP). In the sector of international dimension of higher education, surveys targeting these legacy projects were used as an efficient monitoring tool which provided valuable feedback for policy achievements, e.g.: four TEMPUS programme impact studies were launched.



The monitoring tools in place allowed the Agency to collect evidence on the project implementation progress and also served as an advice and risk management mechanism e.g.: the quality of final reports produced by projects which were visited or profited from monitoring significantly improved compared to interim reports.

The feedback received by beneficiaries displayed overall satisfaction with and appreciation of the Agency's monitoring activities.

The outcomes from project monitoring were regularly shared with DG EAC, DG EMPL, DG DEVCO and other stakeholders including EU Delegations and Erasmus+ National Agencies.

In the context of DG EAC's Strategy for the Dissemination and Exploitation of Programme results, the Agency played a key role in the selection of Good practices and Programme Success stories.

The Agency has also made efficiency gains by clustering (where possible) of monitoring visits, combining Information and Promotion business trips with project monitoring and increasing the presence of online project monitoring.

EU Added value / Policy achievements

EU Added value

The language assessment and learning tool of the European Commission, the Online Linguistic Support (OLS) is a unique language tool of a kind on the market. It covers the most widely spoken official languages in the EU, it is a flexible tool, available 24h/24 and can be accessed online by mobility students.

In a response to the refugee and migrant crises, EACEA has been tasked by DG EAC to launch preparations to make the OLS available to refugees, so that they can demonstrate or acquire the necessary linguistic skills to continue their education at higher education or vocational education and training level, and increase their chances to integrate the labour market.

The Forward looking cooperation projects embrace and target innovation and policy reforms. They demonstrate links to policy stakeholders with evidenced potential for reforms in relevant education and training area. The Agency closely monitors and feeds back to the Commission any emerging achievements. For a potentially valuable input to policy achievements in terms of innovation, projects like "Erasmus without paper" and "Collaborative Education Lab" are on the lookout.

Policy experimentation projects aim to test and validate new ideas in education via the development of parallel field trials in several countries, like the project "A New Way for New Talents in Teaching", which tests innovative policy ideas and reforms in the area of recruitment, selection and induction of new teachers coming to the profession through alternative pathways offering opportunity to feed back the project's results into policy.

The newly selected Knowledge Alliances showed a focus on the entrepreneurship and innovation in the fields of textile and clothing industry, in socio-economic development, food industry, leadership, scientist's education, resilience management and civic competences. In connection to the horizontal priorities, all of the selected projects target the fostering of entrepreneurial mind-set and experience, either through the adoption of Open Educational Resources and software or improving transversal skills, social and personal key competencies. As far as the sectorial priorities are concerned, the results show that most of the projects are aiming at developing partnerships between education and employment.

The Agency continued supporting DG EAC in the pursuit of achieving policy objectives in the different areas covered by the Erasmus+ Programme.

The colleagues working with international dimension of Higher Education actions closely cooperated in preparing the following two publications: 'Higher education cooperation between the European Union, Latin America and the Caribbean and 'Erasmus+ programme: Working together with European higher education institutions /Come to study and teach in Europe'. The Agency also contributed to the preparation of the policy

papers on joint and double degrees - looking at the past ten years of Erasmus Mundus experience and setting trends for the future under Erasmus+

A seminar for Erasmus Mundus students and alumni on quality assurance of Erasmus Mundus Joint Master Degrees was co-organised by DG EAC and EACEA and hosted by the University of Ghent.

In cooperation with the Namibia University of Science and Technology the Agency organised a conference highlighting the achievements of the Intra-ACP Programme. The lessons learned during Intra ACP programme serve as valuable resource of knowledge and experience in the context of the new Intra Africa action foreseen to be managed by the Agency.

2015 also marked the launching of the first Capacity Building in Higher Education (CBHE) projects. The CBHE action plays a unique role in the Erasmus+ programme since it is one of the few actions whose priority is not centred on the EU but on the partner countries (individuals, organisations and higher education systems). The implementation of the Action is accompanied by the network of National Erasmus+ Offices (NEOs) located in the former Tempus countries. Their role is to promote the Programme, to liaise with national authorities, to assist potential candidates in the preparation of future projects and to monitor the local implementation of CBHE projects in their countries. In this respect, the activities of this NEO network, funded and closely monitored by the Agency have actively contributed to the achievement of programme objectives in the partner countries concerned.

The Agency has been also responsible for supporting the network of Higher Education Reform Experts (HEREs) in the countries of the former Tempus programme whose role is to promote and accompany the higher education modernisation and reform processes carried out in these countries. The Agency organised five international training events to support these experts in their tasks.

The National Coordinators for the implementation of the European Agenda for Adult Learning support the Commission in the implementation of its policy objectives. The Agency's role is to support the coordinators in this important task. In this context it has organised two review meetings inviting the coordinators to reflect on the longer term vision of the Agenda. The key strategic questions asked focused on ensuring the coherence of adult learning with other policy areas and the creation of more permanent structures for the coordination of the fragmented area of adult learning.

The Agency manages the grants to National Authorities to support the reform processes towards the European Higher Education Area (EHEA). In this context, the Agency organised a project coordinators meeting involving the 20 EHEA reform projects selected in 2014. The networking event was 'a peer learning exchange experience between the Bologna 'community of practice' whereby ministries and national Agencies presented their experiences on projects activities, and shared information on progress of the National Policy Reform Agenda. Very positive feedback from the participating Ministries was received.

The National Academic Recognition Information Centres (NARIC) are also supported with grants managed at the Agency. EACEA has participated at the 22nd Annual ENIC-NARIC meeting in Bregenz, Austria in June 2015 and co-organised a workshop on EU funding in the recognition area.

Linked to Erasmus Charter (ECHE) the Agency has actively participated in the working group on the monitoring of the ECHE organised by EAC for NAs and participated in the setting up the manual for National Agencies on Charter compliance.

The Knowledge Alliances are considered as being a highly strategic action in the Erasmus+ programme insofar as they aim at enhancing university-business cooperation and boosting the innovation capacity of higher education. The Agency therefore has set a particular focus on the monitoring of these projects and proactively supports DG EAC in understanding the content and potential impact of their activities. Besides a kick-off and a cluster meeting, the Agency set up an on-line community for the Knowledge Alliances to foster a shared identity between the projects.

Policy achievements

The Agency policy related reports are often produced in response to specific policy frameworks adopted at EU level by the Council (and at times by the European Parliament). Reports provide a stock-taking on where Member States stand regarding policies deemed desirable at EU level. They may identify areas where individual Member States could take actions and move towards policies identified as pertinent and constructive for tackling specific challenges. In that sense the reports provide an added EU value – Member States actions are mirrored in agreed EU policies (European Parliament and the Council) – Member States can decide for themselves whether there is a need to move towards these agreed policy frameworks.

The Agency published five new Eurydice comparative reports, the Bologna Process Implementation Report, seven Eurydice Facts and Figures reports, seven Focus On articles and two Eurydice briefs (part of a product development pilot). The content of the Eurydice National Education System Descriptions was updated with special attention to policy reforms and the chapter on Adult Education. The Agency contributed to the editing of the Youth Report and established a new Youth Wiki National Correspondents Network and hosted its first meeting.



1.1.2 Youth activities

Publication of calls

The *General* Erasmus+ call along with a revised Erasmus+ Programme Guide also included a specific chapter on youth. The Agency actively contributed to the programme guide revisions in particular by bringing simplifications to the budget section. A set of application documents, including guides for applicants; e-form application guide; and a list of frequently asked questions, was published on the Agency's website.

To promote the Erasmus+ Youth Action an information event for beneficiaries was incorporated into the Structured Dialogue conference; and a sector specific Erasmus+ Youth info day for the Civil Society Cooperation action was organised in cooperation with the European Youth Forum.

Regarding *calls for tenders*, 2015 saw the highest ever number of Youth related calls managed by the Agency – 4 published through open procedures and 1 by negotiated procedure. The Agency has succeeded to publish the calls in accordance with the initial roadmap; with the exception of one call that had to be adapted to the new provisions introduced by the revised Financial Regulation.

Selection

In terms of new activities, the Agency managed the first two Western Balkan Youth Window selections, the new component of the Capacity Building action, which had a total of 346 applications. The other Capacity Building action strand - Capacity building for youth in ACP Countries, Latin America and Asia (ACPALA) - remained highly attractive presenting a slight increase in demand compared with 2014.

The selection process was implemented with the support of external experts who were

both briefed online and conducted their project proposal assessments online. Evaluations of these briefings and the organisation of the expert panel were done using EU Survey and the reported levels of satisfaction were high.

Most of the Youth related calls for tenders were managed via open procedure. They were all successful and resulted in up to 7 proposals (for EACEA/2015/08) of generally excellent quality.

Monitoring

The monitoring of youth projects was carried out in line with the monitoring strategy. However, the high workload in the unit and the early stage of projects' implementation did not allow the Agency to reach the targeted number of onsite monitoring visits. The scope of monitoring activities included onsite project monitoring visits. The strategy for 2016 was reviewed and a more consolidated approach including greater emphasis on forward planning and early identification of monitoring visits was developed.

1.1.3 Jean Monnet activities

Publication of calls

The General Erasmus+ call also covered the Jean Monnet (JM) Action. The JM budget was increased by EUR 3 Mio from the Partnership Instrument (PI) to fund activities in 16 countries.

A specific promotion strategy for the 16 concerned countries was elaborated and has been implemented in cooperation with DG EAC. The strategy included Webinars, video conferences, and power point presentations.

The Agency also actively engaged in several information events organised mainly by Erasmus+ National Agencies (in Programme countries) and National Erasmus+ Offices (in Partner countries).

To facilitate the application process several supporting documents for applicants e.g.: instructions for completing E-form, JM Frequently Asked Questions, were produced and published on the Agency website.



Selection

At DG EAC's request, the 2015 deadline was postponed by 1 month upon request from DG EAC to ensure equal conditions for potential applicants from the 7 PI countries. As the formal decision regarding the additional PI funding came rather late in 2014, it was important to allow sufficient time for the promotion of the call.

The selection was concluded as planned and all the applicants were informed of the results in a timely manner. The number of applications almost doubled compared to 2014, testifying to the increased interest JM Activities. Also, the quality and impact potential of selected projects was very high.

The seven JM Designated Institutions submitted their grant applications for the first time to the Agency (action transferred from DG EAC to the Agency under the new mandate). The evaluation of the proposals was performed internally by the Agency staff.

Monitoring

In line with the other Education and Training actions, the monitoring was carried out on the basis of a tailored monitoring strategy developed for the JM. This strategy was the result of needs analysis (e.g. follow up on policy objectives) and risk assessment, and included desk monitoring, on site and remote monitoring.

The monitoring was carried out in line with the monitoring strategy. Most of the project monitoring visits focused on providing advice and checking the progress of project implementation.

Policy achievements / EU Added value

The Jean Monnet projects are generally directed towards enhancing university studies on European Integration topics through different types of activities such as teaching modules or Jean Monnet Chairs but also more strategic projects like Networks. The Agency supported the Commission in building up a higher political impact of the JMA through various channels.

The annual Jean Monnet Conference is a major high level event organised by DG EAC with the participation of the Commissioner. The Agency supported DG EAC in the preparation of information documents and briefings of the Commissioner and the Jean Monnet NING Platform was used as information and exchange tool for the preparation of the event and also afterwards. The Agency organised the info-desk for beneficiaries and other stakeholders during the event.

In order to facilitate communication and rationalise the information on Jean Monnet Activities transmitted to DG EAC and external requests, the following instruments were updated and revised:

- Jean Monnet country fiches and Jean Monnet regional fiches to provide information on the numerous requests of Jean Monnet Activities by countries and regions.
- Jean Monnet information fiche 2016 to provide information during information days and missions.
- Specific power point presentations (including good practices) of Jean Monnet Activities for Delegations and National Structures.

The seven designated institutions receive high European funding as operating grants to support their special aims in terms of European Integration matters, such as for example the European University Institute in Florence or the College of Europe in Bruges and Natolin. At the annual information meeting in the premises of the Agency we strongly invited the organisations to highlight the European added value of their activities as they will certainly be scrutinized in the context of the "EU budget for results" initiative of the new Commission.

1.1.4 Sport activities

Publication of calls

To promote the Sport chapter of the ERASMUS+ General call, the Agency organised a successful Info Day attracting over 400 participants from 52 countries and an additional 5,000 participants via web streaming. The event was regarded as very useful and practical. The feedback from participants also included a suggestion to allow more time for active networking. The Agency in cooperation with DG EAC started preparations for a new action, Small Collaborative Partnerships, to be launched under the Sport chapter in 2016.



This new funding opportunity is expected to attract a large number of applicants and the Agency has been setting up processes to deal with the potential high demand in the most efficient and cost effective way.

Selection

The selections (Collaborative partnerships, Not-for-profit European sport events, Evidence based activities –Studies and support to networks) were carried out according to the Work Programme. Because of an underestimation of the average grant per Collaborative Partnership project, only 40 (instead of 50) projects were finally selected. External evaluators contributed to the application assessment process, which was carried out remotely using various online tools.

Monitoring

A meeting for new beneficiaries of Collaborative Partnerships was organised with the participation of 35 project coordinators. The event was an excellent opportunity for the Agency to provide guidance on sound project management and to explain the various contractual conditions and financial rules.

The Agency also supported DG EAC in the preparation and implementation of the European Week of Sport actions which were based in Brussels.

Policy achievements / EU Added value

The European Week of Sport (EWoS) aimed at raising awareness of the benefits of sports practice and physical activity. The first edition ran from 7 to 13 September 2015. Related to this Europe-wide initiative, the Agency selected 10 projects (5 European Sport Events and 5 Collaborative Partnerships) which directly contributed to the realisation and success of the event.

The Agency also continued monitoring and supporting the 31 National Coordinating institutions in charge of the organisation of sport events during the EWoS at national level.

1.2 Creative Europe

Despite the stability of the budget allocated, 2015 was a busy but successful year in relation to the implementation of the Creative Europe (CE) programme by the Agency. The high level of response to calls for proposals made managing the selections challenging. The Berlinale and the Cannes Film Festivals provided great opportunities to meet new and current stakeholders and to give greater visibility to the programme. Significant developments occurred in the relationship with DG CNECT with the inauguration of a series of Focus Groups between EACEA and DG CNECT designed to improve knowledge sharing between the units and address upcoming common challenges such as the revision of the 2016 Work Programme (WP), the preparation of the 2017 WP and the upcoming mid-term review of the Creative Europe Programme. EACEA also joined the DG EAC & DG CNECT Task Force for the Creative Europe programme during the period. The second revision of the 2015 WP was completed at the end of June and enabled the publication of additional calls. Approximately 150 Creative Europe projects were closely monitored by the Agency.

Creative Europe at EACEA

Even with a small budget decrease of the Creative Europe programme in 2015, more than 60% of the approximately 5.000 applications received were funded.

The implementation of the Creative Europe Programme by the Agency contributes to the achievement of the specific objectives set by DG EAC and DG CNECT as indicated in the general budget 2015 publication.

Specific Objectives N°	Specific Objectives of budget lines 15.04
4.1	- To promote the transnational circulation of cultural and creative works and operators and reach new audiences in Europe and beyond, with particular focus on children, young people, people with disabilities and under-represented groups
4.2	- To support the capacity of the European cultural and creative sectors to operate transnationally and internationally
4.4	- To support transnational policy cooperation in order to foster policy development, innovation, creativity, audience building and new business models

Creative Europe

State of play Selection and Contracting phase - 31st December 2015

Budget line : 15.04.01 ; 15.04.02 ; 15.04.03

Sub-Programme Code	WPI	Action	PLANNED INTERVENTIONS	Call Ref	Call Deadline	Number of Applications	%Ineligible App	Number of selected Projects	%Selected Projects	1st Award Decision Date	Grant award decision mode	Time to award (in months)	Time to contract (in months)	Sum TTA TTC	Total Grant Awarded	
MED	2.01	Support to Training	59	EAC/S23/2013	01/06/2015	58	0%	58	100%	26/08/2015	CFP-EA	3,1	1,67	4,77	7.873.301	
MED	2.02	Support to the Development of Single Project	240	EACEA 17/2014	15/01/2015	274	5%	58	21%	12/05/2015	CFP-EA	4,17	0,92	5,09	2.375.000	
					16/04/2015	539	12%	78	14%	20/10/2015	CFP-EA	6,50	0,39	6,89	3.180.000	
MED	2.02	Support to the Development of Slate Funding		EACEA 18/2014	05/02/2015	118	4%	75	64%	3/1/2015	CFP-EA	5,30	1,33	6,63	11.997.024	
MED	2.03	Support to the Development of European Video Games	20	EACEA 6/2015	26/03/2015	182	41%	31	17%	30/07/2015	CFP-EA	4,83	1,23	6,06	3.321.455	
MED	2.04	Support to TV programming of European Audiovisual works	50	EACEA 24/2014	28/05/2015	103	22%	30	29%	9/10/2015	CFP-EA	4,67	1,40	6,07	7.744.475	
					13/01/2015	52	19%	25	48%	19/05/2015	CFP-EA	4,53	1,97	6,50	4.700.498	
MED	2.05	Support to International Coproduction Funds	10	EACEA 43/2014	12/03/2015	8	0%	5	63%	01/06/2015	CFP-EA	3,20	1,43	4,63	1.508.000	
MED	2.06	Support to Market access	50	EACEA S29/2014	22/01/2015	63	5%	32	51%	30/04/2015	CFP-EA	3,63	2,43	6,06	3.530.243	
				EAC/S25/2013	05/06/2015	29	0%	29	100%	26/08/2015	CFP-EA	3,00	2,10	5,10	4.654.342	
MED	2.07	Distribution Automatic Reinvestment Module 1	2	EAC/S28/2013	30/01/2015	2	0%	2	100%	28/11/2014	CFP-EA	na	na	na	79.790	
		Distribution Automatic Reinvestment Module 2	800	EACEA 27/2014	02/08/2016	109	6%	3	3%	24/11/2015	CFP-EA	na	na	na	460.500	
				EACEA 25/2012	01/10/2014	62	0%	62	100%	28/11/2013	CFP-EA	na	na	na	453.278	
				EAC/S28/2013	31/07/2015	479	8%	567	118%	28/11/2014	CFP-EA	na	na	na	9.173.338	
		Distribution Automatic Reinvestment Module 3		EACEA 27/2014	02/08/2016	85	5%	2	2%	24/11/2015	CFP-EA	na	na	na	316.756	
				EACEA 25/2012	01/10/2014	34	0%	34	100%	28/11/2013	CFP-EA	na	na	na	621.779	
				EAC/S28/2013	31/07/2015	235	3%	313	133%	28/11/2014	CFP-EA	na	na	na	9.147.584	
		Distribution of non-national films: Automatic generation		EACEA 27/2014	30/04/2015	284	2%	243	86%	24/11/2015	CFP-EA	na	na	na	not applicable	
MED	2.08	Distribution: the Cinema Selective scheme	400	EACEA 23/2014	02/07/2015	926	1%	268	29%	28/10/2015	CFP-EA	na	na	na	6.110.700	
					04/12/2014	430	7%	222	52%	8/04/2015	CFP-EA	na	na	na	4.188.200	
MED	2.09	Support to International Sales Agents of European Cinematographic films: Reinvestment Module 1	50	EACEA/07/2013	01/03/2015	18	6%	16	89%	05/04/2014	CFP-EA	na	na	na	594.026	
		EAC/S21/2013		01/03/2016	24	4%	21	88%	23/02/2015	CFP-EA	na	na	na	680.757		
		Support to International Sales Agents of European Cinematographic films: Reinvestment Module 2		EACEA 07/2013	01/03/2015	5	40%	3	60%	5/04/2014	CFP-EA	na	na	na	63.533	
		EAC/S21/2013		01/03/2016	3	0%	2	67%	23/02/2015	CFP-EA	na	na	na	15.807		
		Support to International Sales Agents of European Cinematographic films: Generation		EACEA 07/2015	18/06/2015	36	0%	30	83%	-	CFP-EA	na	na	na	0	
MED	2.10	Cinema Networks	1	EACEA S20/2013	27/06/2015	1	0%	1	100%	27/11/2015	CFP-EA	3,67	1,90	5,57	10.400.000	
MED	2.11	Support to Festivals	87	EAC/S32/2013	20/03/2015	38	0%	38	100%	4/06/2015	CFP-EA	2,93	0,53	3,46	1.649.000	
					12/06/2015	50	0%	50	100%	26/08/2015	CFP-EA	2,77	1,27	4,04	2.032.250	
MED	2.12	Support to Audience Development	15	EACEA 5/2015	26/03/2015	46	15%	12	26%	25/06/2015	CFP-EA	3,43	2,73	6,16	1.895.653	
MED	2.13	Online Distribution (Action 1) FPA	13	EACEA 16/2014	17/09/2015	13	0%	13	100%	18/11/2015	CFP-EA	2,30	0,53	2,83	3.473.147	
		Online Distribution (Actions 2 & 3)	5	EACEA 28/2015	17/09/2015	14	14%	5	36%	11/11/2015	CFP-EA	1,30	1,50	2,80	1.925.763	
Sub-total MEDIA			1802	14	19	4320	7%	2328	53,89%	11	1	3,75	1,43	5,18	104.166.200	
Total hors partenariats, appels d'offres et organismes désignés						3554	11%	2099	59%			4,16	1,55	5,70	70.275.153	

Sub-Programme Code	WPI	Action	ANNED INTERVENTION	Call Ref	Call Deadline	Number of Application	Ineligible Ap	of selected	Selected Project	Award Decision	award decis	award (in m	contract (in m	um TTA TT	Total Grant Awarded
CULT	2.21	Support to Creative Europe Desks	31	EACEA 34/2014	17/11/2014	39	0%	38	97%	13/03/2015	D-EA	4,07	2,10	6,17	5.095.704

Sub-Programme Code	WPI	Action	ANNED INTERVENTION	Call Ref	Call Deadline	Number of Application	Ineligible Ap	of selected	Selected Project	Award Decision	award decis	award (in m	contract (in m	um TTA TT	Total Grant Awarded
CULT	2.14	Support to Cooperation projects - smaller	100	EACEA 32/2014	01/10/2014	476	7%	67	14%	31/03/2015	CFP-EA	6,30	3,13	9,43	12.810.848
CULT	2.14	Support to Cooperation projects - larger		EACEA 32/2014	01/10/2014	127	5%	17	13%	31/03/2015	CFP-EA	6,30	3,03	9,33	24.475.462
CULT	2.15	Support to Literary translation projects - FPA	75	EAC/S19/2013	10/04/2015	11	0%	11	100%	24/06/2015	CFP-EA	2,77	3,23	6,00	857.825
CULT	2.15	Support to literary translations projects		EACEA 46/2014	04/02/2015	248	4%	58	23%	8/07/2015	CFP-EA	5,43	3,13	8,57	2.949.880
CULT	2.16	Support to Networks - FPA	25	EAC/S18/2013	09/03/2015	24	0%	23	96%	06/05/2015	CFP-EA	2,20	2,77	4,97	4.695.377
CULT	2.17	Support to European Platform	10	EACEA 47/2014	25/02/2015	52	19%	8	15%	17/7/2015	CFP-EA	4,73	2,43	7,16	3819835
Sub-total CULTURE			210	7	7	938	6%	184	44%	4	2	4,62	2,95	7,58	49.609.227
Total hors partenariats, appels d'offres et organismes désignés			110	4	4	903	9%	150	14%	1	2	5,69	2,93	8,62	48.751.402

Total général par Programme	2043	22	27	5297	7%	2550	64,14%	16	2	4,00	1,88	5,88	158.871.131
Total hors partenariats, appels d'offres et organismes désignés	1912	18	23	5223	7%	2478	61,26%	12	1	4,26	1,82	6,08	152.917.602

1.2.1 MEDIA Sub-programme

Publications of calls

The following the revision of the 2015 Work Programme, all the planned 2015 calls were published and executed. Early in the period some budgetary adjustments were made to the foreseen amounts. This involved the re-deployment of foreseen credits within the Cinema Schemes with a transfer from the two Automatic schemes (Cinema & Sales Agents) to the Cinema Selective of EUR 2.2 Mio and the mobilisation of R0 credits for the Festivals, Markets and Training schemes to cover the second year of the FPAs awarded in 2014. For EACEA/6/2015 – Video Games, the planned budget was increased to EUR 3.3 Mio and the final number of selected projects rose to 31. All the call documentation for the Creative Europe - MEDIA sub programme were drafted by the Agency and then published on the EACEA web site (Creative Europe section).

Due to the late adoption of the second revision of the 2015 Work Programme, the call for proposals (On Line Distribution) was published with a delay.

The following calls from the 2016 Work Programme were published during the second semester 2015:

– Support to International Co-production Funds	EACEA 11/2015
– Distribution Selective	EACEA 13/2015
– Support for Access to Markets	EACEA 15/2015
– Support for Film Festivals	EACEA 16/2015
– Support to Single Project	EACEA 18/2015
– Support to Slate Funding	EACEA 19/2015
– Support to the Development of European Video Games	EACEA 20/2015
– TV Programming	EACEA 21/2015
– Audience Development	EACEA 22/2015

Three calls foreseen for publication in late 2015 in the WP 2016 were postponed to 2016: the Cinema Automatic Distribution call is subject to discussion on sub-contracting (EACEA 09/2016); the Sales Agents call (EACEA 01/2016) publication is depending on the Automatic Distribution and the Training was delayed. Nevertheless, the three calls deadlines in 2016 will not be affected.

Selection

The recent expansion of CE –MEDIA to eight⁵ new countries was completed at the end of the period and the programme selected its first Turkish project.

Results are largely in line with the 2015 Work Programme. The number of applications and selected projects rose significantly in the Cinema Automatic and the Cinema Selective experienced record demand with over 1.300 applications despite the reduction from three to two application rounds in 2014. This represented a 34% increase in the applications received compared to 2014 and is the biggest ever annual total of applications. The timely completion of both selections was a challenge which was successfully managed. The number of applications to the more complex Support to Television Programming also grew significantly (+15% compared to 2014). The overall number of projects selected and committed actually rose significantly by around 13% in 2015 while the number of contracts fell. This is explained by the progress made in the (unique) consolidation process used by the Agency to combine multiple low value grants into a single commitment.

⁵ Albania, Bosnia & Herzegovina, Montenegro, Turkey, Georgia, Moldova, Ukraine and FYROM

The selection and contracting process shows a good performance from the Agency as it lasted less than 6 months while the time scales defined by the Financial Regulation gives a ceiling of 9 months. The progressive introduction of eForms for all schemes is one of the reasons for this good result. The late publication of the call for proposals of Online Distribution was a challenge and required an accelerated selection and contracting period.

Following the introduction of the legal remedy clause in the notification letters to applicants, 26 requests for revision were treated.

Monitoring

The developed Monitoring strategy was reinforced during 2015 in all sectors. The planned strategy was implemented as foreseen with a slight reduction in the foreseen number of monitoring missions due to pressure of work linked to the high volume of applications received. Monitoring mission results are shared within the Agency and with the colleagues from DG CNECT⁶. The results make a significant contribution to the updating of Beneficiary FAQs, Kick off instructions and best practice advice.

The major events (European Film Market Berlin, MIPTV, Marché du Film Cannes and MIPCOM) attended annually by the Agency continue to make a significant contribution to the monitoring of all CE MEDIA projects and give the opportunity to regularly meet with hundreds of beneficiaries as well as potential applicants and other interested parties. In particular, the Agency participated in the Creative Europe MEDIA Information Day in Berlin organised by DG CNECT. Over 300 people attended and Commissioner Oettinger headed a



distinguished line up of panellists and contributors. A number of outstanding projects from the 2014 selections were presented by Agency staff. During the Marché du Film/ Cannes Film Festival, a second major event in the European Film Forum took place. The Commissioner was also present and the Agency staff held over 500 meetings during the event with new and continuing beneficiaries. The Agency made a contribution to organising with the Commission the new European Film Forum designed to deepen contacts with the industry and to improve the two way flow of communication on Union policies and market conditions. These types of events are essential for the collection of feedback from all potential and actual applicants and beneficiaries and demonstrate a high level of satisfaction with the schemes and with the efforts of unit staff to explain unavoidable administrative procedures.

Experience within the unit and feedback from the beneficiaries has indicated that the three Lump Sums schemes introduced in 2014 have been a substantial success reducing excess administrative requirements and bringing the scheme management closer to the Programme policy and the day to day business of the sector.



6 <http://intranet.eacea.cec.eu.int/programmes/creative-europe/SitePages/Missions.aspx>

The focus on new territories and beneficiaries was productive and the Cinema schemes are a good example of where changing market conditions such as the recent financial crisis (which placed a severe stress on this heavily cash flow negative business) combined with the Digital Shift had a significant impact on the art house sector. Cinemas and distributors are orienting themselves towards more commercial films while alternative distribution strategies are increasingly important for circulation of smaller productions.

Policy achievements / EU Added value

2015 was a good year for European Films with a record 306 million admissions for European films and an increased market share as reported by the European Audiovisual Observatory. This was reflected in the non-national EU film admissions to the Cinema Automatic scheme which rose spectacularly by 50% in the period. The Observatory also reported that Production levels continued to be very high with 1,118 Feature Films and 485 Feature Documentaries competing for market visibility. The CE MEDIA Cinema schemes made a substantial contribution to the circulation of these works during the period with support being directed to over 400 films.

Success at festivals and awards continued with *Dheepan* winning the Palme D'Or at Cannes while *Saul Fia (Son of Saul)* first won the Cannes Grand Prix and then the Golden Globe for Best Foreign Language Film. At the end of the period 10 CE MEDIA films (with support of over EUR 3.5 Mio) featured in the Oscar line-up.

Regarding the development process of Creative Europe, for the first time since 2012 a series of Focus Groups between the unit and the Commission took place concentrating on the revision of the schemes in the context of the new Commission priorities and the Digital Single Market. These focus groups will determine the proposed modifications to the schemes for the WP 2017 and highlight other potential revisions which may follow the upcoming mid-term review of the programme.

The CE MEDIA schemes managed by the Agency are closely aligned with the policy and EU added value goals of the Creative Europe programme giving rise to a rich accumulation of projects which make a significant contribution to the achievement of these goals. An illustration of this is the flagship Distribution Schemes which are directly targeted towards promoting the transnational circulation of creative works and are also focused on non-national film circulation. In Cinema Selective, the EUR 10 Mio plus investment will see the selected films on exhibition in more than 6,600 cinemas across Europe.

In general, the transnational character of actions and activities which complement regional, national, international and other Union programmes and policies are a central feature of schemes such as Television (with on average 8 countries broadcasters involved in each selected project); Audience Development (where 69 organisations from 25 countries contribute to audience interaction, film literacy and innovative outreach mechanisms); and Markets and Training with their multinational character. Festivals feature a wide range of films from many countries and selected projects also show innovative outreach mechanisms contributing to audience development.

The level playing field designed to help low capacity countries is a cross cutting priority in all CE MEDIA schemes with significant opportunities offered through enhanced criteria in the package of Development measures (Single and Slate which also demonstrate a strong cross border element with 87% of single projects in the co-production field).

In Online Distribution, significant investment is being made in developing the audience of the future and broadening the range of European films on offer. The project WALK THIS WAY 2016 selected under the Action 2 will commercialise a catalogue of 50 feature films (from 14 different MEDIA countries) to a wide range of VOD platforms available in Europe. Each film of the catalogue will be made available on an average of +/-9 MEDIA countries. As a result, the project will manage 429 online releases and allow films to be available in countries where these films would not have been available without EU support.

1.2.2 Culture Sub-programme

Publication of calls

The postponement of the publication of the call for Literary Translations from end of 2015 towards early 2016 was needed as certain adaptations in the guidelines had to be endorsed by the Programme Committee scheduled for late January 2016. A clarification on the priorities for cooperation projects was introduced for the 2016 call.

The following calls related to the WP 2016 were published in 2015:

- Update of the Guidelines cooperation projects (EACEA 23/2015)
- Cooperation Projects (EACEA 29/2015)

Selection

In general, the Culture sub-programme was more than successful in terms of number of applications received: they increased by one third compared to 2014. The high volume of applications presented the Agency with a challenge in terms of respecting the timings but also the quality of feedback given to the applicants. With the budget re-allocations, 84 Cooperation projects were funded instead of the 100 projects set out in the WorkProgramme 2015. However, the desire to support more small scale cooperation projects, without a pre-determined share of the budget for these projects, was successfully implemented (67 small scale cooperation projects).

While for platforms, a careful selection achieved the requested leverage effect for this innovative action which, with 8 platforms in total, now covers 26 countries and with seven creative sectors represents a large cultural variety. Its close monitoring allows precious insight into those sectors and a verification of the chosen approach in terms of branding strategy, European programming and focus on young artists as well as audience development. Regarding literary translations, while the automatic points system for EUPL (European Union Prize for Literature) winners has led to cultural diversity for high quality literature in Europe, the geographical distribution of selected projects seemingly lacks diversity. Overall, however, the 58 selected projects will allow the 421 translations of 322 books⁷ from all over Europe and their promotion and publication in 14 countries. For both strands, a small financial envelope can be considered to have a relatively high impact.

Cooperation projects, on the other hand, represent the biggest financial envelope with around EUR 38 Mio. The wish expressed by many Member States to allow for the funding of more small scale projects (as compared to 2014) could be met as we could see a relatively high rise of these potentially innovative actions in a variety of sectors and it can be concluded that, in this second call, organisations have been better able to integrate the new priorities of the programme and deliver better quality. Overall, the project leaders of the selected projects represent 21 countries, and, combined with the partners of the selected projects, all countries are represented except for Cyprus. It must be stressed, however, that some of the newly introduced objectives of the programme such as the exploring of new business models or adaptation to the digital context but even innovation in audience development still seem to represent a challenge for many in the creative sector. It can also be stated that the trans-sectorial nature of projects is not well-understood for the largest part of the selected projects. Adaptations and clarifications were done in the 2016 guidelines in order to better guide applicants.

In addition to the yearly selections, the parallel selections and renewals in the framework partnerships agreements (FPAs) for the Platforms and the Literary Translations projects were successful. The renewal of the contracts for the Networks was also handled carefully with success. With the agreement of DG EAC, some budget initially allocated to Cooperation projects was used during the second semester to complement the budget for the renewal of Networks and the Platform specific grant agreements. Some of the FPA beneficiaries have increased requests for grants within the remit of the conditions set out in the guidelines.

⁷ The same book can be translated in different countries

An innovative selection procedure for co-operation projects was successfully implemented this year. The methodology of evaluation via remote online assessments was further improved by the use of a mock case for training new experts, the use of NING, by organising the evaluations in 'two waves' and by the introduction of reinforced quality checks. The increased number of applications as well as a quality check introduced for large-scale and other specific projects was a logistical challenge, but showed positive results. The new evaluation procedure has in particular helped to further enhance the quality of the evaluation process itself as well as of the evaluation reports sent to applicants together with the letters of notification.

The selection and the contracting process took place within the time scales defined by the Financial Regulation. While the general average for the time to award is 4.6 months, the time to award is getting close to the limit of 6 months for the action grants (excluding the renewal of framework partnerships agreements) where it increases to 5.7 months. The high volume of applications to assess requires a longer process. For the time to contract, the general average as well as the average of action grants are close to the limit of 3 months (both 2.9 months). Discussions with organisations selected on bank guarantees or other contractual issues extend the contracting process and to a large extent the Agency cannot influence this.

Following the introduction of the legal remedy clause in the notification letters to applicants, both the literary translation call and the co-operation call have seen a certain number of requests for revision. The 2 "article 22"⁸ procedures were positively followed up by the Commission services.

Monitoring

The Agency successfully managed to implement its monitoring strategy. 31 projects were visited on site in 13 countries and 30 projects were monitored in Brussels (meetings or visits to the Agency). During monitoring missions, the Agency's staff mainly visited beneficiaries of large scale grants, platforms and networks as well as problematic cases, where the meetings helped to look for solutions.

Colleagues participated in various information events on Creative Europe of which the regional ones in Budapest and Riga, but also the large ones in Paris, Amsterdam and Brussels, should be highlighted. Other presentations of the Programme to various audiences took place in Brussels (regional parliaments, universities, high level visitors etc.). The Agency's participation in the Sofia, Torino, Frankfurt and Paris book fairs proved equally useful as they allowed for a large number of projects to be monitored. In total, 41 translation support beneficiaries were met on those occasions.

In 2015, the Agency managed to establish closer ties with the networks chosen in 2014 and has launched some initiatives which aim at achieving a better level of information about their activities and creating more added value for the programme development as well as stimulating more synergies and networking. This constitutes a real change compared to the previous culture programmes where follow-up and monitoring of organisations with operating grants was severely neglected.



⁸ Legal means of redress available for applicants and beneficiaries. It is the administrative proceeding before the European Commission.

The yearly kick-off for 2015 and 2014 networks and platforms gathered around 200 people corresponding to 118 projects in an intensive networking and learning exercise.

The Agency also organised for the first time a meeting of the networks receiving support under CE in order to create an online community (Yammer), reflect on synergies and better exchange of information as well as the design of a digital booklet describing their aims and activities. Feedback on this meeting was really positive.

An information event where the Agency presented the Creative Europe programme took place in Budapest. The purpose of the meeting was to represent the Agency and together with the Commission, present the Creative Europe programme at a regional event for culture and creative organisations of the Danube region. Commissioner Navracsics attended the meeting and its confirmed attendance was of around 200 persons from a variety of origins including representatives of CE Desks from neighbouring and Danube countries. At least 3 other presentations of the programme and its specific elements were presented to various groups in Brussels. A major information event was the visit of the CULT Committee from the European Parliament alongside Commissioner Navracsics to the Agency on 16 June, to explain how the Agency, and specifically the Culture sub-programme, works with external experts.

Policy achievements / EU Added value

The Agency provided timely and relevant input for briefing requests regarding the participation of organisations from third countries in our projects, on projects related to the Post-Paris Agenda, on UK organisations and others. At the same time, an overall set of statistics were given to DG EAC for reporting reasons. The Agency also actively gave its input regarding best practice projects for the new dissemination tool (ex-Valor) even for legacy projects which had originally not been foreseen.

The projects funded under the new programme (and in particular the co-operation projects) differ quite extensively from those under the previous programme generation and many more relate, by 2015, to the objectives of Creative Europe. One good example is the TRANSBOOK project whose objectives are to help the publishing sector (mainly young audience books) to fully take advantage of the opportunities offered by digitisation (both in the creation of new content and its wide distribution).

Two projects in the area of music can also serve as very good examples of the above. The Opera Platform cooperation project which puts opera productions online and, within the first year of its existence, has already reached an enormous audience which none of the smaller and even the larger opera houses could ever have achieved alone. Another major project is the platform action Liveurope which boasts a growing number of pop and rock venues showcasing emerging European talent and developing a proper European branding label.

The Networks seem to have largely embraced the new priorities and have moved away from an advocacy stance towards a more proactive capacity building and structuring role.

1.2.3 Cross-sectoral Strand

Publications of calls

In 2015, the Agency published a restricted call for the Creative Desk Cyprus.

Selection

The Creative Europe Desks' network was enlarged by a few members and all of the FPAs were renewed following intensive scrutiny of their past and future work programme.

Monitoring

Alongside the Berlinale Film Festival in February, the Creative Europe Desk (CED) meeting was organised jointly with the Commission and the Agency. An in-depth exchange was commenced with the Italian CED, which will be more closely monitored throughout 2016. The full day Desk meeting at the Commission's premises presented a mix of political and more technical content and was very well received by all the Desks present. The second meeting of the Creative Desks was initially scheduled in Brussels in November but was eventually cancelled due to security alerts. Furthermore, the Agency followed and advised the work of nine Creative Europe Desks with onsite visits.

1.3 Europe for Citizens

The transfer of management of the Europe for Citizens Programme from DG COMM to DG HOME was supported by the Agency and occurred smoothly. Overall the Europe for Citizen's Programme remains stable, with increased focus on current topics such as the financial crisis and migration. The simplified processes that the Agency has put in place help to manage this workload and deliver a high quality service to the applicants/beneficiaries. The participation of Balkan countries to the Europe for Citizens Programme was further extended allowing diversifying the activities within a complex context of the Civil Society environment in this part of Europe.

Europe for Citizens at EACEA

The number of applications grows constantly (+43% for action grants compared to 2014), representing an additional challenge for the Agency. Nearly 3.000 applications were received and almost 400 projects selected.

The implementation of the Europe for Citizens Programme by the Agency contributes to the achievement of the specific objectives set by DG HOME as indicated in the general budget 2015 publication.

Specific Objectives N°	Specific Objectives of budget line 16.02
NA	To raise awareness of remembrance, common history and values of the Union and the Union's aim that is to promote peace, the values and the well-being of its peoples by stimulating debate, reflection and the development of networks;
NA	To encourage democratic and civic participation of citizens at Union level, by developing citizens' understanding of the Union policy making-process and promoting opportunities for societal and intercultural engagement and volunteering at Union level

Europe for Citizens - State of play Selection and Contracting phase - 31st December 2015

Budget line : 16.02.01

WPI	Action	Planned Interventions	Call Reference	Call Deadline	Number of Applications	Number of Applications received on-line	% Ineligible App	Number of selected Projects	% Selected Projects	1st Award Decision Date	Grant award decision mode	Time to award (in months)	Time to contract (in months)	Sum TTA TTC	Grant Awarded
1.1	Remembrance projects	42	EACEA/36/2014	02/03/2015	538	538	0%	33	6%	5/06/2015	CFP-EA	3,50	0,53	4,03	3.021.560
1.2	Structural support for think tanks, organisations at European level (FPA)	7	COMM C2/01 2012	29/12/2014	6	5	0%	6	100%	6/02/2015	CFP-OP-EA	1,53	0,47	2,00	1.213.466
2.1	Town twinning citizens meetings	312	EACEA/36/2014	01/03/2015	802	800	0%	143	18%	12/05/2015	CFP-EA	3,03	-	-	1.202.500
				01/09/2015	602	602	0%	72	12%	14/11/2015		2,67	1,13	3,80	2.333.000
2.2	Networks of twinned towns	43	EACEA/36/2014	01/03/2015	164	163	0%	20	12%	20/05/2015	CFP-EA	2,97	0,37	3,34	2.417.500
				01/09/2015	175	175	0%	12	7%	13/11/2015		2,87	0,23	3,10	1.610.000
2.3	Civil Society Projects	33	EACEA/36/2014	02/03/2015	440	440	0%	23	5%	20/05/2015	CFP-EA	3,17	-	-	3.322.750
2.4	Structural support for think tanks, organisations at European level (FPA)	29	COMM C2/01 2013	29/12/2014	37	30	0%	31	84%	6/02/2015	CFP-OP-EA	1,53	0,93	2,46	5.627.984
3.2	Information structures in Member States and participating countries	33	EACEA/22/2013	30/09/2015	27	0	0%	27	100%	19/01/2015	SPEC-EA	2,67	3,50	6,17	761.525
Total général par Programme		499	3	5	2791	2753	0%	367	38%	7	3	2,66	1,02	3,56	21.510.285
Total hors partenariats, appels d'offres et organismes désignés		430	1	3	2721	2718	0%	303	10%	5	1	3,04	0,57	3,57	13.907.310
CFP-EA	Grants awarded with a call for proposals implemented by the EACEA														
CFP-OP-EA	Operating Grants awarded with a call for proposals, implemented by the EACEA														
SPEC-EA	Grants for actions with specific characteristics - Art 190.1(f) RAP, implemented by the EACEA														

Publications of calls

The programme guide for the period 2014 – 2020 remains valid and no changes were introduced during the year. No additional calls were published.

Selection

The 2015 budget dedicated to the selection of projects for Europe for citizens remained stable overall (-4%). But in general the number of applications received increased, in particular under the Strand 1 - European Remembrance action (+15% compared to 2014). Therefore, the overall success rate for Strand 1 and Strand 2 – Democratic engagement and civic participation (without the operating grants) is down to 10% where last year it approached 20%.

For the think-tanks and organisations at European level (operating grants), the 35 Framework Partnership Agreements (FPAs) were renewed after having submitted their Work Programme. In addition, the restricted call⁹ opened for the Balkan countries (which had signed an International Agreement) was published at the end of 2014 allowing Serbia and Former Yugoslav Republic of Macedonia to receive an operating grant for the period 2015-2017.

On the Valorisation strand, 27 Europe for Citizens Points, out of 33 potential candidates applied for funding and were granted with co-financing.

Intensive use of IT tools allows the Agency to cope with the increasing number of applications. The automatic filter of eligibility criteria processed by the eForm free up time and resources and enables the Agency to focus on the assessment of the eligible proposals. Briefing of experts as well as the assessment of proposals were successfully organised online allowing significant savings in terms of time and money. To ensure consistency across the evaluation exercise and correct understanding of the rules governing the selection process, the Agency provided an online briefing including a mock application exercise to the external experts via Web conferences. Feedback received from experts was positive and they particularly appreciated the interaction, the exchange of experience and active participation that this type of training process involves.

Monitoring

The monitoring strategy of the Europe for Citizens programme was successfully implemented. 44 projects were monitored either on site or at the Agency premises.

The Agency actively participated in an event with the CULT Committee on 15/06/2015 in which an exchange of views with Commissioner Avramopoulos was held for the first time. On the same day, the Civil Society Dialog meeting was held in which the Agency also participated by presenting the state of play of the Europe for Citizens Programme.

Specific efforts were made to strengthen cooperation with the Europe for Citizens Contact Points (ECPs). 3 onsite visits took place. The job shadowing activities, responding to the increasing need for information and training of the ECPs following the launch of the new Programme 2014-2020, continued in 2015 through the visit of 5 ECP managers from France, Belgium (both Flemish and German communities), Latvia, Romania and Finland, at EACEA premises. Feedback shows a high level of satisfaction of the ECPs regarding the collaboration with the Agency.

⁹ COMM C2/01/2013

EU Added Value / Policy Achievement

The Agency participated actively in 2 ECPs 2015 annual meetings (Paris, Tallinn) together with DG HOME. During these meetings, DG HOME and EACEA passed on information and debriefed the network of ECPs on selection results, future work programmes and other important issues. ECPs play a central role in the communication and dissemination aspects of the programme: they are the link between the stakeholders and the DG HOME/EACEA. In particular they ensure the promotion of the programme, provide advice to applicants, facilitate partner search and promote the results of the programme at national level. At the same time, these meetings provide a useful occasion for DG HOME/EACEA to find out how the programme is perceived and implemented in the participating countries, which are its strengths and weaknesses at national, regional and local level and to discuss any outstanding issues. The results of such debates help to feed the discussion on the policy and it is taken in consideration in the definition of the future Work Programme. Furthermore, ECPs annual meetings give the opportunity to present best-practice and examples of successful projects which inspire potential applicants.

The Agency has put in place different actions aiming to identify the projects that can better contribute to policy achievement and support them to valorise their added value. In particular, the fact that the second evaluation of applications is performed by the Agency's Staff allows a better knowledge of the applications submitted and ensures that the selection is done according to the Programme priorities. This knowledge is shared with the colleagues of the mirror Unit of DG HOME notably through bilateral meetings and specific meetings "Matinales" during which main achievements per action are highlighted.

The Agency invited flagship project promoters of recently closed projects funded under the Europe for Citizens programme to present their results to the Agency staff. These "LIVE meetings" enable the Agency to see the impact of the programme and to identify good practices which could apply to on-going projects. The bottom up approach from the beneficiaries of the European Institutions in general is a real asset. 7 LIVE meetings took place in 2015 with among them a representative of Associazione Ricreativa Culturale Italiana (ARCI) presenting the project in Lampedusa, a member of Institut Français des Relations Internationales (IFRI) discussing the concept of European citizenship and the Director of Notre Europe challenging 'the Future of Europe'.

Furthermore, in 2015 a Newsletter of the Agency was dedicated to the work done on the action Remembrance. It represented an opportunity to present to the EACEA staff a snapshot of the selected projects, notably those which are flagship as they encompass broad themes and link the past to the present and deal with racism, genocide and anti-tolerance behaviours.



The following 2 projects were presented as good examples:

- *"Mobilizing Society against Genocide, Denial, Racism and Ant-Semitism in Europe"* by the European Grassroots Anti-Racist Movement addresses the current rise in xenophobic and Eurosceptic trends and genocide denial discourses. It seeks to educate citizens on histories that were discredited, denied or marginalized in contemporary European society such as the Holocaust and the Roma, Armenian and Srebrenica genocides. The project gathers 17 NGO's from 14 European countries to help raise awareness and promote a more inclusive Europe by exchanging good practices, mobilizing and empowering members of European civil society.

- *"Boosting Young Migrants' participation in European cities: transnational solutions to common challenges"* by Istituto Cooperazione Economica Internazionale also represents as well a good practice. Bearing in mind the high social risks coming from youth exclusion, the project aims to boost the participation of young migrants in the formulation of migration policies and measures. The project considers young migrants as dynamic stakeholders, able to play a role in planning and execution of policies, supporting them to participate in local networks to enhance their community and improve social and political participation.

1.4 EU Aid Volunteers

2015 was the first year of real implementation of the EU Aid Volunteers Initiative. The Agency completed several selection processes and the very first projects were selected.

In cooperation with DG Humanitarian Aid and Civil Protection (DG ECHO), the Agency participates in the implementation of the EU Aid Volunteers Initiative (European Voluntary Humanitarian Aid Corps) 2014-2020 and its Specific objectives¹⁰.

EU Aid Volunteers at EACEA

Despite the low level of responses from applicants, the overall quality of the selected proposals is high.

Specific Objectives

Action 1: Implement the training programme for the EU Aid Volunteers initiative pursuant to Commission Implementing Regulation 1244/2014 (IR) and prepare training and assessment of candidate volunteers. The training programme is based on the competence framework as provided for in the Delegated Regulation 1398/2014 (DR) and consists of a combined learning approach based on e-learning and classroom modules. It includes all mandatory and optional modules and the modalities for assessment after training introduced in the IR.

Action 2: Selection, preparation and deployment of junior and senior volunteers to contribute to strengthening the Union's capacity to provide needs-based humanitarian aid aimed at strengthening the capacity and resilience of vulnerable and disaster-affected communities in third countries by means of disaster preparedness, disaster risk reduction and by enhancing the link between relief, rehabilitation and development. Strengthening the capacities of implementing sending and hosting organisations participating / intending to participate in the initiative.

Action 3: Ensure compliance of future hosting and sending organisations with the standards and procedures regarding candidate and EU Aid Volunteers.

¹⁰ C(2015) 1548 final, Commission Implementing Decision of 12/03/2015 concerning the adoption of the 2015 work programme and the financing for the implementation of the EU Aid Volunteers initiative.

EU Aid Volunteers
State of play Selection and Contracting phase - 31st December 2015

Budget line : 23.04.01

WPI	Action	PLANNED INTERVENTIONS	Call Ref	Call Deadline	Number of Applications	Number of Applications received on-line	%Ineligible App	Number of selected Projects	%Selected Projects	1st Award Decision Date	Grant award decision mode	Time to award (in months)	Time to contract (in months)	Sum TTA TTC	Total Actual grants
Action 1.0	Certification of sending and hosting organisations	NA	NA	NA	37*	0	0%	20	N/A	N/A	Call for applications	N/A	N/A	N/A	N/A
Action 1.1	Deployment of EU Aid Volunteers, including apprenticeship placements for junior professionals and capacity building / technical assistance for implementing organisations	25	EACEA/25/2015	30/10/2015	2	2	0%	2	100%	N/A	CFP-EA	N/A	N/A	N/A	N/A
Action 2.1	Technical Assistance	20	EACEA/03/2015	01/04/2015	4	4	25,00%	3	75%	10/07/2015	CFP-EA	3,57	2,3	5,87	1.327.753,32
				01/09/2015	3	3	33,33%	1	33%	1/12/2015	CFP-EA	3,30	0,23	3,53	196.889,47
Action 2.2	Capacity Building			01/04/2015	7	7	42,86%	3	43%	10/07/2015	CFP-EA	3,57	2,53	6,10	1.536.821,07
				01/09/2015	5	5	40,00%	3	60%	1/12/2015	CFP-EA	3,3	0,3	3,6	1.766.251,65
Total général par Programme		45	2	3	21	21	23,53%	32	53%	2	2	3,44	1,34	4,78	4.827.715,51

* 37 certification applications received 17 will be assessed in 2016.

Publication of calls

The 2015 was the first year for which the EU Aid Volunteers Initiative calls for proposals were issued. The call on Technical Assistance to sending organisations (EACEA 03/2015) was published by the Agency on 20 January 2015. The submission deadline for the Deployment call for proposals (EACEA 25/2015) was postponed until 30 October due to the need to give applicants more time to go through the certification process and prepare project proposals (only certified organisations are able to participate in calls for proposals for Deployment projects). It was also necessary to amend the draft call for proposals introducing flat rates for subsistence allowances in compliance with Commission Implementing Regulation (EU) No 1244/2014 of 20 November 2014 laying down rules for the implementation of Regulation (EU) No 375/2014 of the European Parliament and of the Council of 3 April 2014 establishing the European Voluntary Humanitarian Aid Corps ("EU Aid Volunteers initiative").

For the call for tenders for the Training programme and training of candidate volunteers, a Prior Information Notice was published in the Official Journal on 9th April 2015 on the call for Training programme and training of candidate volunteers.

In early 2015, the Agency organised an Info Day, being the first joint Agency/DG ECHO public event. In total 108 persons attended the event with organisations from 21 different countries represented. A one-day briefing for evaluators concerning the Certification of Sending and Hosting Organisations was held in February with the participation of specialist DG ECHO staff (e.g. security). An on-line briefing was held for evaluators working on the applications received in response to the calls for proposals.



Selection

The expected number of applications received for each action of the initiative was less than had been estimated for both Technical Assistance and Capacity Building (within two selection rounds). In particular for the EU Aid Deployment call, less than 20% of the budget foreseen in the Work Programme 2015 could be committed. Nevertheless the overall quality of the selected proposals was high. Ten projects were selected for co-funding involving 80 organisations established in EU Member States and in third countries aiming to strengthen their management and operational systems, working in partnership to implement best practices in humanitarian aid delivery and volunteer management. External evaluators with expertise in the field of humanitarian aid were engaged for the assessment process, which was carried out remotely.

As a result, the Agency in cooperation with DG ECHO identified the need for an intensified promotion activities in 2016 and for setting in place simplifications to the call conditions and, wherever possible, the programme architecture.

The Insurance for EU Aid Volunteers contract was signed with Cigna International Health Services BVBA.

Monitoring

In September 2015 the Agency agreed working arrangements with DG ECHO on a framework for the monitoring of the implementation of the actions under the EU Aid Volunteers initiative. The monitoring framework describes the intervention logic of the Initiative and the data collection process in order to measure programme indicators. The Agency carried out monitoring visits to Rome (October 2015), including participation in a project partners' meeting, and to Dublin (December 2015). Discussions have been held with DG ECHO to develop, wherever possible, a joint approach to monitoring and information activities.

2. MANAGEMENT AND INTERNAL CONTROL

Assurance is an objective examination of evidence for the purpose of providing an assessment of the effectiveness of risk management, control and governance processes.

This examination is carried out by management, who monitors the functioning of the internal control systems on a continuous basis, and by internal and external auditors. Its results are explicitly documented and reported to the Director. The reports produced are:

- the reports by AOSDs;
- the contribution of the Internal Control Coordinator, including the results of internal control monitoring at Agency's level;
- the reports of the ex-post audits;
- the opinion, observations and the recommendations reported by the Internal Audit Service (IAS);
- the observations and the recommendations reported by the European Court of Auditors (ECA).

This section reports the control results and other relevant elements that support managements' assurance. It is structured into (a) Control results, (b) Audit observations and recommendations, (c) Effectiveness of the internal control system, and resulting in (d) Conclusions as regards assurance.

2.1 Control results

This section reports and assesses the elements identified by management that support the assurance on the achievement of the internal control objectives¹¹. The EACEA's assurance building and materiality criteria are outlined in the AAR Annex 4. Annex 5 outlines the main risks together with the control processes aimed to mitigate them and the indicators used to measure the performance of the control systems.

All the Agency's programmes are implemented under direct management mode. In addition, the Agency manages its own administrative budget.

Payments made in 2015 (in Mio EUR) are as follows:

Operational and administrative expenditure (in EUR Mio)	
<i>Pre-financing</i>	<i>452.09</i>
<i>Payments against cost statements</i>	<i>115.11</i>
<i>Experts payments</i>	<i>3.01</i>
Operational expenditure	570.21
Administrative expenditure	46.44
Total	616.65

With regards to the operational budget, the execution of commitment credits was EUR 597.3 Mio or 97.3% of the available budget, which is slightly below the target (98%). The execution of payment credits was EUR 570.21 Mio. The payments comprise 96% of the available budget which is above the target (95%). Regarding the operating budget, the execution of commitment appropriations was EUR 45.97 Mio (98.11% of the available budget – EUR 46.86 Mio). The execution of payment appropriations was EUR 46.4 Mio (88.6% of the available budget).

¹¹ Effectiveness, efficiency and economy of operations; reliability of reporting; safeguarding of assets and information; prevention, detection, correction and follow-up of fraud and irregularities; and adequate management of the risks relating to the legality and regularity of the underlying transactions, taking into account the multiannual character of programmes as well as the nature of the payments (FR Art 32).

The total operational expenditure by programme and programming period is disclosed as follows:

	Legacy (programming period 2007-2013)	Internal control indicator available?	Independent info from auditors?	Reservation ?	New programming period (2014-2020)	Internal control indicator available?	Independent info from auditors?	Reservation ?	in Mio €
Erasmus+ (1)	186,64				217,93				404,58
Education and Training (2)	184,62	Yes the multiannual detected error rate "DER" is 4,52% for LLP 2007-2013, 19% for Erasmus Mundus and Intra ACP and 0,94% for Tempus and Bilateral Cooperation	Audited in previous years, notably by IAS (LLP) and the former IAC (Erasmus Mundus) All recommendations except one (Manual of procedures) implemented for LLP. Action plan of Erasmus Mundus currently under completion. Follow-up carried out by the IAS in 2015. Minor comments.	Yes since 2011	180,87	Not yet. For the calculation of the overall amount at risk the Agency has used the 2014 Agency's multiannual detected error rate.	Audited by the IAS in 2015. (Audit on the effectiveness and efficiency of Erasmus+ control strategy)	No	365,49
Youth	2,03	Yes the multiannual detected error rate "DER" is 1,98%	Audited in previous years, notably by IAC. All recommendations implemented.	Yes in 2015	17,15			No	19,18
Sport	0,00	N/A	N/A	N/A	19,91			No	19,91
Creative Europe	40,09				107,62				147,71
Culture and desks	17,50	Yes the multiannual detected error rate "DER" is 9,13%	Audited in previous years, notably by the former IAC. All recommendations implemented.	Yes in 2015	34,06	0% of Detected Error Rate. However the Agency doesn't consider it as representative because it is based in a too small number of audits. For the calculation of the overall amount at risk the Agency has used the 2014 multiannual detected error rate.	No	No	51,56
MEDIA	22,58	Yes the multiannual detected error rate "DER" is 0,48%	Audited in previous years, notably by the former IAC. All recommendations implemented.	No	73,57			No	96,15
Europe for Citizens	4,48	Yes the multiannual detected error rate "DER" is 0,78%		No	11,27	Same as for Creative Europe. (3)	No	No	15,75
EU Aid Volunteers	0,00	N/A		N/A	2,18	Same as for Erasmus+.	No	No	2,18
TOTAL	231,21				339,01				570,21

(1) Includes Title 19 (FPI), Title 21 (DEVCO) and Title 22 (ELARG). See Annex for further details.

(2) Includes LLP, Erasmus Mundus and Tempus.

(3): except for the fact that for the calculation of the overall amount at risk the Agency has used the multiannual DER of the 2007-2013 programme (and not the one of the Agency) because it was available

Based on the figures above, it is worth mentioning that the legacy represents slightly more than 40% of the total operational expenditure of 2015.

Coverage of the Internal Control Objectives and their related main indicators

- ***Control effectiveness as regards legality and regularity***

The EACEA has set up internal control processes aimed to ensure the adequate management of the risks relating to the legality and regularity of the underlying transactions, taking into account the multiannual character of programmes as well as the nature of the payments concerned.

Effective control processes provide reasonable assurance to the EACEA management on the achievement of the Agency's objectives. Control processes include all the measures that the management and staff take in order to ensure that operational activities are effective and efficient, that legal and regulatory requirements are met and that financial and other reporting is reliable and that assets and information are safeguarded

The control objective regarding the legality and regularity of the underlying transactions is to ensure that the best estimate by the management of the materiality "MAT" of the amount at risk resulting from the multiannual residual error rate for each programme does not exceed 2% by the end of the programme implementation. The Agency relies on the best estimate of the error rate because the high volume of transactions by programme managed by the Agency each year means that it would not be cost effective to have a representative error rate from a fully statistically representative sample (cf. 95% confidence level/2% target error rate). The residual risk of error is estimated by the residual error rate obtained from an examination of a sample of randomly selected transactions, less any corrections made resulting from the control systems in place. More information can be found in annex 4.

The main indicators from the ex-ante and ex-post controls are reported below:

	Indicator	Results 2015
Ex-ante controls	% of number of calls successfully concluded/number of calls planned in the MP/WP	100%
	% of budget value implemented/budget allocated (commitments from calls)	97.3%
	% and value of errors detected through the ex-ante desk checks/total value of cost claims	1.88% on average or EUR 8 Mio in total
Ex-post controls	Detected Error Rate from random audits	See below
	Detected Error Rate from risk-based audits	5.51%
	Value of corrections made by implementing audit results by means of recoveries and/or offsetting	EUR 1.7 Mio
Recoveries	Value of "official" recoveries as per the Communication on the protection of EU financial interests	EUR 16.0 Mio (BO report for AAR Annex 3- Table 8)

(1) Ex-ante controls

The controls built into the ex-ante phase (up to the grant signature) are in place to make sure that the best proposals are selected, that they match to the conditions set in the call for proposals and that the beneficiaries are capable of completing the projects successfully and on time. To this end, controls have been built into the process:

- Eligibility checks, to make sure that the proposals are submitted according to the rules and that they are in compliance with the eligibility criteria defined in the work programmes.
- Evaluation of the proposals, mainly via the use of external experts. Controls ensure the quality of the experts selected to evaluate the proposals. The Agency also makes sure that the experts do not have any conflict of interest in evaluating proposals and ensures the renewal of experts by introducing rules of rotation (at least 25% of experts included in the pool should not have participated in the evaluation of the call in the previous 3 years).

(2) Ex-post audit strategy

In adherence with a strict methodology, the annual audit plan (AAP) of the EACEA is built upon both a random and a risk-based selection. Each year, the Agency usually performs approximately 120 audits of which 2/3 randomly selected and 1/3 risk-based¹². The audit coverage is about 11% of all closed projects in one year. Almost all audits are subcontracted to an external audit firm (PKF Littlejohn LLP) under an audit Framework Contract of DG CNECT. Only the audit results of the 'random' selection of projects are taken into account to calculate error rates.

A multiannual error rate is calculated by programme (Lifelong Learning Programme, Erasmus Mundus, Culture, Youth, Europe for Citizens, MEDIA and Tempus¹³). A further split is made between the different multiannual financial frameworks. Most of the audits for the moment are for closed projects from the programming period 2007-2013. In line with guidance developed by DG BUDG on error rates, value at risk and materiality, the Agency decides whether or not to report on reservations in the AAR both per programme and per programming period.

From the 2012 Annual Activity Report onwards, the Agency calculated multiannual error rates in order to increase the representativeness of the figures. For the AAR 2015, the Agency reports multiannual error rates over 5 cumulative years. As in 2013 and 2014, the Agency managed to subcontract the 2015 annual audit plan before summer (instead of at the end of the calendar year) in order to reduce the gap between projects' closing and audit results becoming available to 1 year.

The AAR 2015 error rate is calculated on the basis of 331 random audits. There are 35 on-going random audits, most of them corresponding to the Annual Audit Plan 2015.

(3) Past reservations

In the context of the AAR 2011, a reservation was made for LLP 2007-2013. For AAR 2012 and 2013, the reservation for LLP 2007-2013 was maintained.

The analysis of the errors for the LLP programme shows that the type of findings mostly concern the non-respect of some of the eligibility rules and the difficulties that emerge for (co-)beneficiaries or project partners in their efforts to produce adequate justifying documents.

¹² For the AAP 2015, the Agency has taken into account the fact the 2007-2013 programming period was in phasing-out stage and mainly selected risk-based audits in order to take into consideration cost-efficiency.

¹³ The new Programmes Erasmus + and EU Aid Volunteers are not yet concerned by the audit process because they did not produced final payments to be selected in the sample in 2015. The Agency started with audits concerning the new programming period for the programmes Europe for Citizens and Creative Europe (MEDIA).

Back in early 2011, the Agency drafted an action plan around several pillars covering all programmes & grant schemes. This plan included resolutions to:

- improve the desk control strategies per unit/programme by producing new guidelines and by introducing two new types of audit certificates, according to the risks associated with beneficiaries or projects;
- improve the information provided to beneficiaries on financial obligations, audits and ex-post controls (e.g. annual kick-off meetings by programme/strand, Financial Information Kits);
- continue to reinforce/improve monitoring visits where appropriate, a session on financial reporting and eligible costs is included;
- consolidate the audit strategy (move from annual to multiannual).

The action plan was implemented in conformity with the timetable from 2011 to the beginning of 2012. The Agency has underlined that many of the actions will only produce results some years following their implementation.

Therefore, the results in terms of (lower) error rates are not expected before the AAR 2016. The reasons are twofold: a) the project duration is typically about 18 months to 2 years (and for some actions even longer) and b) there will be a minimum 1-year gap between closing projects and audit results becoming available.

Notwithstanding these actions, the biggest improvement should come from further financial simplification (use of lump sums, flat rates and/or unit costs) in the programme "Erasmus+" for the programming period 2014-2020 as simplified rules are less prone to errors (see section (5) What are the indications for the future?).

(4) Results for the AAR 2015¹⁴

As mentioned, the Agency monitors the multiannual detected and residual error rate on a monthly basis for each programme and for each programming period. At year end, the Agency calculates the multiannual materiality and for each programme, and if the multiannual materiality is higher than 2%, then the Agency issues a reservation (see Annex 4 for more details).

The multiannual detected error rate by programme and programming period is disclosed in the table below:

Programming period 2007-2013	DER	RER	MAT	Reservation?
LLP	4.52%	4.21%	5.32%	Yes
Erasmus Mundus and Intra ACP	0.19%	0.18%	0.11%	No
Tempus and Bilateral Cooperation	0.94%	0.84%	0.62%	No
Youth in Action	1.98% 3.00%	1.92% 2.91%	2.15% 3.26%	Yes
Culture	9.13% 2.42%	8.54% 2.29%	9.93% 2.64%	Yes
MEDIA and MEDIA Mundus	0.48%	0.44%	0.58%	No

¹⁴ The Agency manages a high volume of transactions of a low value. As a result, the ex-post audit strategy is built upon random and risk based sampling, considering that a representative sampling would not be cost-effective. The cumulative random audit coverage (cumulative funding audited/cumulative total funding) is between 6% and 10%. There are two programmes where the random audit coverage is lower: Europe for Citizens (2%) and Youth in Action (3%). In the case of Europe for Citizens (2007-2013), it has been considered not cost-effective to audit one of the actions (namely Town-twinning) which consist of many small value grants. Therefore the audit cost would reach the total amount of the grant given to the beneficiary. The audit coverage of the Youth in Action programme (2007-2013) is low for similar reasons.

Europe for Citizens	0.78%	0.77%	0.89%	No
Programming period 2014-2020	DER¹⁵	RER	MAT	Reservation?
Creative Europe ¹⁶	0.0%	0.0%	0.0%	No
Europe for Citizens	0.0%	0.0%	0.0%	No

(DER= multiannual detected error rate; RER= multiannual residual error rate; MAT= multiannual materiality)

As illustrated in the table above, the results for AAR 2015 show that the multiannual error rate is still above 2% for Lifelong Learning Programme (LLP) 2007-2013 and in line with the multiannual detected error rate of 4.39% reported in the AAR 2014.

Therefore, for the AAR 2015, a reservation will need to be maintained for the LLP 2007-2013 as the multiannual materiality "MAT" is still higher than 2%. The Agency will, as in previous years, thoroughly analyse the (most recurrent) errors found through the latest batches of audit reports and, if necessary, implement additional actions over the course of 2016 taking into account the cost-benefits of any possible corrective measures.

The Youth in Action programme's (2007-2013) error rate of 1.98 % needs further clarifications. In fact, as outlined in last year's AAR, a single audit, carried out on documents related to 2009 and 2010, resulted in a lack of comprehensive information from one partner and a related scope limitation, thus making the audit result incomplete. This audit result, which would increase the error rate to 3.00%, was not considered to be significant. Therefore this result did not request a specific reservation last year and specific corrective actions¹⁷. During 2015, random audit results have shown a detected error rate of 1.03%, thus confirming the analysis carried out last year by the Agency.

In 2015, despite this year's good results for the Youth in Action programme (2007-2013), the multiannual detected error rate of 1.98% results in a materiality (MAT) above the 2% threshold (2.15%). In fact, as it is the end of the programme's lifecycle, the value of the closed grants i.e. the funding (EUR 15.9 Mio) is still quite substantial, while the payments made during the reporting year are already quite low (precisely EUR 2 Mio representing 0.35% of 2015 total payments). Therefore, in order to respect the Agency's criteria established for having a reservation (namely when the multiannual materiality is higher than 2%), the Agency has decided to issue a new reservation. In addition, in order to avoid criticism and to present the most conservative approach, the reservation of the Youth in Action programme (2007-2013) is based on the 3% multiannual detected error rate, thus including the 2014 single audit result which was considered not significant.

Concerning the detected and residual error rate for the Culture programme (2007-2013), the Agency indicated at the end of 2014 that there was a risk that specific audit results which were under analysis and subsequent events might result in a detected error rate and materiality that could lead to a reservation this year. This analysis has been concluded for the Culture programme and in fact a new reservation will be issued this year for the Culture programme (2007-2013). As a result of one random audit, the Agency has found an error of EUR 1,408,894 which brings the detected error rate for this programme to 9.13%. The Agency has already issued the recovery order amounting to EUR 697,020.

¹⁵ Even if the detected error rate for the new Creative Europe and Europe for Citizens 2014-2020 is 0%, this figure should be taken with caution as it is based on a limited number of audits. Therefore the Agency prefers to consider that no major/important audit findings have been found up to now. However, even in the previous programming period both programmes (Europe for Citizens and MEDIA) had a materiality below 2%

¹⁶ The first ex-post audits concern the sub-programme MEDIA

¹⁷ However, it is worth mentioning that the reputation of the Agency is protected, as the corresponding recovery order has been issued and paid. The Agency also verified that this was a unique case and it was confirmed that no other grants related to this beneficiary are currently pending at the Agency.

However, concerning this recovery order, the Agency underlines the following:

- It is exceptional in terms of amount. It represents approximately 50% of the accumulated errors detected via the audits in the last 4 years.
- It concerns a relatively modest programme in economic terms at Agency level. However, given the amount involved, the impact at programme level is amplified. At aggregate level, the impact is also significant.
- It concerns a mono-beneficiary contract of 2007, for which the final payment was made in 2012. Since 2007, the Agency has considerably evolved in terms of types of contracts (multi-beneficiary vs. mono-beneficiary), procedures to explain their obligations to our beneficiaries (i.e.: kick-off meetings), and monitoring strategy. Therefore, the Agency believes that a similar case is very unlikely to happen again.
- Finally, it is worth mentioning that the beneficiary into question has put itself in voluntary liquidation and the Agency, wondering whether it was facing a fraudulent liquidation, has sent the case to OLAF. OLAF has agreed to open an investigation.

It is also worth mentioning that even without taking into account this peculiar Culture audit, the multiannual detected error rate and the materiality for this programme is still slightly above the 2%, therefore confirming the Agency's decision to issue a new reservation.

The case of the Europe for Citizens 2007-2013 programme was similar to the case of the Culture 2007-2013 programme. However, in this case, the analysis has had a positive conclusion and the detected error rate remains far below 2%. This good result is confirmed by both past results and by current results concerning the current programming period, whose detected error rate according to the first three audits is 0.0%.

Erasmus Mundus, Tempus and MEDIA programmes have historically very low error rates and the Agency expects no changes in this respect.

(5) What are the indications for the future?

As already mentioned back in early 2011, the Agency has drafted an action plan in response to the LLP 2007-2013 reservation. This action plan covered all programmes and grant schemes and has been fully implemented since 2013.

Despite this action plan, and based on the above analysis and a prudent extrapolation, the Agency believes that the reservation for the LLP programme 2007-2013 could recur at least until the AAR 2016. However, given that this programme is progressively phasing out, the amount at risk will also reduce progressively.

In fact, the action plan should be fully effective for projects committed in the last year of the previous programming period (2013) and for those whose final payments will be made from 2014 onwards and which will be selected for audit from 2015 onwards. The Agency believes that the mandatory use of audit certificates by beneficiaries, in addition to the improved communication on financial obligations, should allow the 2% materiality threshold to be reached for these projects. However, the impact on the multiannual error rates could be smaller, as this improvement could be more than offset by the higher error rates from previous years.

Despite the increased detected error rate this year, in particular for the Culture programme (2007-2013) and given the peculiarity of the audit generating this increased error rate, the Agency believes that no additional actions or mitigating measures are needed for 2016 apart from a daily drive to improve the grant management process. However the Agency will closely examine this issue and adopt any additional measures that could be considered as needed and cost-effective.

The same applies for the Youth in Action programme (2007-2013). For cost-effectiveness and representativeness reasons, the conclusion on the need for a reservation is based on cumulative results. Therefore when arriving at the end of a programming period, (a) in some programmes like Youth in Action (2007-2013) the threshold is almost reached based on audit results coming from previous years and the impact of good results is therefore minimised in terms of percentage, and (b) the value of the closed grants (i.e. the funding) is still quite substantial while the payments made during the reporting year are already quite low, therefore increasing the effect on percentage of materiality.

Given that both the Culture and Youth in Action programmes (2007-2013) are in their phasing-out stage, the Agency considers that both reservations will be recurrent next year.

In addition, the Agency reminds that notwithstanding these actions, the biggest improvement will come from further financial simplification in the Erasmus+ programme, during the programming period 2014-2020. Today, most of grants under the LLP programme are budget-based funding schemes which are much more prone to difficulties in terms of eligibility of costs. Hence, an increased use of lump sums, flat rates and/or unit costs should reduce the error rates.

In conclusion, the Agency is truly confident that the actions put in place will bring positive improvements to the new programming period.

At this stage, it is worth mentioning that the first results in terms of error rates by programme for the programming period 2014-2020 are very positive, even if calculated for a limited number of audits, as in the case of Creative Europe and Europe for Citizens (i.e. no major/important audit findings were found up to now). According to the first results, the MAT is well below the materiality threshold of 2%.

(6) Calculation of the amount at risk

In the context of the protection of the EU budget, at the Commission's corporate level, the DGs' estimated overall amounts at risk and their estimated future corrections are consolidated.

For EACEA, the estimated overall amount at risk¹⁸ for the payments made in 2015 is EUR 10.7 Mio. The Agency has also calculated the upper limit of the amount at risk using a 2% error rate for all programmes of the programming period 2014-2020. This amount is EUR 11.3 Mio, representing 1.98% of the funding 2015. This figure and its upper limit is the AOD's best, conservative estimation of the amount of expenditure¹⁹ authorised during the year (EUR 570.2 Mio²⁰) not in conformity with the applicable contractual and regulatory provisions at the time the payment is made.

¹⁸ In order to calculate the overall amount at risk, the Agency has used the multiannual detected error rates by programme. For the programming period 2014-2020, where there are only very few results, the Agency has taken the following options: 1) For Europe for Citizens, to use the same multiannual detected error rate as the previous programme 2) For Erasmus+ and Creative Europe, to use last year's multiannual detected Agency error rate (which therefore does not take into account this year very exceptional audit result of the Culture 2007-2013 programme). The Agency already considers this approach to be conservative enough, given that it strongly believes that the action plan detailed in the Annual Activity Report will bring positive improvements to the programming period.

¹⁹ For executive agencies, the weighted average error rate is based only on the operational expenditure without the subsidy from the parent DGs.

²⁰ The Agency's calculation is based on the funding 2015. The Agency recalculates the total amount funded based on the total amount of payments against cost-claims taking into account the corresponding pre-financing cleared by the final payment. Therefore the Agency considers that pre-financing are not affected (yet) by any error rate (as the money still belongs to the Commission).

This expenditure will be subsequently subject to ex-post controls and a sizeable proportion of the underlying error will be detected and corrected in successive years. The conservatively estimated future corrections²¹ for those payments made in 2015 amount to EUR 2 Mio. This is the amount of errors that the Agency conservatively estimates to identify and correct from ex-post controls that it will implement in successive years.

More details of the calculation can be found in the table below.

The Agency also provides in Annex 10 the calculation of the amount at risk taking into account the amount at risk in relation to the cleared pre-financing at the moment of their payment rather than at the moment of their clearance. Figures are consistent with those provided below. The Agency believes that calculating the amount at risk on the funding related to the cost claimed during the year gives a more conservative estimation of the overall amount at risk for 2015. Calculating the amount at risk on the funding related to the cost claimed during the year also allows us to better take into consideration the evolution in terms of levels of activity.

²¹ The Agency has recalculated its corrective capacity to 0.4%. This estimate is based on past performance of the ex-post controls only (ex-post audits) namely on the average recoveries implemented since 2011 after the payment was authorised by the Commission. The figures provided by DG BUDG (average of 2.7% since 2009) had to be adjusted as (a) it included corrections made prior to the payment (ex-ante) and (b) the years prior to 2011 are not representative of the annual corrections made because the Agency started its activity in 2008 and reached its "cruising speed", which is slightly higher than 3%, only in 2010).

	Payments against cost claims	Funding 2015	DER	Gross Amount at risk (Funding * DER)	Average Ex- post corrective capacity	Amount at risk after ex- post corrective capacity	Pre-financing	Expected error rate	Experts	Expected error rate	Amount at risk coming from pre-financing and experts
Programming period 2007-2013											
LLP	22.346.437	112.871.776	4,52%	5.101.804	395.051	4.706.753	24.333.036	0%			
Erasmus Mundus	2.739.667	154.512.765	0,19%	293.574	540.795	-247.220	106.186.231	0%			
Tempus	3.171.470	54.867.765	0,94%	515.757	192.037	323.720	25.838.748	0%			
Youth in Action	1.705.664	15.940.686	3,00%	478.221	55.792	422.428	322.922	0%			
Culture	11.585.747	47.296.918	9,13%	4.318.209	165.539	4.152.669	5.917.643	0%			
MEDIA	22.563.592	68.659.513	0,48%	329.566	240.308	89.257	19.803	0%			
Europe for Citizens	4.478.724	9.711.611	0,78%	75.751	33.991	41.760	0	0%			
Programming period 2014-2020											
Erasmus+	17.314.970	42.285.278	1,52%	642.736	147.998	494.738	198.523.067	0%	1.806.434	1%	18.064
Creative Europe	26.062.585	57.854.750	1,52%	879.392	202.492	676.901	80.608.337	0%	950.635	1%	9.506
Europe for Citizens	3.146.873	8.901.737	0,78%	69.434	31.156	38.277	7.917.746	0%	207.900	1%	2.079
EU Aid Volunteers	0	0	0,00%	0	0	0	2.418.411	0%	48.304	1%	483
TOTAL	115.115.730	572.902.799		12.704.443	2.005.160	10.699.283	452.085.945		3.013.273		30.133
	(1)					(a)	(2)		(3)		(b)
Total payments of the year (operational)							(1)+(2)+(3)		570.214.947		
Total amount at risk after ex-post corrective capacity									(a)+(b)		10.729.416
Ex-post corrective capacity (in % of total payments)					0,4%				In percentage		1,87%

- **Efficiency and Cost-effectiveness**

Based on an assessment of the most relevant key indicators and control results, the EACEA has assessed the cost-effectiveness and the efficiency of the control system and reached a positive conclusion.

(1) Efficiency during the year 2015

The principle of efficiency concerns achieving the optimum relationship between resources employed and results achieved. The principle of economy requires that the resources used by the institution in the pursuit of its activities should be made available in due time, in appropriate quantity and quality and at the best price.

This section outlines the indicators used to monitor the efficiency of the control systems, including an overall assessment of the costs and benefits of controls.

	Indicator	Results 2015
Ex-ante controls	Average time to inform applicants (art. 128 FR max. 6 months)	3.5 months for all programmes
	Average time to sign grant agreements or notify grant decisions (art. 128 FR max. 3 months)	1.8 months for all programmes
	Percentage of payments on time (art. 92 FR)	95%
	Average evaluation benefit per proposal	Non-quantifiable (preventive)
	Average project management benefit per proposal	Non-quantifiable (preventive)

The controls built in the ex-ante phase (up to the grant signature) exist to make sure that the best proposals are selected, that they fulfil the conditions set in the call for proposals and that the beneficiaries are capable of completing the projects successfully and within the timeframe set. Efficiency indicators (e.g. average time to notify grant applicants and average time to sign grant agreements are substantially below the maximum number of months as per Financial Regulation, the time to pay is kept to a minimum while budget execution is close to 100%, etc.) (see Executive Summary). Therefore the relative level of efficiency of the controls implemented is adequate and no major improvements are necessary for the moment.

(2) Cost-effectiveness during the year 2015

The Agency quantifies the costs of the resources and inputs required for carrying out the controls described in annex 5 and estimates, as far as possible, their benefits in terms of the amount of errors and irregularities prevented, detected and corrected by these controls.

Despite the reservations made in relation to three programmes (LLP 2007-2013, Culture 2007-2013 and Youth in Action 2007-2013) where the materiality (MAT) is above 2%, the Agency considers that their controls are cost-effective overall. Several arguments can be mentioned:

- Firstly, as disclosed in the table below, controls in place produce higher benefits in comparison with their costs and this of course without even taking into account the non-quantifiable benefits,
- Secondly, and as underlined by the IAS this year, controls in place are risk-differentiated as far as possible.
- Thirdly, the action plan against reservations has been already put in place in previous years. This action plan should however be fully effective only for projects committed in the last year of the previous programming period (2013), i.e. for those whose final payments will be made from 2014 onwards and which will be selected for audit from 2015 onwards. Therefore, the impact on the multiannual/cumulative error rates of the 2007-2013 programming period could be minor, as the effect of improvements could be more than

offset by the higher error rates from the five/six previous years. In fact, in light of what is explained the Agency expects to see the impact of its action plan in the multiannual error rate and materiality for the new programming period and is confident that for the new programming period the materiality will be below 2% for all programmes.

The results of the comparison between costs and quantifiable benefits are shown in the table²² below:

Grant Management		Costs	Benefits	Difference (benefits-costs)
Stage 1: Selection	Staff	8.898.822	Non quantifiable	Non quantifiable
	External inputs	3.000.000	Non quantifiable	
Stage 2: Contracting (1)	Staff	5.497.152	22.492.808	16.995.656
Stage 3: Monitoring and desk review	Staff	20.119.565	Non eligible costs claims:	-1.464.541
			5.893.986	
			Recovery orders:	
	13.248.945			
	Missions	487.907		
Stage 4: Ex-post controls	Staff	577.865	2.676.561	910.348
	External inputs	1.179.599		
	Missions	8.749		
Total		39.769.658		

(1) Benefits for the contracting phase correspond to the total amount of budget cuts decided during the contracting phase after analysis of the budget claimed by the beneficiary (only for beneficiaries granted).

According to the calculation above, it appears that even without taking into account the non-quantifiable benefits, the benefits-costs equation yields a positive result.

A further analysis on the ex-post controls shows the following results.

	Indicator	Results 2015
Ex-post controls	Average cost of ex-post audit	EUR 9K
	Average benefit of a random audit (average grant value of project*detected error rate)	EUR 17K for 2015 (impact of the Culture project)/ EUR 9K over the last 5 years
	Average benefit of a risk-based audit (average grant value of project*detected error rate)	EUR 21K for 2015 / EUR 19K over the last 5 years.
	Value of corrections made by implementing audit results by means of recovery order and/or offsetting	1.7 Mio EUR
	Expected non-monetary return of auditing projects	Non-quantifiable (preventive; dissuasive effect)

Based on the figures provided, the Agency underlines that the average benefit of an audit (both random and risk based) is higher than the average cost of an audit. In addition it is worth reminding that there are a number of non-quantifiable benefits which are also important, namely the preventive and dissuasive effect of ex-post audits, especially with recurrent beneficiaries, the better identification of risks and therefore the identification of improvement areas plus the assurance provided to the authorising officer.

²² In terms of approach, the Agency used both direct and indirect costs leaving some overhead costs like HR and IT out to avoid double counting with the flat rate per full-time equivalent as per DG BUDG's guidelines. Also, the management of Eurydice was left out of the scope.

It is also worth mentioning that the present Framework Contract for audit services (SMART 2010/0103 (DG CNECT)) expired in November 2015. In order to increase control efficiency and cost effectiveness, EACEA has decided to launch, as the leading contracting authority and in collaboration with the executive Agencies EASME and INEA, a call for tender aimed at signing a new framework contract for audit services. The publication of the call for tenders (EACEA 2015/10) took place in the last trimester 2015. The aim is to sign a tailored framework contract which focusses on the needs of the Agencies. The EACEA framework contract in cascade will reduce the amount of time that staff are allocated to work on calls: the new contract will require only one selection and evaluation procedure during its four year length. Furthermore, the extra time for staff will be used to perform more added value activities at the Agency. Finally, having put together the needs of three executive agencies, this new framework contract will also allow for economies of scale and synergies (i.e. shared quality review process).

The Agency's total control & management cost (percentage of operating costs over the operational budget in terms of payments executed in 2015 namely EUR 46.4 /570.2 Mio = 8.13%²³) is considered to be cost-effective, both overall and also taking into account the relative numbers and size of grants to be processed.

In this context, it is worth noting that the Agency has a wide range of funding schemes and/or beneficiaries under its different programmes. Their complexity and/or diversity on the one hand and the large number of rather small grants given to a vast population of grant beneficiaries on the other make the set-up controls quite challenging under the given regulatory framework. In fact, even if the grants per beneficiary amount in some cases to approximately EUR 150,000 (or lower), the Financial Regulation foresees quite an extensive minimum set of requirements which have to be put in place to protect EU financial interests.

Secondly, there are a number of non-quantifiable²⁴ benefits resulting from the controls operated during the control stages (e.g. the selection phase which aims to ensure that the financed projects contributed in the best manner to the achievement of the policy objectives; preventive controls through annual information/kick-off meetings with new grant beneficiaries; monitoring missions to address problems in early stages and in a cooperative manner, and ex-post controls deterrent effect). Furthermore, the Agency considers that the necessity of these controls is undeniable since they are a regulatory requirement and the totality of the appropriations would be at (compliance) risk if they were not in place.

For this reason, and as mentioned above, it is also necessary to consider the efficiency indicators, which reveal that the Agency allocated the appropriate quantity and quality of resources to ensure an efficient execution of controls.

(2) Evolution of Efficiency indicators during the last five years

Many indicators have already been disclosed in the frame of this report. This section's objective is to put in evidence other indicators and analysis followed up by the Agency, which demonstrate the attention paid by the Agency both to efficiency and to cost-effectiveness. For this purpose, it is necessary to analyse not only the indicator per-se but also its evolution during the last five years.

For example, as shown in the table below, the evolution of the number of calls for proposal published over the last years demonstrates the investment made to simplify and streamline the programmes (which resulted in the design of the integrated programme Erasmus+), given that the mandate of the Agency has increased over these years.

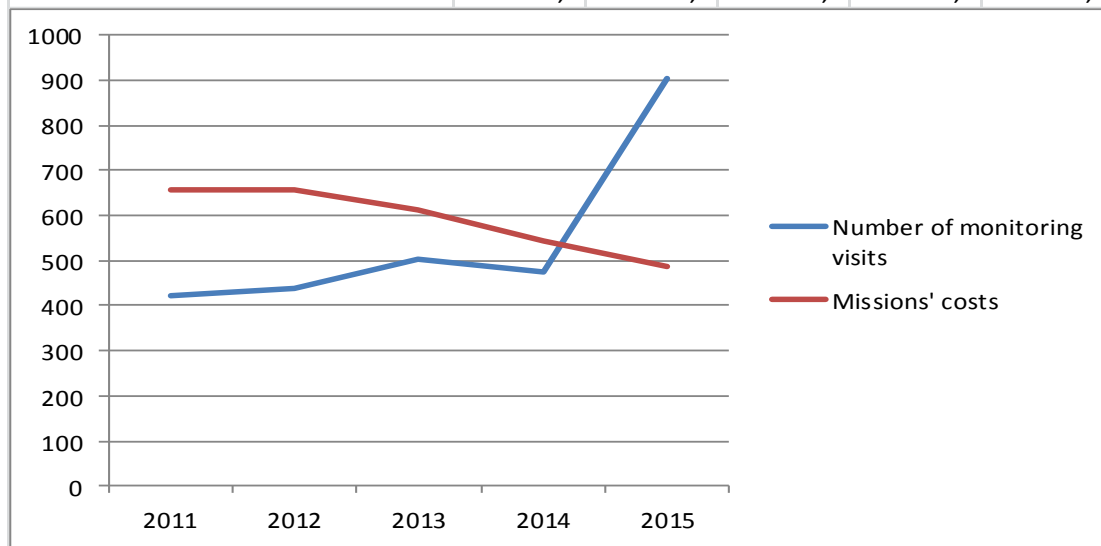
²³ The figure is in line with 2014's figure, which was 7.41%.

²⁴ As an example of non-quantifiable benefit, but giving an indication of the workload assumed at Selection Stage: the value of the 11.519 grant requests evaluated by the Agency for funding amounts to 1.753.312.140 EUR in 2015.

	2011	2012	2013	2014	2015
Number of call for proposals published	29	28	28	16	16
Number of proposals received	12687	12991	15231	10058	12459
Number of proposals selected	3723	3555	4098	3502	4535
Success rate	29%	27%	27%	35%	36%

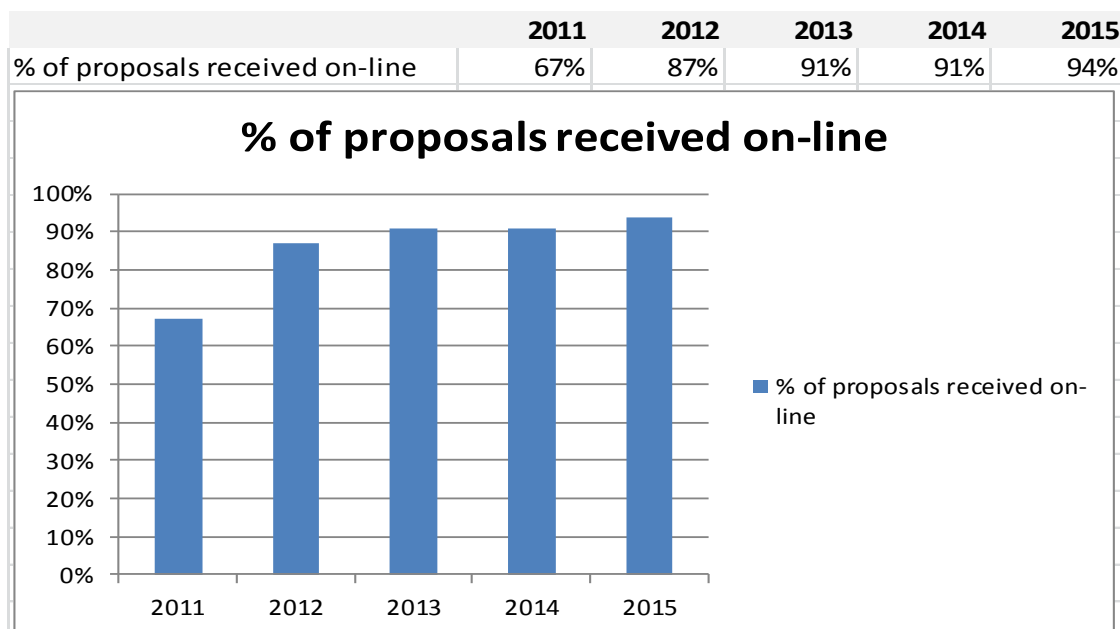
The resources freed up by the simplification process have been re-invested in many other processes in order to improve the quality of the service provided by the Agency to the beneficiaries, as shown by the evolution of the number of monitoring visits and of the percentage of proposals received on-line, described in the two following tables.

	2011	2012	2013	2014	2015
Number of monitoring visits	423	438	503	475	904
Missions' costs	658,6	658,3	612,5	545,3	485,4



However, it should be kept in mind that the analysis of figures and indicators itself has its own limits as it does not include all qualitative aspects. As an example, the number of monitoring visits does not show the use of the results of these monitoring visits. In this respect, it should be underlined that the Agency has worked diligently to obtain the maximum benefit out of each control carried out (from a cost-efficiency perspective). Therefore, two years ago, the Agency started using monitoring visits not only to help and control beneficiaries. In fact, monitoring visits' objectives have been enlarged in order to allow the Agency to report additional key elements to the parent DGs. With this in mind, once a year, the Agency synthesizes monitoring visits' conclusions by programme and reports to the corresponding parent DGs. This work is under continuous revision and progress. As an example, in 2015, the Agency developed new monitoring indicators which focus on results and impacts and the guidelines and reporting templates for both desk and field monitoring for the Erasmus Mundus Joint Master Degrees and Erasmus Mundus Action 1 legacy projects were drafted and approved accordingly.

Another indicator followed by the Agency is the percentage of proposals received on-line, which, as shown in the table below, has increased from 67% (in 2011), to 94% (in 2015). Behind this figure, there is a corresponding amount of resources redirected from data entering functions to other functions which provide further added value for the Agency, the stakeholders and the beneficiaries.



Concerning the possibility foreseen in FR art 66.2 to differentiate the frequency and/or the intensity of the DG's controls²⁵ – *"in view of the different risk-profiles among its current and future transactions and of the cost-effectiveness of its existing and any alternative controls* – by re-directing the control resources towards more stringent controls where needed while having leaner and less burdensome controls where appropriate", it is worth mentioning that the Agency has already implemented this principle via different actions. In fact, especially as a result of past internal audits carried out at EACEA it was decided:

(1) to establish a desk control strategy including tailored controls for each unit, based on the structure of financing of each action/strand (lump sum vs. budget based etc.).

(2) to ensure systematic recording in its operational IT system (Pegasus) of each project's risk assessment. This also enables effective monitoring of the evolution of each project's risk profile.

In its report on Erasmus+ control strategy the IAS has underlined that:

- the Agency has moved towards a risk based approach in the design and implementation of its controls,
- it performs monitoring visits and selects part of ex-post audits on a risk-based basis, and
- EACEA has also decided to simplify ex-ante controls with the use of audit certificates (already started in 2012)

Therefore, it can be concluded that the Agency has already carried out an exercise to differentiate the frequency of controls as a result of past audits and no additional measures are needed. However, it is worth mentioning that this process is constantly evolving and that the Agency will continue its efforts in this direction.

²⁵ Reviewing and optimizing the financial circuits in general and/or (only for those DGs managing 2014-2020 programmes) revising the DG's control system(s) further to the implementation of the simplification modalities embedded in those programmes.

(3) Overall conclusion of control cost-effectiveness and efficiency

In the view of the Agency's management, the relative level of efficiency and cost-effectiveness of the controls implemented is adequate and no major improvements are necessary for the moment.

- ***Fraud prevention and detection***

1) Anti-fraud strategy

EACEA has developed and implemented its own anti-fraud strategy since 2012²⁶, elaborated on the basis of the methodology provided by OLAF. It has been updated in 2014.

The implementation of three actions has been delayed for the following reasons:

- The EACEA Anti-Fraud resources have been concentrated on the management of a major sensitive fraud case for which a number of un-preceded measures were adopted in December 2014 and implemented throughout 2015;
- The actions relating to recovery context and to the Detection and Exclusion System (EDES) could not be implemented as the Commission did not adopt it before December 2015/January 2016. For the same reason, the action related to the preparation of a guidance on reinforced monitoring of projects/beneficiaries/contractors (AO measures) in case of fraud, due to be implemented by 31 December 2015, was delayed and will be implemented in 2016.

The rest of the actions have been implemented and some were further developed in 2015 as follows:

- Under the ex-ante desk control strategy, audit certificates (both light and full) have been introduced since March 2013. A revision of the guidelines and templates based on the two-year experience is on-going;
- The guidance note on financial capacity assessment adopted in July 2014 is undergoing a revision aiming at harmonising as much as possible this tool within the Commission and the Executive Agencies;
- The Anti-Fraud data mining tool is regularly updated and improved;
- The common approach at Agency level to detect duplicate project applications and prevent a possible double funding of beneficiaries: The approach was initially developed to cover Erasmus+ and went through a pilot phase in 2015. As a result, the Agency decided to use URKUND services to check the content of Erasmus + documents (applications, final reports) against certain sources on the Internet, archives and databases. The Agency considers broadening this approach to the other programmes it manages.
- The Anti-Fraud trainings ("How to detect anomalies" & "Signalization of fraud & irregularities-EWS/EDES") are mandatory for all management staff and all financial & operational officers;
- An Anti-Fraud section on the Agency's intranet offers relevant information (Agency's Anti-Fraud strategy, Agency's Anti-Fraud procedure, relevant templates, etc.) and is regularly updated;

The Agency considers its Anti-Fraud strategy and related action plan to be effective. It has allowed the development of a number of tools, processes and guidance to prevent and fight fraud, in particular duplicate applications and double financing. Most of them are well known by the staff and integrated in its daily work.

²⁶ The Agency adopted an Anti-Fraud Strategy combined with an action plan on 9 July 2012.

2) Monitoring of results in 2015

In 2014, the Agency had carried out a thorough risk analysis with respect to a major sensitive fraud case. As a result, a number of un-preceded measures (financial and administrative sanctions, termination of grants, recoveries, suspension of payments, corrective measures) were adopted and communicated to the concerned entities in December 2014. These measures have been implemented throughout 2015 and are still being followed up.

During the reporting year, 11 beneficiaries, involved in projects financed under the LLP/Erasmus+, Europe for Citizens, Culture and MEDIA programmes were subject to reinforced monitoring at an estimated value of EUR 12,6 Mio²⁷. The Agency has transferred 6 cases of suspicion to OLAF for serious irregularities/fraud concerning beneficiaries active under the LLP/Erasmus+ and Creative Europe programmes: one case is still under evaluation, one case was determined as a non-case, one case has been transferred to the national judicial authorities and 3 cases are under investigation.

During the same period, besides submitting 10 requests for information to EACEA, OLAF has initiated 2 investigations concerning beneficiaries active in the programmes delegated to the Agency. For one of these cases, OLAF has issued recommendations and the Agency is taking appropriate measures. With regards to the other case, the Agency still awaits OLAF's final report.

2.2 Audit observations and recommendations

This section reports and assesses the observations, opinions and conclusions reported by auditors in their reports as well as the opinion of the Internal Auditor on the state of control, which could have a material impact on the achievement of the internal control objectives, and therefore on assurance, together with any management measures taken in response to the audit recommendations.

The Agency has been audited up to the end of 2015 by both internal and external independent auditors: the Commission's internal audit service (IAS) and the European Court of Auditors (ECA).

2.2.1 European Court of Auditors (ECA)

1) Administrative budget – Specific Annual Report (SAR) 2014

In September 2015, the European Court of Auditors issued its opinion related to the audit of the Agency's 2014 annual accounts for administrative expenditure. The audit is performed each year in order to obtain reasonable assurance that the Agency's annual accounts are free of material misstatement and that the transactions processed by the Agency are legal and regular.

The audit carried out by the Court consisted of analytical audit procedures, direct testing of transactions and an assessment of key controls of the Agency's supervisory and control systems.

The Specific Annual Report for the financial year 2014 provides the Court's opinion on the reliability of the accounts and the legality and regularity of the underlying transactions:

Opinion on the reliability of the accounts

In the Court's opinion, the Agency's annual accounts fairly present, in all material respects, its financial position as of 31 December 2014 and the results of its operations and its cash flows for the year then ended, in accordance with the provisions of its Financial Regulation and the accounting rules adopted by the Commission's accounting officer.

²⁷ An assessment of the budget is, in general, based on the total grant received by the coordinator of the project.

Opinion on the legality and the regularity of the transactions underlying the accounts

In the Court's opinion, the transactions underlying the annual accounts for the year ended 31 December 2014 are legal and regular in all material respects.

Following the audit on the administrative expenditure, the Court made a comment on the budgetary management observing that although carry-overs of committed appropriations were relatively high for Title III (support to agency operations), they mainly related to IT services ordered in 2014 but not yet invoiced at year-end (EUR 1.2 Mio), on-going project audits (EUR 1 Mio) and to communication, publication and translation services (EUR 0.9 Mio) related to programmes managed by the Agency.

In the same way as in previous year, the Agency has taken note of the Court's report. As a result, no specific contradictory procedure was needed between the Court and the Agency.

2) Operational budget – Statement of Assurance (DAS) 2014 and 2015

At the end of year 2015, 3 audits relating to the DAS 2014 are still open.

As to the Statement of Assurance (DAS) 2015 exercise on the Agency's operational budget, the Executive Agency has replied to several requests from the Court for documentation and information in relation to both the legality and regularity of transactions and the reliability of the accounts.

Ten transactions or grant projects were sampled for the DAS 2015. At the end of year 2015:

- Four Preliminary Findings were received. One of the Preliminary Finding is completed and no specific comment was made, and for another one (Youth in Action 2007-2013 programme) a serious error rate of 100% has been detected by the Court of Auditors, where there are serious doubts concerning the reality of the action. However, given the limited amount involved²⁸, OLAF decided not to open an investigation case. For the 2 Preliminary Findings remaining, the Agency has replied to the Court of Auditors and is waiting for the final observations.
- For the other 6 audits, the Agency is still waiting for the results.

²⁸ The final amount of the grant is EUR 16.716. It concerns a project in Azerbaijan.

2.2.2 Internal Audit Service (IAS)

1) Audit Engagements

During the period of reference, the year 2015, the IAS conducted an audit on the *effectiveness and efficiency of the Erasmus+ control strategy*²⁹.

The IAS acknowledged the on-going efforts made by EACEA to implement Erasmus+ programme according to the provisions of both the establishment act and the delegation Commission's Decision³⁰.

In particular, the IAS noted that EACEA managed to start the implementation of the programme in 2014 and made significant efforts to continue its development throughout 2015, in spite of the challenges generated by the late completion of the institutional architecture. This was mainly due to its staff's extensive experience in the area of grant management. Thanks to the expertise developed in the implementation of previous programmes, EACEA is in a position to create the conditions for the successful implementation of the Erasmus+ programme.

Moreover, the IAS underlined that the Agency has moved towards a risk-based approach in the design and implementation of its controls, in fact, it performs monitoring visits and selects part of ex-post audits on a risk-based basis. EACEA has also decided to simplify its ex-ante controls with the use of audit certificates (already started in 2012).

Finally, the IAS noted that the Agency regularly provides information to DG EAC (the parent DG concerned) on the progress of the implementation of the programmes, as well as on the performance of the projects (e.g. annual synthesis reports of the monitoring missions and cluster meetings where the participation of the DG is foreseen).

However, the IAS noted a few areas of improvement related to ex-ante controls (in particular the review of the quality of audit certificates received and the systematic performance of checks to detect double funding), and the need to review some specific operational procedures for the new programme (i.e. the Agency's manuals of procedures, ex-post controls strategy and methodology to monitor the cost-effectiveness of key controls).

2) Action Plan

Following the audit on the effectiveness and efficiency of the Erasmus+ control strategy, the EACEA's management has accepted the auditors' recommendations and developed the action plan to adequately and effectively implement the recommendations addressed in the audit report. The action plan has been approved by the Director of the Agency.

The audit report includes 2 recommendations marked as "important"; the full implementation of recommendations must be completed by July 2016.

Some actions have already been implemented: the Agency has launched a pilot project for the identification of multiple applications and multiple grants relating to the same action/programme, to avoid double funding. It has been decided to extend this pilot project to all the operational units managing the Erasmus + programme. In addition, the action on certificates will be extended to all programmes, and all units should also keep the ex-post sector informed about projects subject to monitoring visits and/or those which had problems with their audits certificates.

²⁹ As Erasmus+ is implemented following three different management modes, notably a) direct management by DG EAC, b) direct management with powers delegated to the Education, Audio-visual and Culture Executive Agency (EACEA), c) indirect management with budget implementation tasks entrusted to National Agencies (NA), this audit engagement also covered the DG EAC. Please refer to DG EAC's Annual Activity Report for further information if needed, concerning this part of the audit.

³⁰ Decision C(2013)9189, dated 18/12/2013

3) Follow-up Engagements

During the period of reference, the year 2015, the IAS conducted a follow up engagement related to:

- the IAC audit on monitoring missions and
- the IAC audit on Erasmus Mundus II Programme and the Intra-ACP academic mobility scheme.

The assessment of the state of implementation was based on a desk review of evidence provided by the Agency and included interviews of key staff members and analysis of additional documentation received.

Concerning the IAC Audit on Monitoring Missions in EACEA, the IAS followed up all the recommendations identified as 'Ready for Review' by the Agency, notably: two Very Important recommendations (n° 1 on Strategy & Planning and n° 7 on Data Dissemination) and four Important recommendations (n° 2 on Economies & Optimal use of Resources, n° 3 on Mission Expenditure Management, n° 5 on Improvement of Procedure Implementation and n° 8 on Central Reporting on AAR).

Based on the results of their follow-up, the IAS assessed that all the recommendations have been adequately and effectively implemented and can be closed.

Concerning the IAC Audit on Erasmus Mundus II Programme and the Intra-ACP academic mobility scheme, the IAS followed up seven recommendations marked as 'Ready for Review'³¹ by the Agency and five open recommendations with an extended completion date of 31/12/2015³².

Based on the results of their follow up, the IAS assessed that all recommendations have been adequately and effectively implemented (and will be closed). In substance, the main topics of the audit recommendations are already implemented except for the following on two very important recommendations where the implementation is on-going:

- Recommendation n°9 on Eligible activities and conditions ruling the geographical lots (Very Important): EACEA performed the analysis of the individual mobility flows implemented in 2011 and 2012 by the Partnerships selected in the context of Erasmus Mundus. It identified and assessed the exceptional circumstances that these partnerships encountered and defined a procedure for the treatment of the cases of "force majeure". However, this procedure has not been formally approved; consequently the "force majeure" clause cannot yet be implemented to assess the eligibility of an activity in the context of the Erasmus Mundus- Action 2 Partnerships.
- Recommendation n°3 on Operational desk and field monitoring of the projects: individual and global overview (Very Important): The audit concluded that the actual operational desk and field monitoring of courses funded under Erasmus+ by the Agency is not completely in line with DG EAC's quality objectives and could therefore lead to a lack of 'results oriented' monitoring. The Agency should review its monitoring strategy for both desk and field monitoring by increasing the focus on results and impact.

³¹ Four Very Important recommendations (n°4 on Past Performance-Recurrent Beneficiaries, n°5 on Documentation of Selection Process, n° 6 on Students' Complaints and n° 10 on Doctorates' Employment Contracts) and four Important recommendations (n°7 on Programmes Jointness & Accreditation, n°11 on Document Management, Filing & Dissemination, n°12 on Financial Reporting and n°13 on Coordination with Parent DGs & other DGs/Services).

³² Four Very Important recommendations: n° 1 on Time Lag & Potential Overspending, n°2 – Global Financial Monitoring – Decolmitment Rate, n°8 – Payment of Grants, n°9 – Eligible Activities & Conditions Ruling the Geographical Lots) with initial expected completion dates that were extended to 31.12.2015

- Recommendation n°10 (Important) on Doctorates employment contracts: The Agency completed the legal and operational analysis and senior management decided on the action to be taken. The project coordinators have been solicited to provide detailed information on the conditions of these employment contracts. Their replies are being analysed. Once such analysis is done, the Agency will, where necessary, issue recovery orders for any potentially unspent amounts. This exercise will draw to a close by the end of April 2016. For this reason, the IAS considers the recommendation as partially implemented, but taking into consideration the progress done so far, downgrades it to "important".

The Agency has been invited to continue the action plan implementation concerning the last two open recommendations. The IAS has scheduled in 2016 a second follow-up audit of these recommendations.

4) Conclusion of the IAS on the state of internal control

The IAS has concluded that the internal control systems audited are working satisfactorily overall, although a number of very important findings remain to be addressed in line with the agreed action plans as listed above (recommendations n°3 and recommendation n°9). The IAS also indicated that particular attention should be given to the impact of the delay observed in the implementation of one very important recommendation (recommendation n°9 – see more details above). However, the Agency does not consider that this constitutes an internal control failure that would lead to an exception or a qualification of the overall conclusion on the effectiveness of the internal control system/standards because, (a) in case of the recommendation n°9, the delay in the implementation corresponds to the formal approval of the procedure/guidelines which were pending at 31 December 2015; however, as agreed by the IAS, the analysis required has been carried out at the time of IAS's follow up and, (b) in case of recommendation n°3, the action plan was not fully completed at the date of the follow up of the IAS, therefore the status of the recommendation was not "ready for review"; however, most of the actions corresponding to this recommendation, of which the last due date is 31 March 2016, have been put in place by the Unit in charge.

5) Strategic Audit Plan of the IAS for 2016

As a result of the audit risk assessment conducted by the IAS in 2015, the services of the IAS have presented the Strategic Audit Plan for EACEA, which will cover the Period 2016-2018. The scheduled audit plan for 2016 includes the audit of Erasmus + and Creative Europe on the grant management phase (from the call to the signature of contracts). The first audit will be on the selection phases in 2016/17, while the second audit will be on the closure phase in 2017/18 and the final audit will be on HR strategy.

6) Conclusion

As a result of the assessment of the risks underlying the auditors' observations together with the management measures taken in response, the management of the Agency believes that the recommendations issued do not raise any assurance implications and are being implemented as part of continuous efforts to improve its management and control systems and value for money.

2.3 Assessment of the effectiveness of the internal control systems

The Commission has adopted a set of internal control standards, based on international good practice, aimed to ensure the achievement of policy and operational objectives. In addition, as regards financial management, compliance with these standards is a compulsory requirement.

EACEA has put in place the organisational structure and the internal control systems suited to the achievement of the policy and control objectives, in accordance with the standards and having due regard to the risks associated with the environment in which it operates.

The Agency annually assesses the effectiveness of its key internal control systems.

The assessment relies on a number of monitoring measures and sources of information including a survey-based self-assessment by management and staff; reported instances of exceptions and/or non-compliance events and internal control weaknesses; relevant audit findings; and the risk management process. Furthermore, the 'bottom-up' information on internal control issues received through the Head of Unit's management reports has been checked for confirmation or any counter-indications.

Finally, the IAS's opinion has been taken into account as well. This analysis has enabled the Internal Control Coordinator to report on the state of internal control and to provide any recommendations to the Director of the Agency (including suggestions for any ICS to be prioritised during 2015). The purpose of the assessment based on the reported information is to identify (1) any cases of ineffective implementation of a standard or lack of compliance with the requirements; and (2) any standards for which, despite compliance and effective implementation, management takes the view that additional measures are necessary to increase efficiency. These internal control standards are to be prioritised in the management plan for the following year.

The inherent risks of the Agency are associated primarily with sound financial management. The control standards that are most important to the Agency's environment generally are thus ICS 6, 8, 12 and 13. The Agency is particularly concerned with keeping error rates in spending programmes down to a tolerable level while balancing trust and control. While error rates for most of the spending programmes managed by the Agency are well below the materiality threshold of 2%, current error rates are around 4% on a multiannual basis for one of the Agency's funding programmes (Lifelong Learning Programme and Culture in programming period 2007-2013). More information can be found above.

An analysis of the main causes of errors has led the Agency to focus its efforts and lean support towards a) simplifying legislation/implementing rules and its own processes and procedures and b) adopting a solid communication policy towards both internal and external stakeholders. Concerning the overall state of the internal control system, the Agency generally complies with the three assessment criteria for effectiveness; i.e. (a) staff having the required knowledge and skills, (b) systems and procedures designed and implemented to manage the key risks effectively, and (c) no instances of ineffective controls that have exposed the Agency to its key risks.

Over several years, the ICS have been considered to be effectively implemented.

Notwithstanding the above, in its 2015 work programme, the Agency, as in previous years has foreseen measures to improve the efficiency and/or cost-effectiveness of its internal control systems.

For instance, for ICS 8 on Processes and procedures, new simplified procedures (i.e. for amendments) as well specific guidances were adopted in the course of 2015. The new design of the Agency's procedures interface, for an easier and more user-friendly access to procedures, was finished during 2015. By the end of the reporting year, this standard can be considered as implemented and effective. Nevertheless, the work can be further pursued in 2016 in connection with the updating of the intranet of the Agency.

For ICS 6 Risk management process, the Agency has finalised the drafting of an updated risk register and a related guidelines document to implement an improved risk assessment exercise.

Finally for ICS 13 on Financial reporting, the Agency will continue its communication efforts towards the Agency. The objective is to increase knowledge sharing around indicators that should not be seen only as an instrument to control but also as a way to measure the progresses made and to explain the results of the actions carried out (impact indicators).

The intention is to integrate the risk assessment process into daily activities not only at a central level, but also at operational unit and project level. For this purpose, the Agency has decided to ask the help of a consultant to improve risk management perception within the Units where a specific risk has been materialized (B1) or detected (new heads of Units).

In conclusion, the internal control standards are effectively implemented and functioning well.

2.4 Conclusions as regards assurance

This section reviews the assessment of the elements reported above (in Sections 2.1, 2.2 and 2.3) and draws conclusions supporting the declaration of assurance and whether it should be qualified with reservations.

The information in Section 2 stems from the reported results of monitoring by both the Agency's management and several audit bodies (ECA and IAS) for all significant budget areas managed by the Agency. All these reports result from a systematic analysis of the evidence available. This approach provides sufficient guarantees as to the completeness and reliability of the information reported and results in a complete coverage of the budget delegated to the Director of the Agency.

The Director assesses the information provided in the above Section 2 as complete. The administrative and operational budgets have been covered by appropriate performance indicators, by audits from ECA and IAS and the results from ex-post audits.

The Director believes that the information provided is reliable. Most of the indicators mentioned in Section 2 have been closely monitored since the set-up of the Agency back in 2006.

The EACEA assessment on legality and regularity for the LLP programme 2007-2013 returns a level of error which appears to be "persistently high". For the 4th subsequent year, the cumulative control results show that a significant level of error (above the 2% materiality threshold) still affects some of the transactions under the LLP programme. These errors have been analysed and their underlying causes have been identified. The action plan which addressed these weaknesses is fully operational. The Agency believes that the reservation for LLP programme (2007-2013) could be recurrent at least for a couple of years especially taking into account that a) reservations are based on cumulative control results and b) LLP (2007-2013) is already phasing out. The Agency also considers that it has implemented all possible suitable ex-ante and ex-post controls, to the extent they remain cost-effective and do not affect other policy programme objectives. The same analysis is valid for the Culture programme (2007-2013) and the Youth in Action programme (2007-2013) where new reservations have been issued. In

fact, as already mentioned previously in this report, the action plan which addressed LLP reservation in 2011 was applied to all programmes of the Agency from the start, the same previous remarks also being valid (namely the time needed to see the benefits of the actions implemented)³³.

The Director concludes that adequate corrective measures have been taken and should be fully effective for projects committed from 2013 onwards. However, the impact on the multiannual error rate could be smaller, as this improvement could be more than off-set by the higher error rates in previous years;

In summary, the Director can provide reasonable assurance of the adequate management of risks related to a) the legality and regularity of the underlying transactions, taking into account the multiannual character of the programmes as well as the nature of payments concerned, b) sound financial management and c) prevention, detection and correction of irregularities and fraud except for the reservations for the LLP, the Culture and Youth in Action programmes (2007-2013).

Furthermore, in the context of the next programmes for 2014-2020, action is being taken together with the Commission to further implement financial simplifications. Concerning the impact of the errors affecting the LLP, the Culture and the Youth in Action programmes (2007-2013) on the declaration of assurance, it must be stressed that the amount at risk only represents 1.52% of the total payments processed by the Agency in 2015. It therefore does not significantly affect the legality and regularity of the total transactions managed by the Agency.

Overall Conclusion

In conclusion, management has reasonable assurance that, overall, suitable controls are in place and working as intended; risks are being appropriately monitored and mitigated; and necessary improvements and reinforcements are being implemented. Taking into account the above considerations, the overall risk relating to the legality and regularity of the underlying transactions of the Agency in 2015 remains lower than the materiality threshold of 2%.

The Executive Director in his capacity as Authorising Officer by Delegation has signed the Declaration of Assurance albeit qualified by a reservation concerning the LLP programme (2007-2013), a reservation concerning the Culture programme (2007-2013) and a reservation concerning the Youth in Action programme (2007-2013).

³³ At this stage it is worth reminding, as described in this report, that the main matter in question for the Culture programme's (2007-2013) reservation issued this year comes from an audit of a project committed back in 2007.

3. Declaration of Assurance and reservations

DECLARATION OF ASSURANCE

I, the undersigned,

Executive Director of Executive Agency for Culture, Education and Audiovisual

In my capacity as authorising officer for the operating budget and authorising officer by delegation for the operational budget,

Declare that the information contained in this report gives a true and fair view³⁴.

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 Education, Audiovisual and Culture Executive Agency or those of the Commission here.

However the following reservations should be noted:

Considering that the materiality of the amount at risk is at 5.32% for the Lifelong Learning programme (2007-2013), a reservation is warranted for this programme. Considering that the materiality of the amount at risk is at 9.93% for the Culture programme (2007-2013), a reservation is warranted for this programme. Considering that the materiality of the amount at risk is at 3.26% for the Youth in Action programme (2007-2013), a reservation is warranted for this programme.

Although the materiality is above 2% for these programmes, its effect on the overall assurance and declaration is limited given the weight of the amount at risk which corresponds to 1.52% of the 2015 total payments done by the Agency. Consequently, despite the reservations, the overall assurance can be maintained.

Place Brussels, date 8/04/2016

(signed)

Brian Holmes

³⁴ True and fair in this context means a reliable, complete and correct view on the state of affairs in the Executive Agency.

Reservation 1: LLP programme 2007-2013

N°	Title	Type (Financial or Reputational)	2015 amount at risk (EUR in Mio)	ABB amount concerned in 2015 i.e. scope (EUR in Mio)
1	LLP 2007-2013	Financial	EUR 4,8 Mio	EUR 46.7 Mio

DG/service	EACEA
Title of the reservation, including its scope	Materiality of the amount at risk resulting from the multiannual residual error rates detected through ex-post audits in grant payments being above 2% of the programme budget for the Lifelong Learning Programme (LLP) 2007-2013
Domain	Direct management – grants
ABB activity and amount affected (= "scope")	LLP programme (2007-2013): 15 02 51 Scope: EUR 46,679,474
Reason for the reservation	Occurrence of significant errors in the underlying transactions (legality and regularity) found through ex-post controls. The multiannual materiality of the amount at risk for the LLP programme 2007-2013 is 5.32%. The errors concern mainly the difficulty for some beneficiaries to produce adequate justifying documents and the non-respect of some eligibility rules. The multiannual detected error rate is 4.52%.
Materiality criterion/criteria	The materiality criterion in terms of the legality and regularity of underlying transactions of 2% of the ABB activity was breached.
Quantification of the impact (= actual exposure")	The 2015 amount at risk is calculated for the LLP programme concerned by multiplying the value of the grants closed (i.e. balance payment + related cleared pre-financing) in 2015 for which a final payment was made in 2015 by the multiannual detected error rate and taking into account corrections on the audited population during 2015. It amounts to EUR 4.8 Mio (4.52% times EUR 112.9 Mio minus EUR 0.3 Mio).
Impact on the assurance	Although the materiality is above 2% for the legality and regularity of the financial transactions at stake under the LLP programme 2007-2013 resulting in this reservation, its effect on the overall declaration of assurance is limited given the weight (2.06%) of the amount at risk compared to the total budget execution in terms of payments related to the programming period 2007-2013 in 2015 within the Agency (EUR 4.8 Mio / EUR 231.2 Mio = 2.06%) or 0.84% compared to the total budget execution in terms of operational payments in 2015 within the Agency (EUR 4.8 Mio/EUR 570,2 Mio = 0.84%)
Responsibility for the weakness	The errors occur at the level of final grant beneficiaries and the ex-ante controls within the Agency failed to sufficiently prevent, detect and correct erroneous payments.
Responsibility for the corrective action	The Agency will, like in previous years, thoroughly analyse the (most recurrent) errors found through the latest batches of audit reports and, if necessary, implement additional actions in the course of 2016 taking into account the cost-benefits of any possible corrective measures. The Agency believes that the action plan described in Part 2 should be fully effective for projects committed in 2013 and after. However, these projects will not become subject to an audit until 2016. The mandatory use of audit certificates by beneficiaries, added to the improved communication on financial obligations, should allow the 2% materiality threshold to be reached for these projects. However, the impact on the multiannual error rates could be smaller, as this improvement could be more than off-set by the higher error rates during previous years. Hence, despite this action plan, and based on the above analysis and a prudent extrapolation, the Agency believes that the reservation for the LLP programme 2007-2013 could recur at least until AAR 2016.

Reservation 2: Culture programme 2007-2013

N°	Title	Type (Financial or Reputational)	2015 amount at risk (EUR in Mio)	ABB amount concerned in 2015 i.e. scope (EUR in Mio)
1	Culture 2007-2013	Financial	EUR 3,4 Mio	EUR 17.5 Mio

DG/service	EACEA
Title of the reservation, including its scope	Materiality of the amount at risk resulting from the multiannual residual error rates detected through ex-post audits in grant payments being above 2% of the programme budget for the Culture Programme 2007-2013
Domain	Direct management – grants
ABB activity and amount affected (= "scope")	Culture programme (2007-2013) 15 02 54 Scope: EUR 17,503,391
Reason for the reservation	Occurrence of significant errors in the underlying transactions (legality and regularity) found through ex-post controls. The multiannual materiality of the amount at risk for the Culture programme 2007-2013 is 9.93%. The errors concern mainly the difficulty for some beneficiaries to produce adequate justifying documents and the non-respect of some eligibility rules. The multiannual detected error rate is 9.13%.
Materiality criterion/criteria	The materiality criterion in terms of the legality and regularity of underlying transactions of 2% of the ABB activity was breached.
Quantification of the impact (= actual exposure)	The 2015 amount at risk is calculated for the Culture programme concerned by multiplying the value of the grants closed (i.e. balance payment +related cleared pre-financing) in 2015 for which a final payment was made in 2015 by the multiannual detected error rate taking into account corrections on the audited population during 2015. It amounts to EUR 3.4 Mio (9.13% times EUR 47.3 Mio minus EUR 0.8 Mio).
Impact on the assurance	Although the materiality is above 2% for the legality and regularity of the financial transactions at stake under the Culture programme 2007-2013 resulting in this reservation, its effect on the overall declaration of assurance is limited given the weight (1.48%) of the amount at risk compared to the total budget execution in terms of payments related to the programming period 2007-2013 in 2015 within the Agency (3.4Mio/231.2Mio = 1,48%) or 0.60% compared to the total budget execution in terms of operational payments in 2015 within the Agency (3.4 Mio/570,2 Mio = 0.60%)
Responsibility for the weakness	The errors occur at the level of final grant beneficiaries and the ex-ante controls within the Agency failed to sufficiently prevent, detect and correct erroneous payments.
Responsibility for the corrective action	The Agency will, like in previous years for LLP Programme, thoroughly analyse the (most recurrent) errors found through the latest batches of audit reports and, if necessary, implement additional actions in the course of 2016 taking into account the cost-benefits of any possible corrective measures. However, the Agency believes that action plan set up for LLP reservation in 2011 but implemented through all programmes of the Agency should be fully effective for projects committed in 2013. The mandatory use of audit certificates by beneficiaries, added to the improved communication on financial obligations, should allow the 2% materiality threshold to be reached for these projects. However, the impact on the multiannual error rates could not be visible, as these projects will not be subject to an audit until 2016. Therefore it is probable that the impact of actions taken will only be visible for the new programming period audits.

Reservation 3: Youth in Action 2007-2013

N°	Title	Type (Financial or Reputational)	2015 amount at risk (EUR in Mio)	ABB amount concerned in 2015 i.e. scope (EUR in Mio)
1	Youth in Action 2007-2013	Financial	EUR 0,5 Mio or EUR 474K	EUR 2.0 Mio

DG/service	EACEA
Title of the reservation, including its scope	Materiality of the amount at risk resulting from the multi-annual residual error rates detected through ex-post audits in grant payments being above 2% of the programme budget for the Youth in Action Programme (2007-2013)
Domain	Direct management – grants
ABB activity and amount affected (= "scope")	Youth in Action programme (2007-2013) 15 02 53 Scope: EUR,1.660,885 – 21 03 51xx Scope EUR 269,028 and 22 02 51xx Scope EUR 98,672
Reason for the reservation	Occurrence of significant errors in the underlying transactions (legality and regularity) found through ex-post controls. The multiannual materiality of the amount at risk for the Youth in Action programme (2007-2013) is 3.26%. The errors concern mainly the difficulty for some beneficiaries to produce adequate justifying documents and the non-respect of some eligibility rules. The multiannual detected error rate is 3.00%.
Materiality criterion/criteria	The materiality criterion in terms of the legality and regularity of underlying transactions of 2% of the ABB activity was breached.
Quantification of the impact (= actual exposure)	The 2015 amount at risk is calculated for the Youth in Action programme concerned by multiplying the value of the grants closed (i.e. balance payment + related cleared pre-financing) in 2015 for which a final payment was made in 2015 by the multiannual detected error rate taking into account corrections on the audited population during 2015. It amounts to EUR 474 Thousand (3.00% times EUR 15.9 Mio minus EUR 4 Thousand).
Impact on the assurance	Although the materiality is above 2% for the legality and regularity of the financial transactions at stake under the Youth in Action programme 2007-2013 resulting in this reservation, its effect on the overall declaration of assurance is limited given the weight (0.20%) of the amount at risk compared to the total budget execution in terms of payments related to the programming period 2007-2013 in 2015 within the Agency (0.474 Mio/231.2 Mio = 0,20%) or 0.08% compared to the total budget execution in terms of operational payments in 2015 within the Agency (0.474 Mio/570,2 Mio = 0.08%)
Responsibility for the weakness	The errors occur at the level of final grant beneficiaries and the ex-ante controls within the Agency failed to sufficiently prevent, detect and correct erroneous payments.
Responsibility for the corrective action	The Agency will, like in previous years for LLP Programme, thoroughly analyse the (most recurrent) errors found through the latest batches of audit reports and, if necessary, implement additional actions in the course of 2016 taking into account the cost-benefits of any possible corrective measures. However, the Agency believes that action plan set up for LLP reservation in 2011 but implemented through all programmes of the Agency should be fully effective for projects committed in 2013. The mandatory use of audit certificates by beneficiaries, added to the improved communication on financial obligations, should allow the 2% materiality threshold to be reached for these projects. However, the impact on the multi-annual error rates could not visible, as these projects will not be subject to an audit until 2016. Therefore it is probable that the impact of actions taken will only be visible for the new programming period audits.

ANNEXES

ANNEX 1: Statement of the Internal Control Coordinator³⁵

"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 Commission³⁶, I have reported my advice and recommendations to the Director-General/Executive Director on the overall state of internal control in the DG/Executive Agency.

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

Date: 8/04/2016

(signed)

Armin Bosch

³⁵ In EACEA, the Head of Unit in charge of Finances, Accounting and Programming is entrusted with the function of Internal Control Coordinator.

³⁶ Communication to the Commission: Clarification of the responsibilities of the key actors in the domain of internal audit and internal control in the Commission; SEC(2003)59 of 21.01.2003.

ANNEX 2: Human and financial resources

Human Resources by ABB activity				
Code ABB Activity	ABB Activity	Establishment Plan posts	External Personnel	Total
15.02	Erasmus+	59	177	236
15.04	Creative Europe	21	80	101
16.02	Europe for Citizens	3	15	18
23.04	EU Aid Volunteers	1	6	7
	Administrative support	19	46	65
	Coordination and Communication	3	11	14
Total		106	335	441

ANNEX 3: Draft annual accounts and financial reports

Annex 3 Financial Reports - DG EACEA - Financial Year 2015

Table 1 : Commitments

Table 2 : Payments

Table 3 : Commitments to be settled

Table 4 : Balance Sheet

Table 5 : Statement of Financial Performance

Table 6 : Average Payment Times

Table 7 : Income

Table 8 : Recovery of undue Payments

Table 9 : Ageing Balance of Recovery Orders

Table 10 : Waivers of Recovery Orders

Table 11 : Negotiated Procedures (excluding Building Contracts)

Table 12 : Summary of Procedures (excluding Building Contracts)

Table 13 : Building Contracts

Table 14 : Contracts declared Secret

TABLE 1: OUTTURN ON COMMITMENT APPROPRIATIONS IN 2015 (in Mio €)					
			Commitment appropriations authorised	Commitments made	%
			1	2	3=2/1
Title 15 Education and culture					
15	15 02	Erasmus+	277,38	269,62	97,20 %
	15 04	Creative Europe	166,37	162,35	97,58 %
Total Title 15			443,75	431,97	97,34%
Title 16 Communication					
16	16 02	Fostering European citizenship	22,56	22,19	98,34 %
Total Title 16			22,56	22,19	98,34%
Title 19 Foreign policy instruments					
19	19 05	Cooperation with third countries under the Partnership Instrument (PI)	4,77	3,90	81,73 %
Total Title 19			4,77	3,90	81,73%
Title 21 Development and cooperation					
21	21 02	Development Cooperation Instrument (DCI)	72,94	71,50	98,02 %
	21 03	European Neighbourhood Instrument (ENI)	49,88	48,35	96,93 %
Total Title 21			122,83	119,85	97,58%
Title 22 Enlargement					
22	22 02	Enlargement process and strategy	14,02	13,26	94,60 %
Total Title 22			14,02	13,26	94,60%
Title 23 Humanitarian aid and civil protection					
23	23 04	EU Aid Volunteers initiative	6,15	6,15	99,99 %
Total Title 23			6,15	6,15	99,99%
Total DG EACEA			614,08	597,31	97,27 %

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

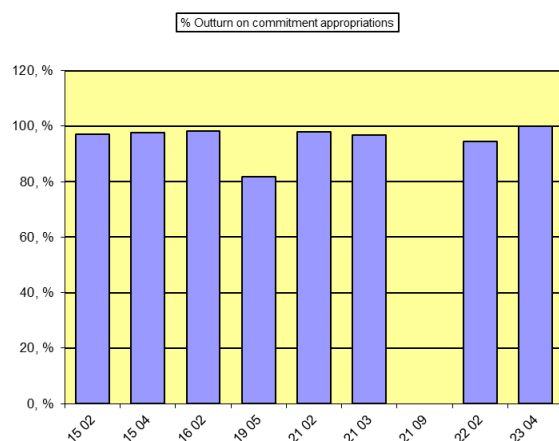


TABLE 2: OUTTURN ON PAYMENT APPROPRIATIONS IN 2015 (in Mio €)					
Chapter			Payment appropriations authorised	Payments made	%
			1	2	3=2/1
Title 15 Education and culture					
15	15 02	Erasmus+	255,76	247,44	96,75 %
	15 04	Creative Europe	153,29	147,71	96,36 %
Total Title 15			409,05	395,15	96,60%
Title 16 Communication					
16	16 02	Fostering European citizenship	15,96	15,75	98,70 %
Total Title 16			15,96	15,75	98,70%
Title 19 Foreign policy instruments					
19	19 05	Cooperation with third countries under the Partnership Instrument (PI)	3,97	3,07	77,21 %
Total Title 19			3,97	3,07	77,21%
Title 21 Development and cooperation					
21	21 02	Development Cooperation Instrument (DCI)	63,66	56,27	88,39 %
	21 03	European Neighbourhood Instrument (ENI)	74,75	73,23	97,97 %
	21 09	Completion of actions implemented under Industrialised Countries Instrument (ICI+) Programme	3,01	3,01	100,00 %
Total Title 21			141,42	132,51	93,70%
Title 22 Enlargement					
22	22 02	Enlargement process and strategy	21,30	21,28	99,86 %
Total Title 22			21,30	21,28	99,86%
Title 23 Humanitarian aid and civil protection					
23	23 04	EU Aid Volunteers initiative	2,47	2,47	99,91 %
Total Title 23			2,47	2,47	99,91%
Total DG EACEA			594,17	570,21	95,97 %

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

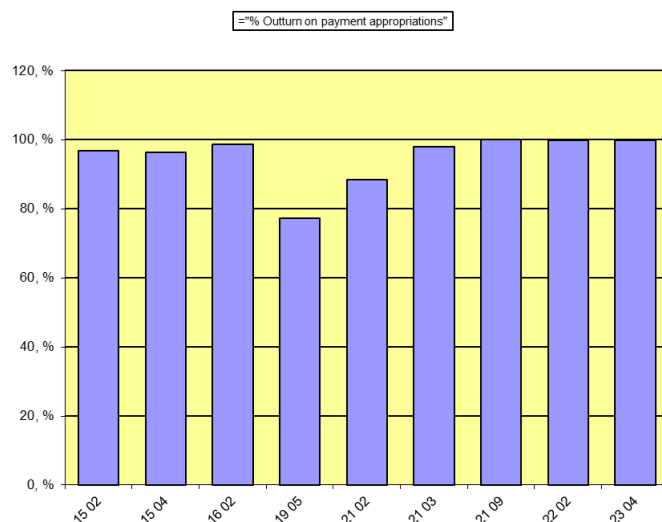


TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2015 (in Mio €)									
Chapter			2015 Commitments to be settled				Commitments to be settled from financial years previous to 2015	Total of commitments to be settled at end of financial year 2015 (incl corrections)	Total of commitments to be settled at end of financial year 2014 (incl. corrections)
			Commitments 2015	Payments 2015	RAL 2015	% to be settled			
			1	2	3=1+2	4=1+2/1	5	6=3+5	7
Title 15 : Education and culture									
15	15 02	Erasmus+	269,62	137,30	132,32	49,08 %	141,05	273,37	269,40
	15 04	Creative Europe	162,35	85,79	76,56	47,16 %	84,63	161,19	155,17
Total Title 15			431,97	223,08	208,88	48,36%	225,68	434,56	424,57
Title 16 : Communication									
16	16 02	Fostering European citizenship	22,19	8,41	13,78	62,10 %	9,96	23,74	18,69
Total Title 16			22,19	8,41	13,78	62,10%	9,96	23,74	18,69
Title 19 : Foreign policy instruments									
19	19 05	Cooperation with third countries under the Partnership Instrument (PI)	3,90	0,00	3,90	100,00 %	13,69	17,59	17,29
Total Title 19			3,90	0,00	3,90	100,00%	13,69	17,59	17,29
Title 21 : Development and cooperation									
21	21 02	Development Cooperation Instrument (DCI)	71,50	0,82	70,68	98,86 %	127,10	197,78	182,74
	21 03	European Neighbourhood Instrument (ENI)	48,35	0,25	48,10	99,48 %	128,64	176,74	208,02
	21 09	Completion of actions implemented under Industrialised Countries Instrument (ICI+) Programme	0,00	0,00	0,00	#DIV/0	12,63	12,63	15,63
Total Title 21			119,85	1,07	118,78	99,11%	268,36	387,14	406,39
Title 22 : Enlargement									
22	22 02	Enlargement process and strategy	13,26	0,01	13,24	99,89 %	34,96	48,20	57,07
Total Title 22			13,26	0,01	13,24	99,89%	34,96	48,20	57,07
Title 23 : Humanitarian aid and civil protection									
23	23 04	EU Aid Volunteers initiative	6,15	0,00	6,15	100,00 %	8,55	14,70	11,15
Total Title 23			6,15	0,00	6,15	100,00%	8,55	14,70	11,15
Total DG EACEA			597,31	232,58	364,74	61,06 %	561,19	925,93	935,16

"Breakdown of Commitments remaining to be settled (in Mio EUR)"

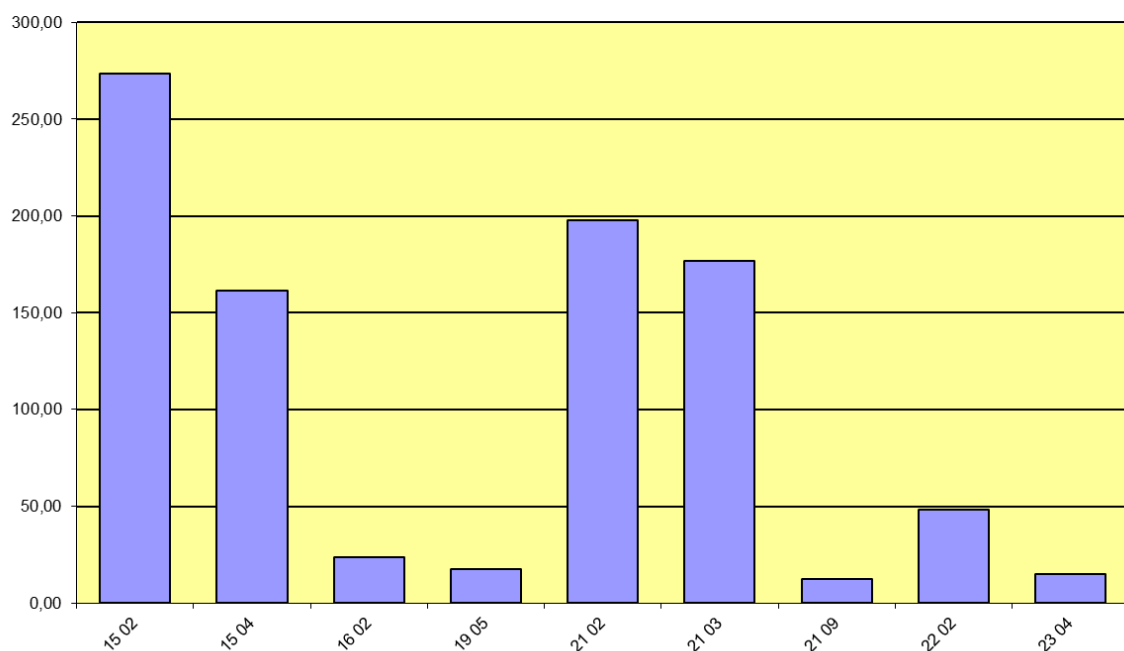


TABLE 4 : BALANCE SHEET

BALANCE SHEET	2015	2014
A.I. NON CURRENT ASSETS	33.783.287	36.823.061
A.I.6. Non-Current Pre-Financing	33.783.287	36.823.061
A.I.7. OLD LT Pre-Financing		0
A.II. CURRENT ASSETS	269.283.849	319.469.226
A.II.2. Current Pre-Financing	255.708.977	308.583.288
A.II.4. Exchange Receivables	12.517.886	10.038.979
A.II.5. Non-Exchange Receivables	1.056.986	1.089.242
A.II.7. Cash and Cash Equivalents	0	-242.285
ASSETS	303.067.136	356.292.287
P.III. CURRENT LIABILITIES	-109.807.567	-98.028.561
P.III.4. Accounts Payable	-4.013.021	-14.353.109
P.III.5. Accrued charges and deferred income	-105.794.546	-83.675.452
LIABILITIES	-109.807.567	-98.028.561
NET ASSETS (ASSETS less LIABILITIES)	193.259.569	258.263.726

P.I.2. Accumulated Surplus / Deficit	1.319.101.221	650.241.417
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Non-allocated central (surplus)/deficit*	-1.512.360.790	-908.505.143
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TOTAL	0	0
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It should be noted that the balance sheet and statement of financial performance presented in Annex 3 to this Annual Activity Report, represent only the assets, liabilities, expenses and revenues that are under the control of this Directorate General. Significant amounts such as own resource revenues and cash held in Commission bank accounts are not included in this Directorate General's accounts since they are managed centrally by DG Budget, on whose balance sheet and statement of financial performance they appear. Furthermore, since the accumulated result of the Commission is not split amongst the various Directorates General, it can be seen that the balance sheet presented here is not in equilibrium.

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

TABLE 5 : STATEMENT OF FINANCIAL PERFORMANCE

STATEMENT OF FINANCIAL PERFORMANCE	2015	2014
II.1 REVENUES	-2.996.470,61	-4.344.412,73
II.1.1. NON-EXCHANGE REVENUES	-2.514.652,98	-3.995.488,27
II.1.1.5. RECOVERY OF EXPENSES	-2.197.365,23	-2.148.235,17
II.1.1.6. OTHER NON-EXCHANGE REVENUES	-317.287,75	-1.847.253,10
II.1.2. EXCHANGE REVENUES	-481.817,63	-348.924,46
II.1.2.1. FINANCIAL INCOME	-284.532,98	-461.444,46
II.1.2.2. OTHER EXCHANGE REVENUE	-197.284,65	112.520,00
II.2. EXPENSES	626.275.522,86	673.204.216,42
II.2. EXPENSES	626.275.522,86	673.204.216,42
II.2.10. OTHER EXPENSES	740.742,58	838.374,92
II.2.2. EXP IMPLM BY COMMISS&EX.AGENC. (DM)	625.528.157,71	672.344.689,83
II.2.8. FINANCE COSTS	6.622,57	21.151,67
STATEMENT OF FINANCIAL PERFORMANCE	623.279.052,25	668.859.803,69

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

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

TABLE 6: AVERAGE PAYMENT TIMES FOR 2015 - DG EACEA

Legal Times							
Maximum Payment Time (Days)	Total Number of Payments	Nbr of Payments within Time Limit	Percentage	Average Payment Times (Days)	Nbr of Late Payments	Percentage	Average Payment Times (Days)
30	4.294	4.133	96,25 %	9,6	161	3,75 %	38,7
45	173	161	93,06 %	14,0	12	6,94 %	56,7
50	2	2	100,00 %	14,5			
60	3.306	3.079	93,13 %	26,4	227	6,87 %	83,3
90	876	814	92,92 %	47,6	62	7,08 %	132,1

Total Number of Payments	8.651	8.189	94,66 %		462	5,34 %	
Average Payment Time	22,7			19,8			73,6

Target Times							
Target Payment Time (Days)	Total Number of Payments	Nbr of Payments within Target Time	Percentage	Average Payment Times (Days)	Nbr of Late Payments	Percentage	Average Payment Times (Days)
20	3.139	2.984	95,06 %	7,9	155	4,94 %	35,5
30	182	141	77,47 %	10,2	41	22,53 %	46,3
75	851	678	79,67 %	42,4	173	20,33 %	99,7

Total Number of Payments	4.172	3.803	91,16 %		369	8,84 %	
Average Payment Time	18,8			14,1			66,8

Suspensions							
Average Report Approval Suspension	Average Payment Suspension Days	Number of Suspended Payments	% of Total Number	Total Number of Payments	Amount of Suspended Payments	% of Total Amount	Total Paid Amount
3,0	38,8	1.753	20,26 %	8.651	113.933.792,28	20,05 %	568.223.955,01

Late Interest paid in 2015			
DG	GL Account	Description	Amount (Eur)
EACEA	65010000	Interest expense on late payment of charges	1.087,04
EACEA	65010100	Interest on late payment of charges New FR	5.535,53
			6.622,57

TABLE 7 : SITUATION ON REVENUE AND INCOME IN 2015								
Chapter		Revenue and income recognized			Revenue and income cashed from			Outstanding balance
		Current year RO	Carried over RO	Total	Current Year RO	Carried over RO	Total	
		1	2	3=1+2	4	5	6=4+5	
52	REVENUE FROM INVESTMENTS OR LOANS GRANTED, BANK AND OTHER INTEREST	284.532,98	7.195,91	291.728,89	278.274,85	3.369,14	281.643,99	10.084,90
60	CONTRIBUTIONS TO UNION PROGRAMMES	72.136,05	114.730,32	186.866,37	59.698,59	37.658,26	97.356,85	89.509,52
61	REPAYMENT OF MISCELLANEOUS EXPENDITURE	183.539,66	5.096.327,79	5.279.867,45	-78.666,40	759.657,40	680.991,00	4.598.876,45
66	OTHER CONTRIBUTIONS AND REFUNDS	14.754.357,20	6.338.919,72	21.093.276,92	10.602.288,71	1.186.470,81	11.788.759,52	9.304.517,40
90	MISCELLANEOUS REVENUE	106,43	0,00	106,43	106,43	0,00	106,43	0,00
Total DG EACEA		15.294.672,32	11.557.173,74	26.851.846,06	10.861.702,18	1.987.155,61	12.848.857,79	14.002.988,27

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

INCOME BUDGET RECOVERY ORDERS ISSUED IN 2015 Year of Origin (commitment)	Error		Irregularity		Total undue payments recovered		Total transactions in recovery context (incl. non-qualified)		% Qualified/Total RC	
	Nbr	RO Amount	Nbr	RO Amount	Nbr	RO Amount	Nbr	RO Amount	Nbr	RO Amount
2004			2	163.731,65	2	163.731,65	2	163.731,65	100,00%	100,00%
2006			1	12.000,00	1	12.000,00	2	154.081,35	50,00%	7,79%
2007	1	26.861,77	8	735.745,21	9	762.606,98	9	762.606,98	100,00%	100,00%
2008			29	348.398,22	29	348.398,22	30	414.380,27	96,67%	84,08%
2009	1	22.400,61	50	1.533.634,34	51	1.556.034,95	58	1.780.613,83	87,93%	87,39%
2010	2	16.281,85	84	2.633.119,48	86	2.649.401,33	123	4.044.136,45	69,92%	65,51%
2011	3	58.651,11	51	495.828,75	54	554.479,86	69	1.281.691,59	78,26%	43,26%
2012	6	164.779,36	86	1.693.938,34	92	1.858.717,70	224	3.665.031,86	41,07%	50,71%
2013	13	50.183,99	138	1.525.125,19	151	1.575.309,18	222	2.679.911,27	68,02%	58,78%
2014	10	78.199,42	60	651.730,15	70	729.929,57	97	1.038.753,41	72,16%	70,27%
2015	1	76,56	4	9.600,00	5	9.676,56	5	9.676,56	100,00%	100,00%
No Link			1	43.161,69	1	43.161,69	2	43.268,12	50,00%	99,75%
Sub-Total	37	417.434,67	514	9.846.013,02	551	10.263.447,69	843	16.037.883,34	65,36%	64,00%

EXPENSES BUDGET	Error		Irregularity		OLAF Notified		Total undue payments recovered		Total transactions in recovery context (incl. non-qualified)		% Qualified/Total RC	
	Nbr	Amount	Nbr	Amount	Nbr	Amount	Nbr	Amount	Nbr	Amount	Nbr	Amount
INCOME LINES IN INVOICES												
NON ELIGIBLE IN COST CLAIMS	248	1.330.717,26	1.082	9.163.621,72			1.330	10.494.338,98	1.333	10.512.363,98	99,77%	99,83%
CREDIT NOTES												
Sub-Total	248	1.330.717,26	1.082	9.163.621,72			1.330	10.494.338,98	1.333	10.512.363,98	99,77%	99,83%
GRAND TOTAL	285	1.748.151,93	1.596	19.009.634,74			1.881	20.757.786,67	2.176	26.550.247,32	86,44%	39,53%

TABLE 9: AGEING BALANCE OF RECOVERY ORDERS AT 31/12/2015 FOR EACEA

	Number at 01/01/2015	Number at 31/12/2015	Evolution	Open Amount (Eur) at 01/01/2015	Open Amount (Eur) at 31/12/2015	Evolution
2001	2	2	0,00 %	20.833,32	20.833,32	0,00 %
2002	7	4	-42,86 %	200.143,39	143.846,40	-28,13 %
2003	12	8	-33,33 %	259.250,00	196.250,00	-24,30 %
2004	10	6	-40,00 %	270.753,52	197.418,29	-27,09 %
2005	3	2	-33,33 %	67.434,03	58.001,98	-13,99 %
2006	4	4	0,00 %	457.398,36	457.398,36	0,00 %
2007	6	6	0,00 %	216.492,50	216.492,50	0,00 %
2008	22	18	-18,18 %	705.828,56	679.749,62	-3,69 %
2009	15	9	-40,00 %	443.857,81	377.707,84	-14,90 %
2010	18	14	-22,22 %	1.780.343,50	1.603.600,50	-9,93 %
2011	10	6	-40,00 %	481.939,39	209.154,27	-56,60 %
2012	32	17	-46,88 %	735.661,75	619.415,82	-15,80 %
2013	59	48	-18,64 %	1.061.179,74	870.571,02	-17,96 %
2014	137	57	-58,39 %	4.856.057,87	3.919.578,21	-19,28 %
2015		129			4.432.970,14	
	337	330	-2,08 %	11.557.173,74	14.002.988,27	21,16 %

TABLE 10 : RECOVERY ORDER WAIVERS IN 2015 >= EUR 100.000

	Waiver Central Key	Linked RO Central Key	RO Accepted Amount (Eur)	LE Account Group	Commission Decision	Comments

Total DG	
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Number of RO waivers	
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TABLE 11 : CENSUS OF NEGOTIATED PROCEDURES - DG EACEA - 2015

Procurement > EUR 60,000

Negotiated Procedure Legal base	Number of Procedures	Amount (€)
Art. 134.1(e) RAP	1	3.525.225,00
Art. 134.1(f) RAP	1	815.000,00
Total	2,	4.340.225,00

TABLE 12 : SUMMARY OF PROCEDURES OF DG EACEA EXCLUDING BUILDING CONTRACTS

Internal Procedures > € 60,000		
Procedure Type	Count	Amount (€)
Exceptional Negotiated Procedure without publication of a contract notice (Art. 134 RAP)	2	4.340.225,00
Open Procedure (Art. 127.2 RAP)	6	32.892.726,00
TOTAL	8	37.232.951,00

TABLE 13 : BUILDING CONTRACTS

Total number of contracts :

Total amount :

Legal base	Contract Number	Contractor Name	Description	Amount (€)

TABLE 14 : CONTRACTS DECLARED SECRET

Total Number of Contracts :

Total amount :

Legal base	Contract Number	Contractor Name	Type of contract	Description	Amount (€)

Annex 3 Financial Reports - EACEA - Financial Year 2015

Administrative Budget

Table 1 : Commitments

Table 2 : Payments

Table 3 : Commitments to be settled

Table 4 : Balance Sheet

Table 5 : Statement of Financial Performance

Table 6 : Average Payment Times

Table 7 : Income

Table 8 : Recovery of undue Payments

Table 9 : Ageing Balance of Recovery Orders

Table 10 : Waivers of Recovery Orders

Table 11 : Negotiated Procedures

Table 12 : Summary of Procedures

TABLE 1: OUTTURN ON COMMITMENT APPROPRIATIONS IN 2015 (in Mio €)				
Chapter		Commitment appropriations authorised *	Commitments made	%
		1	2	3=2/1
Title 1 DEP DE PERSONNEL				
1111	Agents temporaires	11,21	11,18	99,76 %
1121	Agents contractuels	15,64	15,61	99,81 %
1131	Intérimaires	3,15	3,09	97,99 %
1132	Stagiaires	0,28	0,28	99,72 %
1211	Gestion administrative du personnel	0,39	0,39	99,23 %
1221	Cours de langues, recyclage et perfect professionn	0,35	0,32	92,21 %
1231	Service médical	0,08	0,08	100,00 %
1232	Mobilité	0,05	0,04	95,56 %
1233	Services sociaux et autres interventions	0,79	0,79	100,00 %
1241	Frais de représentation, réunions int et évènement	0,04	0,04	91,97 %
Total Title 1		31,96	31,80	99,51%
Title 2 Infrastructure et dépenses de fonctionnement				
2111	Loyers, usufruits et frais accessoires	2,16	2,16	99,98 %
2112	Charges relatives aux immeubles	3,00	2,98	99,43 %
2121	Aménagements des locaux et autres dépenses	0,00		
2211	Équipement de traitement de données et télécomm	0,37	0,36	98,26 %
2212	Applications informatiques	0,60	0,58	98,19 %
2221	Autres services ext pour le traitement des données	2,27	2,15	94,79 %
2311	Achat, location, entretien et rép mob, mat et inst	0,01	0,01	60,23 %
2312	Frais de manutention et déménagements	0,04	0,03	78,78 %
2321	Papeterie et fournitures de bureau	0,08	0,08	100,00 %
2322	Affranchissement et frais de port	0,05	0,05	100,00 %
2331	Biblio, abon publications, acq et archi de documen	0,05	0,04	99,83 %
2341	Frais bancaires et autres frais financiers	0,00	0,00	25,00 %
2342	Frais de contentieux, dommages et intérêts	0,09	0,05	57,22 %
2351	Assurances et autres dép diverses de fonct courant	0,01	0,00	53,69 %
Total Title 2		8,71	8,50	97,60%
Title 3 Dépenses de support aux programmes				
3111	Réunions	0,48	0,23	48,18 %
3121	Information, communication et publication	0,79	0,76	96,68 %
3131	Traduction et interprétation	0,72	0,64	89,26 %
3141	Audits	1,30	1,25	96,45 %
3151	Frais de missions, déplacements et autres dép acce	0,60	0,53	87,67 %
3161	Informatique spécifique	2,31	2,26	97,76 %
3171	Autres dépenses liées à la gestion des programmes	0,00		
Total Title 3		6,19	5,67	91,58%
TOTAL EACEA		46,86	45,97	98,11 %

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

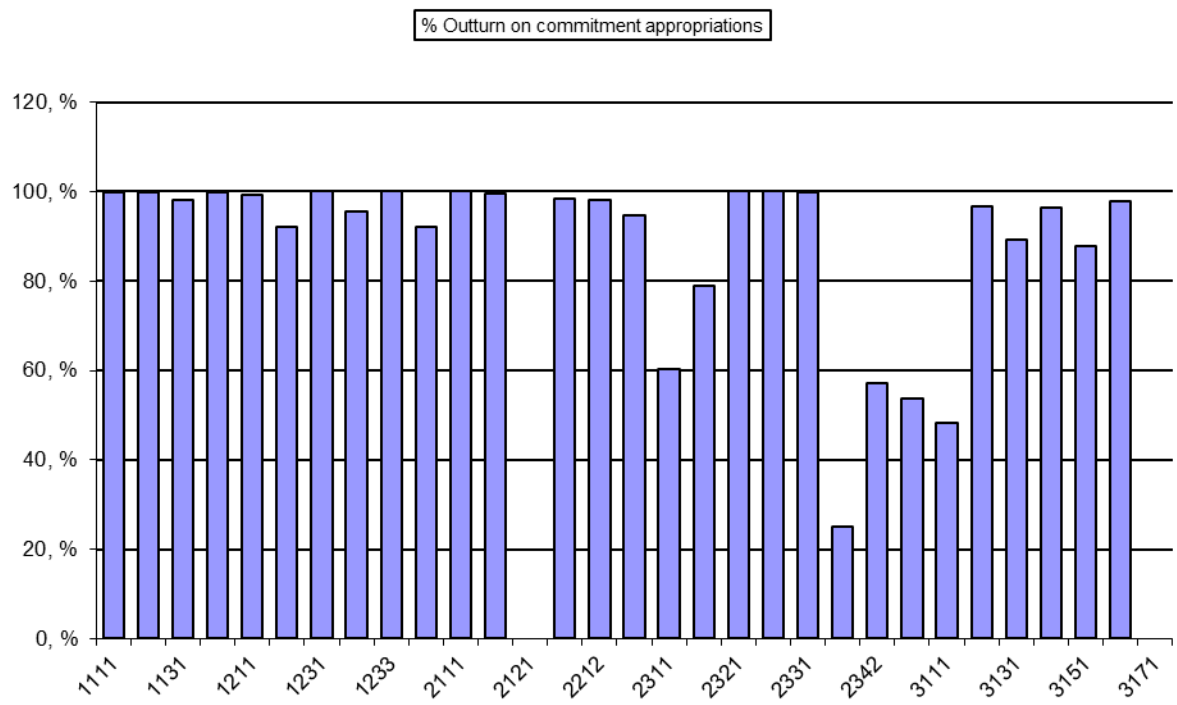


TABLE 2: OUTTURN ON PAYMENT APPROPRIATIONS IN 2015 (in Mio €)				
Chapter		Payment appropriations authorised *	Payments made	%
		1	2	3=2/1
Title 1 DEP DE PERSONNEL				
1111	Agents temporaires	11,21	11,18	99,72 %
1121	Agents contractuels	15,64	15,61	99,81 %
1131	Intérimaires	3,83	3,43	89,44 %
1132	Stagiaires	0,28	0,28	99,72 %
1211	Gestion administrative du personnel	0,42	0,36	84,89 %
1221	Cours de langues, recyclage et perfect professionn	0,55	0,33	59,62 %
1231	Service médical	0,10	0,07	68,50 %
1232	Mobilité	0,05	0,04	76,63 %
1233	Services sociaux et autres interventions	0,79	0,78	99,03 %
1241	Frais de représentation, réunions int et évènement	0,05	0,03	70,74 %
Total 1		32,93	32,11	97,52%

Title 2 Infrastructure et dépenses de fonctionnement				
2111	Loyers, usufruits et frais accessoires	2,16	2,16	99,98 %
2112	Charges relatives aux immeubles	3,28	2,94	89,73 %
2121	Aménagements des locaux et autres dépenses	0,01	0,00	0,00 %
2211	Équipement de traitement de données et télécomm	0,54	0,34	63,62 %
2212	Applications informatiques	0,80	0,65	81,61 %
2221	Autres services ext pour le traitement des données	2,92	2,19	75,09 %
2311	Achat, location, entretien et rép mob, mat et inst	0,03	0,02	61,69 %
2312	Frais de manutention et déménagements	0,04	0,01	25,02 %
2321	Papeterie et fournitures de bureau	0,09	0,08	82,13 %
2322	Affranchissement et frais de port	0,06	0,05	78,43 %
2331	Biblio, abon publications, acq et archi de documen	0,05	0,05	89,14 %
2341	Frais bancaires et autres frais financiers	0,00	0,00	0,07 %
2342	Frais de contentieux, dommages et intérêts	0,09	0,01	14,90 %
2351	Assurances et autres dép diverses de fonct courant	0,01	0,00	13,38 %
Total 2		10,07	8,49	84,33%

Title 3 Dépenses de support aux programmes				
3111	Réunions	0,53	0,13	25,17 %
3121	Information, communication et publication	1,32	0,68	51,03 %
3131	Traduction et interprétation	1,05	0,77	73,37 %
3141	Audits	2,33	1,18	50,53 %
3151	Frais de missions, déplacements et autres dép acce	0,67	0,49	72,04 %
3161	Informatique spécifique	3,48	2,60	74,55 %
3171	Autres dépenses liées à la gestion des programmes	0,00	0,00	0,00 %
Total 3		9,40	5,84	62,15%

TOTAL EACEA		52,39	46,44	88,64 %
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* Payment appropriations authorised include, in addition to the budget voted by the legislative authority, appropriations carried over from the previous exercise, budget amendments as well as miscellaneous payment appropriations for the period (e.g. internal and external assigned revenue).

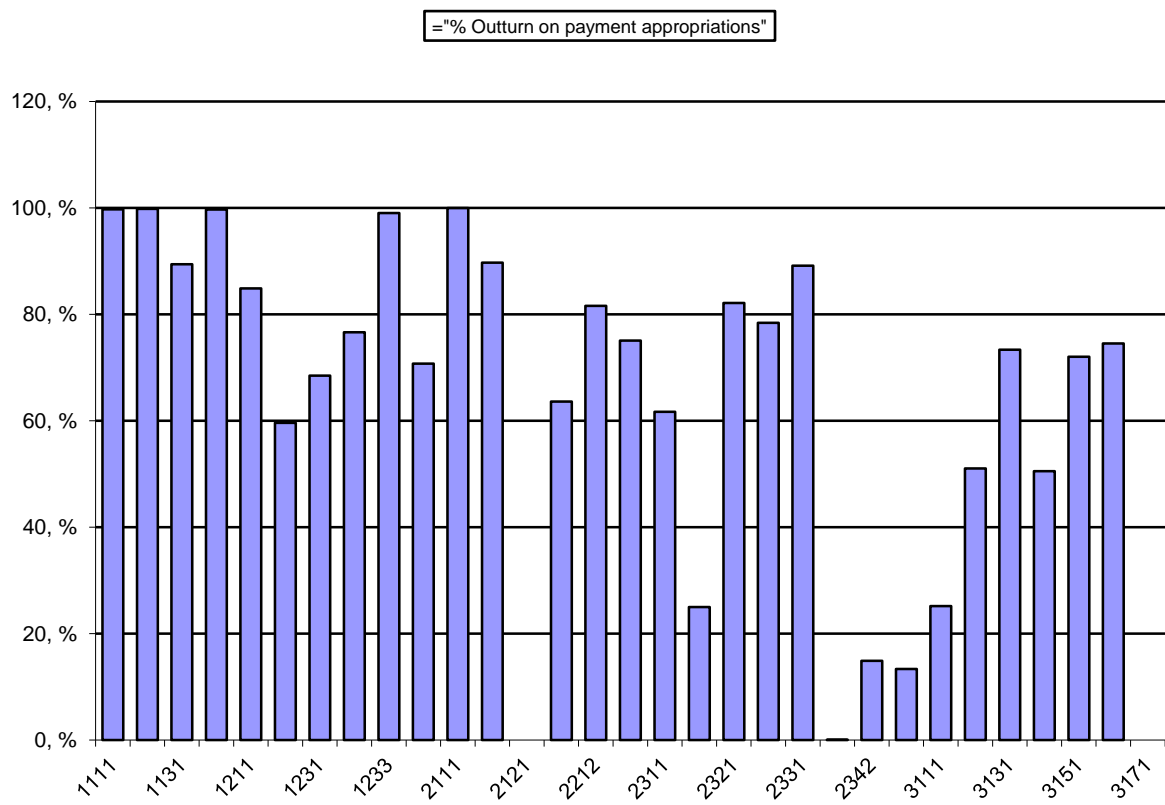


TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2015 (in Mio €)					
Chapter		2015 Commitments to be settled			
		Commitments 2015	Payments 2015	RAL 2015	%to be settled
		1	2	3=1-2	4=1-2//1
Title 1 DEP DE PERSONNEL					
1111	Agents temporaires	11,18	-11,18	0,00	0,04 %
1121	Agents contractuels	15,61	-15,61	0,00	0,00 %
1131	Intérimaires	3,09	-2,81	0,28	9,02 %
1132	Stagiaires	0,28	-0,28	0,00	0,00 %
1211	Gestion administrative du personnel	0,39	-0,34	0,05	12,71 %
1221	Cours de langues, recyclage et perfect professionn	0,32	-0,15	0,17	52,45 %
1231	Service médical	0,08	-0,04	0,03	42,76 %
1232	Mobilité	0,04	-0,04	0,01	12,55 %
1233	Services sociaux et autres interventions	0,79	-0,78	0,01	0,97 %
1241	Frais de représentation, réunions int et évènement	0,04	-0,03	0,01	13,86 %
Total 1		31,80	-31,26	0,55	1,72%
Title 2 Infrastructure et dépenses de fonctionnement					
2111	Loyers, usufruits et frais accessoires	2,16	-2,16	0,00	0,00 %
2112	Charges relatives aux immeubles	2,98	-2,68	0,30	10,18 %
2211	Équipement de traitement de données et télécomm	0,36	-0,19	0,18	48,29 %
2212	Applications informatiques	0,58	-0,45	0,13	22,91 %
2221	Autres services ext pour le traitement des données	2,15	-1,57	0,58	27,18 %
2311	Achat, location, entretien et rép mob, mat et inst	0,01	0,00	0,00	52,72 %
2312	Frais de manutention et déménagements	0,03	-0,01	0,02	71,26 %
2321	Papeterie et fournitures de bureau	0,08	-0,06	0,01	18,74 %
2322	Affranchissement et frais de port	0,05	-0,04	0,01	18,58 %
2331	Biblio, abon publications, acq et archi de documen	0,04	-0,04	0,01	11,46 %
2341	Frais bancaires et autres frais financiers	0,00	0,00	0,00	99,82 %
2342	Frais de contentieux, dommages et intérêts	0,05	-0,01	0,04	79,75 %
2351	Assurances et autres dép diverses de fonct courant	0,00	0,00	0,00	71,37 %
Total 2		8,50	-7,20	1,29	15,23%
Title 3 Dépenses de support aux programmes					
3111	Réunions	0,23	-0,08	0,15	64,50 %
3121	Information, communication et publication	0,76	-0,21	0,55	72,44 %
3131	Traduction et interprétation	0,64	-0,45	0,19	30,00 %
3141	Audits	1,25	-0,25	1,01	80,29 %
3151	Frais de missions, déplacements et autres dép acce	0,53	-0,44	0,09	17,29 %
3161	Informatique spécifique	2,26	-1,43	0,83	36,72 %
Total 3		5,67	-2,85	2,82	49,72%
TOTAL EACEA		45,97	-41,31	4,66	10,14 %

= "Breakdown of Commitments remaining to be settled (in Mio EUR)"

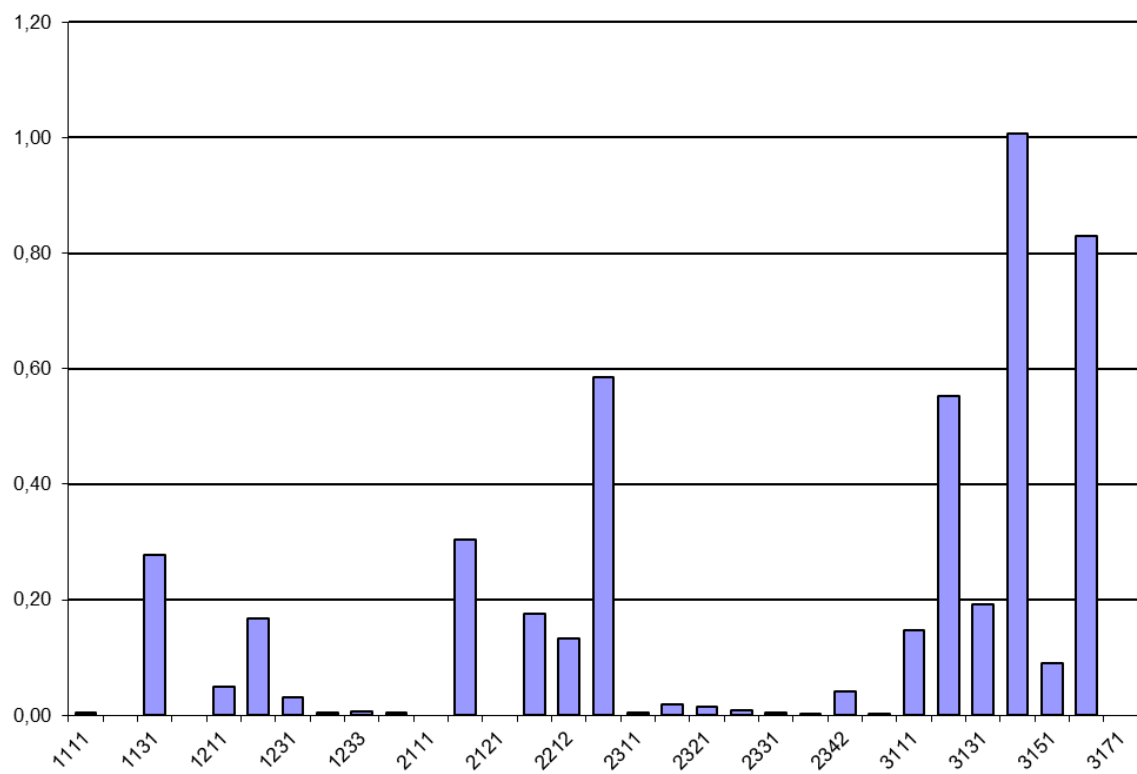


TABLE 4 : BALANCE SHEET EACEA

BALANCE SHEET	2015	2014
A.I. NON CURRENT ASSETS	2.591.237	1.896.329
A.I.1. Intangible Assets	2.173.849	1.400.041
A.I.2. Property, plant and equipment	417.388	496.288
A.II. CURRENT ASSETS	6.318.930	7.740.171
A.II.2. Current Pre-Financing	0	0
A.II.4. Exchange Receivables	484.205	1.365.539
A.II.5. Non-Exchange Receivables	405	9.943
A.II.7. Cash and Cash Equivalents	5.834.320	6.364.689
ASSETS	8.910.166	9.636.500
P.III. CURRENT LIABILITIES	-4.356.271	-4.655.968
P.III.2. Short-term provisions	-250.000	0
P.III.4. Accounts Payable	-1.443.482	-1.513.781
P.III.5. Accrued charges and deferred income	-2.662.789	-3.142.186
LIABILITIES	-4.356.271	-4.655.968
NET ASSETS (ASSETS less LIABILITIES)	4.553.895	4.980.532
P.I.2. Accumulated Surplus / Deficit	-4.980.532	-4.700.416
Non-allocated central (surplus)/deficit*	426.637	-280.116
TOTAL	0	0

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

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

TABLE 5 : STATEMENT OF FINANCIAL PERFORMANCE EACEA

STATEMENT OF FINANCIAL PERFORMANCE	2015	2014
II.1 REVENUES	-45.550.884	-45.683.811
II.1.1. NON-EXCHANGE REVENUES	-45.238.502	-45.245.982
II.1.1.6. OTHER NON-EXCHANGE REVENUES	-45.238.502	-45.245.982
II.1.2. EXCHANGE REVENUES	-312.382	-437.829
II.1.2.1. FINANCIAL INCOME	-21.007	-38.017
II.1.2.2. OTHER EXCHANGE REVENUE	-291.375	-399.812
II.2. EXPENSES	45.977.520	45.403.695
II.2. EXPENSES	45.977.520	45.403.695
II.2.10. OTHER EXPENSES	18.714.615	18.929.789
II.2.6. STAFF AND PENSION COSTS	27.261.655	26.473.901
II.2.8. FINANCE COSTS	1.250	6
STATEMENT OF FINANCIAL PERFORMANCE	426.637	-280.116

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

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

TABLE 6: AVERAGE PAYMENT TIMES FOR 2015 - EACEA

Legal Times

Maximum Payment Time (Days)	Total Number of Payments	Nbr of Payments within	Percentage	Average Payment Times (Days)	Nbr of Late Payments	Percentage	Average Payment Times (Days)
30	1.026	986	96,10 %	13,8	40	3,90 %	39,1
42	2	2	100,00 %	14,5			
45	26	24	92,31 %	16,4	2	7,69 %	92,0

Total Number of Payments	1.054	1.012	96,02 %		42	3,98 %	
Average Payment Time	14,9			13,8			41,6

Target Times

Target Payment Time (Days)	Total Number of Payments	Nbr of Payments within Target	Percentage	Average Payment Times (Days)	Nbr of Late Payments	Percentage	Average Payment Times (Days)

Total Number of Payments							
Average Payment Time							

Suspensions

Average Report Approval Suspension Days	Average Payment Suspension Days	Number of Suspended Payments	% of Total Number	Total Number of Payments	Amount of Suspended Payments	% of Total Amount	Total Paid Amount
0	17,4	37	3,51 %	1.054	1.538.140,31	5,93 %	25.916.919,28

Late Interest paid in 2015			
Agency	GL Account	Description	Amount (Eur)
EACA	65010000	Interest expense on late payment of charges	1.249,28
			1.249,28

TABLE 7 : SITUATION ON REVENUE AND INCOME IN 2015					
Title	Description	Year of Origin	Revenue and Income recognized	Revenue and Income cashed	Outstanding Balance
1111	Subv:DG EAC(Erasmus+)	2015	25.767.300,00	25.767.300,00	0,00
1112	Subv:DG EAC + DG CNET(Europe Creative)	2015	12.244.000,00	12.244.000,00	0,00
1113	Subv:DG HOME (Europe pour les Citoyens)	2015	2.067.000,00	2.067.000,00	0,00
1114	Subv:DG DEVCO + DG EAC (DCI/ENI)	2015	4.676.700,00	4.676.700,00	0,00
1115	Subvention: DG FPI (PI)	2015	152.700,00	152.700,00	0,00
1116	Subvention: DG NEAR + DG EAC (IPA)	2015	829.300,00	829.300,00	0,00
1117	Subvention: DG ECHO (EU AID)	2015	878.000,00	878.000,00	0,00
1121	Subvention: FED	2015	245.000,00	245.000,00	0,00
2311	Remboursement de dépenses diverses	2015	88.124,92	88.124,92	0,00
TOTAL EACEA			46.948.124,92	46.948.124,92	0,00

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

INCOME BUDGET RECOVERY ORDERS ISSUED IN 2015 Year of Origin (commitment)	Total undue payments recovered		Total transactions in recovery context (incl. non-qualified)		% Qualified/Total RC	
	Nbr	RO Amount	Nbr	RO Amount	Nbr	RO Amount
Sub-Total						

EXPENSES BUDGET	Error		Irregularity		OLAF Notified		Total undue payments recovered		Total transactions in recovery context (incl. non-qualified)		% Qualified/Total RC	
	Nbr	Amount	Nbr	Amount	Nbr	Amount	Nbr	Amount	Nbr	Amount	Nbr	Amount
INCOME LINES IN INVOICES												
NON ELIGIBLE IN COST CLAIMS												
CREDIT NOTES									25	344.509,19		
Sub-Total									25	344.509,19		

GRAND TOTAL									25	344.509,19		
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TABLE 9: AGEING BALANCE OF RECOVERY ORDERS AT 31/12/2015 FOR EACEA

Year of Origin	Number at 01/01/2015	Number at 31/12/2015	Evolution	Open Amount (Eur) at 01/01/2015	Open Amount (Eur) at 31/12/2015	Evolution
2015		2			1.657,40	
Totals		2			1.657,40	

TABLE 10 : RECOVERY ORDER WAIVERS IN 2015 >= EUR 100.000						
	Waiver Central Key	Linked RO Central Key	RO Accepted amount (Eur)	LE Account Group	Commission Decision	Comments
1,						

Total EACEA	
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Number of RO waivers	
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TABLE 11 : CENSUS OF NEGOTIATED PROCEDURES - EACEA - 2015

Procurement > EUR 60,000

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

TABLE 12 : SUMMARY OF PROCEDURES OF EACEA EXCLUDING BUILDING CONTRACTS
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Internal Procedures > € 60,000		
Procedure Type	Count	Amount (€)
TOTAL		

Additional comments

This annex refers to the administrative budget of the Commission managed by the Agency. The same Annex has also been prepared for the operational budget.
In 2015 no contract for an amount of more than € 60,000 was awarded.

ANNEX 4: Materiality criteria

The materiality criteria are judged in both qualitative and quantitative terms. In qualitative terms, when assessing the significance of any weaknesses, the following factors are taken into account:

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

In quantitative terms, in order to make a judgement on the significance of a weakness, it is essential to quantify the potential impact in monetary terms or the amount considered at risk. As regards the legality and regularity of the underlying transactions, the Agency uses the standard quantitative materiality threshold of 2% of the payments made of the relevant ABB (sub)activity.

However, the Commission's 'standard' breakdown per ABB activities at 4-digit level being too broad (especially in the education area) and covering programmes/activities for which there are significant differences in the size and types of projects, the Agency assesses the materiality per programme managed by the Agency (AAB at 6-digit level). It concerns the following programmes: Lifelong Learning (LLP), Erasmus Mundus, Culture, Youth, Citizenship, MEDIA and Tempus for the programming period 2007-2013 and for the Erasmus+, Creative Europe, Europe for Citizens programmes for the 2014-2020 programme.

The Agency relies on the "best estimate" of the error rate because in view of the volumes and sizes of transactions (= grants) by programme managed by the Agency, it would not be cost-effective to have a representative error rate from a fully statistically representative sample for each individual programme.

In 2012, the Agency has calculated for the first time multiannual, cumulative error rates in order to increase the representativeness of the figures and to be in line with the new guidance issued by DG BUDG in November 2011. While for the Annual Activity Report (AAR) 2012 the calculation covered 2 consecutive years, the Agency calculates the error rates over a 3-year period for reporting in the AAR 2013, over a 4-year period for reporting in the AAR 2014 and over a 5-year period for the reporting in the AAR 2014 for what concerns the 2007-2013 programming period.

In determining the need to make a potential reservation, the Agency follows the so called "3+1 steps" approach; i.e. the four stages of analysis needed to come to a sound conclusion on whether to qualify the AOD's declaration with a reservation and, if so, to estimate its impact in monetary terms:

- Step 1: calculating the multiannual representative detected error rate in a random³⁷ sample of transactions (i.e. values of closed grant projects) and taking account of any corrections made for the calculation of the cumulative residual error rate in the population over the reference years;
- Step 2: estimating the actual exposure
for each programme as 'multiannual / annual amount at risk' to the value of the closed grant projects within the same period used for the calculation of error rate / during the reporting year, based on those error rates calculated for a population of projects mostly closed through final payment or recovery order;

³⁷ Random selection is done by means of Monetary Unit Sampling (MUS)

- Step 3: assessing the materiality, by relating the multiannual / annual amount at risk' for the activity considered to the payments made, within the same period used for calculation of the error rate / during the reporting year, for the relevant programme managed by the Agency, for determining whether a reservation would be due;
- Step 4: if a reservation is entered, then assessing its relative impact on the AOD's overall assurance and declaration.

1. A multiannual, cumulative 'detected' and 'residual' error rate is calculated for each of the programmes managed by the Agency over the reference years.

In order to check the legality and regularity and sound financial management for EACEA's underlying transactions, EACEA requests an external audit firm to conduct ex post controls (i.e. financial audits on-the-spot) on a 'random' selection of closed

projects³⁸. The project can be closed by either final payment and/or recovery order and in some cases a zero payment to clear the pre-financing.

The multiannual error rate is calculated as follows for all audits finalised in the reference years.

Detected error (amount) = A-B

Detected error rate (%) = (A-B)/A

Where

A = the Agency-share of the eligible costs initially accepted after ex-ante controls, on the basis of which the final payment or recovery order was calculated and paid (and on the basis of which the pre-financing was cleared)

B = the Agency-share of eligible costs finally accepted after ex-post controls (audits)

To arrive at the 'residual' error rates, one takes into account the fact the 'detected' error rates remain for the non-audited part but these error rates are cleaned from the audited part through 'corrections', meaning the issuance of recovery orders by the Agency. In terms of timing, the correction is deemed to have been effected at the time when the recovery order has been authorised or when the amount due has been recorded in the local accounting system for offsetting from a future payment to the same beneficiary.

2. The financial impact of the cumulative errors in terms of 'multiannual / annual amount at risk' is calculated.

Even in case the detected and residual error rates are considered to be representative for the population of closed projects under the programme, it is necessary to establish a link between these control results and the actual payments made within the same period used for the calculation of the error rate / during the reporting year. Indeed, the audits have examined costs declared in support of projects closed in previous years.

The multiannual / annual amount at risk is the amount that may have been paid in excess to beneficiaries assuming that the projects closed within the same period used for the calculation of the error rate / during the reporting year are affected by the same error rates as found above.

The multiannual / annual amount at risk is calculated by multiplying the 'detected' error rate by the value of the closed projects³⁹ for which a final payment and/or recovery order

³⁸ Value of the closed projects includes pre-financing, interim/final payment and any recovery orders.

³⁹ Although pre-financing payments can be considered not yet "at risk" (e.g. because they are still accounts receivable 'owned' by the EACEA and any errors can still be rectified at the time of the final payment or recovery order), they become "value at risk" at the time of the transfer of ownership when the pre-financing is cleared together with the related final payment or recovery order.

was done within the same period used for the calculation of the error rate / during the reporting year, and taking into account the corrections made on the audited population.

As far as projects managed by the Agency are concerned, the "value of the closed project" paid in year x is equal to the amount of the final payment and/or recovery order done in year x plus the amount of the related pre-financing(s) paid during the same or previous year(s) and 'cleared' when the final payment or recovery order is done.

3. The multiannual / annual materiality of the amount at risk is calculated by programme.

The multiannual / annual materiality of the amount at risk is calculated by comparing the amount at risk with the total amounts of payments made within the same period used for the calculation of the error rate / during the reporting year each programmes. For determining whether a reservation is due, the multiannual materiality⁴⁰ is the criterion.

4. The impact of a reservation on the overall declaration is calculated (if applicable) by assessing its 'weight' on the overall operational budget in terms of payments done managed by the Agency in the reporting year.

⁴⁰ E.g. at the end of a programme's lifecycle, the amount at risk from the value of the closed grants may be quite substantial, while the payments still made during the past reporting year may already be quite low (phasing-out). This would lead to an a-typically low denominator which would turn almost any (even small) amount at risk to an artificially high materiality in %

ANNEX 5: Internal Control Template(s) for budget implementation (ICTs)

Grants – direct management

Stage 1 – Programming, evaluation and selection of proposals

A - Preparation and publication of the calls for proposals⁴¹

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

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Control indicators⁴²
The calls for proposals do not adequately reflect the policy objectives, priorities, are incoherent and/or the essential eligibility, selection and award criteria are not adequate to ensure the evaluation of the proposals.	Coordination with mirror units in parent DGs Hierarchical validation within the authorising department (i.e. at Director's level) (1) Explicit allocation of responsibility to 2 nd level ex-ante verification in central financial unit (reflected in task assignment and/or function descriptions) (2) Centralised checklist-based verification (3) Ex-post monitoring	If risk materialises, all grants awarded during the year under this call would be irregular. Possible impact 100% of budget involved and significant reputational consequences. Coverage / Frequency: 100% Depth: Checklist includes a list of the requirements of the regulatory provisions identified.	Costs: estimation of cost of staff involved in the preparation and validation of the calls. Cost of contracted services, if any. Benefits: The (average annual) total budgetary amount of the calls with significant errors detected and corrected.	Effectiveness: Number of control failures; budget amount of the calls concerned. Success ratios; % of number/value proposals received over number expected/budget available. Efficiency: Average cost (*) of preparation, adoption and publishing a call for proposals, compared with benchmarks and evolution over time.

⁴¹ The parent DGs adopts and publishes the Annual Work Programme.

⁴² Information on these indicators (*) is not available for the whole of the reporting year; the Agency will check feasibility and added value and then decide to report (or not) in AAR 2015.

B - Selecting and awarding: Evaluation, ranking and selection of proposals

Main control objectives: Ensuring that the most promising projects for meeting the policy objectives are among (a good balance of) the proposals selected (effectiveness); compliance (legality & regularity); prevention of fraud (anti-fraud strategy).

Main risks It may happen (again) that...	Mitigating controls	How to determine coverage frequency and depth	How to estimate the costs and benefits of controls	Control indicators
The evaluation, ranking and selection of proposals is not carried out in accordance with the established procedures, the policy objectives, priorities and/or the essential eligibility, or with the selection and award criteria defined in the annual work programme and subsequent calls for proposals.	Assignment of staff (e.g. project officers) and selection and appointment of expert evaluators (if foreseen as deviation from FR)	100% vetting for technical expertise and independence of experts (e.g. conflicts of interests, nationality bias, ex-employer bias, collusion, rotation)	<p>Costs: estimation of cost of staff involved in the evaluation and selection of proposals. Cost of the appointment of experts and of the logistics of the evaluation.</p> <p>Benefits: Compare selected list with a random allocation of the available budget. Benefit equals to % of the value of deserving projects otherwise not selected plus % of the value of non-deserving projects that would have been selected (=amount redirected to better projects).</p>	<p>Effectiveness: % of proposals (successfully) challenged. No litigation cases. Number of candidate expert evaluators barred.(*) Amount of budget of calls concerned.</p> <p>Efficiency Indicators: total (average) annual cost of expert evaluation. Average cost per call and/or per (selected) proposal. (*) % cost over annual amount disbursed in grants. Time-to-publication of selection results.</p>
	Assessment by staff (e.g. project officers) and by independent experts (contractors)	100% of proposals are evaluated. Depth may be determined by screening of outline proposals (two-step evaluation).		
	Review (e.g. by a evaluation committee) and hierarchical validation by the AO at unit level of ranked list of proposals In addition: publication.	<p>Coverage: 100% of ranked list of proposals. Supervision of work of evaluators.</p> <p>Depth depends of risk factors: e.g. conflicts of interests, nationality bias, ex-employer bias, collusion, rotation)</p>		
	Internal/external legal remedies	100% of contested decisions are analysed		
	Guidelines for evaluation Committees	100% of the Evaluation Committee should respect the new guidelines.		

Stage 2 - Contracting: Transformation of selected proposals into legally binding grant agreements

Main control objectives: Ensuring that the actions and funds allocation is optimal (best value for public money; effectiveness, economy, efficiency); compliance (legality & regularity); prevention of fraud (anti-fraud strategy).

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Control indicators
<p>The description of the action in the grant agreement includes tasks which do not contribute to the achievement of the programme objectives and/or that the budget foreseen overestimates the costs necessary to carry out the action.</p> <p>The beneficiary lacks operational and/or financial capacity to carry out the actions.</p> <p>Procedures do not comply with regulatory framework.</p>	<p>Verification of the tasks by external experts during the evaluation process.</p> <p>Validation of beneficiaries (operational and financial viability).</p> <p>Signature of the grant agreement by the AO at unit level.</p> <p>In-depth financial verification and taking appropriate measures for high risk beneficiaries.</p>	<p>100% of the selected proposals and beneficiaries are scrutinised.</p> <p>Coverage: 100% of draft grant agreements.</p> <p>Depth may be determined after considering the type or nature of the beneficiary and/or of the modalities and/or the total value of the grant.</p>	<p>Costs: estimation of cost of staff involved in the contracting process.</p> <p>Benefits: Difference between the budget value of the selected proposals and that of the corresponding grant agreements.</p>	<p>Effectiveness: Amount of proposed costs rejected.</p> <p>Efficiency Indicators: Value of grant agreements completed over budget requested in the corresponding proposals (%). Time-to-grant.</p>

Stage 3 - Monitoring the execution. This stage covers the monitoring the operational, financial and reporting aspects related to the project and grant agreement

Main control objectives: ensuring that the operational results (deliverables) from the projects are of good value and meet the objectives and conditions (effectiveness & efficiency); ensuring that the related financial operations comply with regulatory and contractual provisions (legality & regularity); prevention of fraud (anti-fraud strategy); ensuring appropriate accounting of the operations (reliability of reporting, safeguarding of assets and information).

Main risks It may happen (again) that...	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Control indicators
The actions foreseen are not, totally or partially, carried out in accordance with the technical description and requirements foreseen in the grant agreement and/or the amounts paid exceed that due in accordance with the applicable contractual and regulatory provisions.	Operational and financial checks in accordance with the financial circuits. Operation authorisation by the AO at unit level. For riskier operations, ex-ante in-depth and/or on-site verification.	100% of the projects are controlled, including only value-adding checks. Riskier operations subject to in-depth and/or on-site controls. The depth depends on risk criteria.	Costs: estimation of cost of staff involved in the actual management of running projects. Benefits: budget value of the costs claimed by the beneficiary, but rejected by the project officers. Budget value of the part of the grant not paid out as pre-financing for projects that have been stopped by the Commission. Budget value of penalties and liquidated damages.	Effectiveness: Number of control failures; budget amount of the errors concerned. Number of projects with cost claim errors; budget amount of the cost items rejected. Number of penalties damages; amount of the penalties damages. Success ratios; % of value of cost claims items adjusted over cost claims value. Efficiency Indicators: Cost/benefit ratio Average cost per open project. % cost over annual amount disbursed.(*) Time-to-pay.
	For high risk operations, reinforced monitoring. Recommended: consider an ex-ante verification on-the-spot – e.g. monitoring visit. Earmark projects for risk-based ex-post audit.	High risk operations identified by risk criteria. Red flags: delayed interim deliverables, suspicion of plagiarism, requesting many amendments, EWS or anti-fraud flagging, etc.		
	If needed: application of suspension/interruption of payments, penalties or liquidated damages. Referring grant to OLAF.	Depth: depends from results of ex-ante controls.		

Stage 4 - Ex-Post controls

A - Reviews, audits and monitoring

Main control objectives: Measuring the effectiveness of ex-ante controls by ex-post controls; detect and correct any error or fraud remaining undetected after the implementation of ex-ante controls (legality & regularity; anti-fraud strategy); addressing systemic weaknesses in the ex-ante controls, based on the analysis of the findings (sound financial management); ensuring appropriate accounting of the recoveries to be made (reliability of reporting, safeguarding of assets and information)

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Control indicators
The ex-ante controls (as such) fail to prevent, detect and correct erroneous payments or attempted fraud.	<p>Ex-post control strategy: carry out audits of a representative sample of operations to determine effectiveness of ex-ante controls (+ consider ex-post findings for improving the ex-ante controls).</p> <p>Multiannual basis (programme's lifecycle) and coordination with other AOs concerned (to detect systemic errors).</p> <p>Validate audit results with beneficiary.</p> <p>If needed: referring the beneficiary or grant to OLAF.</p>	<p>Representative sample: MUS random sample sufficiently representative to draw valid management conclusions</p> <p>Risk-based sample: determined in accordance with the selected risk criteria, aimed to maximise error correction (either higher amounts or expected error rate).</p>	<p>Costs: estimation of cost of staff involved in the coordination and execution of the audit strategy. Cost of the appointment of an external audit firms for the outsourced audits.</p> <p>Benefits: budget value of the errors detected by the auditors.</p>	<p>Effectiveness: representative/best estimate error rate. Residual error rate below tolerable threshold. Amount of budget of errors concerned. Number of projects with errors; budget amount of the errors detected.</p> <p>Efficiency: total (average) annual cost of audits compared with benefits (ratio).</p> <p>Marginal cost-benefit: expected return of auditing one additional beneficiary ranked by expected error (<i>total grant(s) value * expected error rate</i>) over the average cost of one audit</p>

B - Implementing results from ex-post audits/controls

Main control objectives: Ensuring that the (audit) results from the ex-post controls lead to effective recoveries (legality & regularity; anti-fraud strategy); Ensuring appropriate accounting of the recoveries made (reliability of reporting)

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Control indicators
The errors, irregularities and cases of fraud detected are not addressed or not addressed timely	<p>Systematic registration of audit results to be implemented.</p> <p>Financial operational validation of recovery in accordance with financial circuits.</p> <p>Authorisation by AO at unit level.</p>	<p>Coverage: 100% of final audit results <i>with a financial impact</i>.</p> <p>Depth: consider 'extending' the findings of systemic errors into corrections of non-audited projects by the same beneficiary</p>	<p>Costs: estimation of cost of staff involved in the implementation of the audit results.</p> <p>Benefits: budget value of the errors, detected by ex-post controls, which have actually been corrected (offset or recovered).</p> <p>Loss: budget value of such ROs which are 'waived' or have to be cancelled.</p>	<p>Effectiveness: number/value/% of audit results pending implementation (*) Number/value/% of audit results failed implementation (*)</p> <p>Efficiency Indicators: total (average) annual cost of implementing audit audits compared with benefits (ratio). Time-to-recovery (*)</p>

ANNEX 6: Implementation through national or international public-sector bodies and bodies governed by private law with a public sector mission

Not applicable

ANNEX 7: EAMR of the Union Delegations

Not applicable

ANNEX 8: Decentralised agencies

Not applicable

ANNEX 9: Evaluations and other studies finalised or cancelled in 2015

Not applicable

ANNEX 10: Specific annexes related to "Management of Resources"

The Agency also provides in this Annex the calculation of the amount at risk taking into account the amount at risk in relation to the pre-financing at the moment of its payment rather than at the moment of their clearance. Figures are consistent with those provided in the framework of the report but give a lower amount at risk of EUR 7.4 Mio with an upper limit of EUR 9.1 Mio, with the hypothesis of a 2% detected error rate in all programmes of the new programming period. The Agency believes that calculating the amount at risk on the **funding related to the cost claimed during the year** gives a more conservative estimation of the overall amount at risk for 2015.

	ABB 2015	DER	Gross Amount at risk ABB * DER)	Average Ex-post corrective capacity	Amount at risk after ex-post corrective capacity	Experts	Expected error rate	Amount at risk coming from experts
Programming period 2007-2013								
LLP	46.679.474	4,52%	2.109.912	163.378	1946.534			
Erasmus Mundus	108.925.898	0,19%	206.959	381.241	-174.281			
Tempus	29.010.217	0,94%	272.696	101.536	171.160			
Youth in Action	2.028.587	3,00%	60.858	7.100	53.758			
Culture	17.503.391	9,13%	1598.060	61.262	1536.798			
MEDIA	22.583.395	0,48%	108.400	79.042	29.358			
Europe for Citizens	4.478.724	0,78%	34.934	15.676	19.259			
Programming period 2014-2020								
Erasmus+	215.838.038	1,52%	3.280.738	755.433	2.525.305	1806.434	1%	18.064
Creative Europe	106.670.922	1,52%	1.621.398	373.348	1.248.050	950.635	1%	9.506
Europe for Citizens	11.064.619	0,78%	86.304	38.726	47.578	207.900	1%	2.079
EU Aid Volunteers	2.418.411	1,52%	36.760	8.464	28.295	48.304	1%	483
TOTAL	567.201.674		9.417.019	1.985.206	7.431.813	3.013.273		30.133
	(1)				(a)	(2)		(b)
Total payments of the year (operational)					(1)+(2)	570.214.947		
Total amount at risk after ex-post correcti					(a)+(b)			7.461.946
Ex-post corrective capacity (in % of total payments)				0,3%	In percentage			1,31%

ANNEX 11: Specific annexes related to "Assessment of the effectiveness of the internal control systems"

Not applicable

ANNEX 12:

Performance tables

From 1st January to 31 December 2015						
Dashboard of Performance Indicators						
Indicateurs	30-juin	31-déc	Yearly target	Target reached?	2015 vs 2014	Results 2014 AAR
I. GESTION OPERATIONNELLE						
Call for proposals published	7	16			↔	16
Call for tenders published	2	14			↗	5
Non-published call for proposals (designated beneficiaries)	4	17			↗	26
Proposals received	8.448	7.268	+/- 11.000	😊	↗	10.058
Proposals selected	1.406	1.899	+/- 4.000	😊	↗	3.502
% of proposals received on line	94%	91%	70%	😊	↔	91%
Number of project monitored through visits (onsite or in Brussels)	486	904	400	😊	↗	475
% of projects monitored compared with the number of open projects	32%	24%	more than 10%	😊	↗	13%
Time to Award	NA	3,6	max 6 mois	😊	↗	3,1
Time to Contract	NA	1,62	max 3 mois	😊	↗	2,1
Total Time to Award + Time to Contract	NA	5,25	max 9 mois	😊	↔	5,2
Number of projects opened/closed	1519 / 2177	3758 / 4783				3664/4972
II. BUDGET - FINANCES						
Budget execution for operational budget						
Montant total des engagements effectués (crédits C1+C5)	243,9 M€	588,46 M€			↗	590,8 M€
Taux d'exécution des crédits engagement/budget total (crédits C1+C5)	43%	100%	min 99 %	😊	↔	100%
Montant total des paiements effectués (crédits C1, C4,C5, R0/P0)	243,9 M€	597,31 M€			↗	602,4 M€
Taux d'exécution des crédits engagement/budget total (crédits C1, C4,C5, R0/P0)	42%	97%	min 98 %	😞	↗	99%
Montant total des paiements effectués (crédits C1+C5)	231,3 M€	558,18 M€			↗	600,2 M€
Taux d'exécution des crédits paiement/budget total (crédits C1+C5)	40%	100%	min 95 %	😊	↔	100%
Montant total des paiements effectués (crédits C1, C4,C5, R0/P0)	232,5 M€	570,22 M€			↗	613,4 M€
Taux d'exécution des crédits paiement/budget total (crédits C1, C4,C5, R0/P0)	39%	96%	min 95 %	😊	↗	98%
Average payment delay in days						
1st pre-financing	10 days	9 days	max 20 days	😊	↗	13
Intermediate and final payments double delay - F.R. 2007	13 days	17 days	max target 30 days/45 days	😊	↗	16
Intermediate and final single time payments - F.R. 2007	56 days	52 days	max 75 days	😊		55
Intermediate and final single time payments - F.R. 2012	32 days	30 days	Max 60 days	😊	↗	
Time for registration of invoices less or equal to 7 days	91%	93%	min 90%	😊	↔	93%
% des paiements à temps						
All programmes	93%	95%	min 90%	😊	↗	92%
Level of financial performance						
Ageing balance of Recovery Orders	89%	91%	70% of RO requiring action close limit / 16 PAR	😊	↗	88%
Potentially Abnormal RAL (PAR)	556	852		😊	↗	799
% d'appels reçus après analyse du rapport final	-	6,71			↗	6%
Budget execution for operating budget						
Taux d'exécution des crédits d'engagement	77%	98%	min 97%	😊	↔	98%
Taux d'exécution des crédits de paiement (C1 + C8)	39%	89%	min 80%	😊	↗	87%
Délai moyen de paiement en jours	15	15	max 30 jours	😊	↗	14
III. CONTROLE						
Internal control standards – compliance with baseline requirements	NA	100%	100% compliance with all baseline requirements throughout 2015	😊	↔	100%
Percentage of outstanding IAC/IAS audit recommendations due in 2015 implemented	NA	89%	80%	😊	↗	60%
Error rate randomly selected ex-post audits ABB	NA	2,19%		😞	↗	1,50%
Lifelong Learning Programme	NA	4,52%	max 2%	😞	↗	4,07%
Erasmus Mundus and Intra ACP	NA	0,19%	max 2%	😊	↗	0,26%
Tempus and Bilateral Cooperation	NA	0,94%	max 2%	😊	↗	0,86%
Youth	NA	3,00%	max 2%	😞	↗	2,11%
Culture	NA	9,13%	max 2%	😞	↗	1,26%
MEDIA and MEDIA Mundus	NA	0,48%	max 2%	😊	↗	0,31%
Europe for Citizens	NA	0,78%	max 2%	😊	↔	0,79%
Implementation of annual audit plan of ex-post audits	27%	85%	at least 50% of audits closed	😊	NA	NA
Number of exceptions reported	8	14	less than 40	😊	↗	24

From 1st January to 31 December 2015						
Dashboard of Performance Indicators						
Indicateurs	30-juin	31-déc	Yearly target	Target reached?	2015 vs 2014	Results 2014 AAR
IV. RESSOURCES HUMAINES						
Management of Human Resources						
Average vacancy rate of available posts	5%	5%	less than 5% on annual basis	☹	↗	4%
Valid objectives for all staff	69%	95%	95%	☺	NA	NA
Effectif cible et taux d'occupation des postes (hors prestataires)	95%	95%	95%	☺	↔	95%
dont AT	96%	95%			↘	96%
dont AC	95%	95%			↗	94%
Average training days per staff (provided on an annual basis)	2	6	5 days/staff	☺	↘	6,5
Timely completion and delivery of CDR elements	84%	100%	95%	☺	↗	90%
V. COMMUNICATION						
Internal Communication						
Organisation of lunchtime conferences or events/shared activities, each involving +/- 60 staff members, involving 100% of staff over 2015	5 LTC	9 LTC 4 staff events	12 lunchtime conferences, 4 staff events	☹	↘	20
Weekly preparation and delivery of newsmails to staff	29 newsmails sent to all staff	100% staff informed	100% staff informed	☺	↔	100%
Preparation and transmission of video messages on key topics to all staff	2	6	+/- 8 video messages	☹	↘	20
External communication						
Daily maintenance (uploading of new information and updating of the most dynamic content).	+/- 500 updates/publications	100%	100%	☺	↔	100%
EACEA-Info mailbox queries	900 received and replied in due time	3.224 received and replied in due time	100% replied with 15 working days	☺	NA	NA
Active participation to the Commission's digital transformation effort	Yes	100%	100%	☺	NA	NA
Yearly increase in number of unique visitors to EACEA's website	NA	No increase	5% increase compared to previous year	☹	NA	NA
Organisation of Infodays and other targeted events (kick off meetings; cluster meetings.... – number of events to be confirmed) - statistics on participation (including remote) and customer satisfaction	3	35 events 4 Infodays	+/- 30 staff events and initiatives covered	☺	↘	30
VI. DOCUMENT MANAGEMENT						
Organisation of training sessions/information meetings for newcomers/document management correspondents	12	21	9/year	☺	↘	30
Proportion of document filed	100%	100%	100%	☺	↗	99,8%
Management of archival space agency (number of files prepared and sent to the Historical Archives Service, number of files destroyed in compliance with e-domec rules)	1092 files sent to Historical Archives Service	1627 files transferred to HAS	No remaining outstanding files	☺	↘	3.894
Treatment of all requests for access to documents within the set deadlines (15 working days)	100% 3 requests received and treated within the deadlines	100% 6 requests treated within the deadlines	100%	☺	↔	100%
VII. IT						
% projects defined in the IT Master plan to be completed within a maximum delay of 10% of the agreed planning	95%	92%	90%	☺	↘	93%
Server availability (average over the year)	100%	100%	>99%	☺	↔	100%
% changes requested and defects resolved	95%	95%	at least 95%	☺	↘	96%
Electronic forms are available for all the actions (as far as the number of expected applications is above 200)	100%	100%	100%	☺	↔	100%
Helpdesk						
tickets resolved first line	63%	59%	at least 35%	☺	↘	60%
re-opened tickets	1%	1%	less than 4%	☹	↔	1%
respect of operational level agreements	85%	77%	at least 83%	☹	↘	98%
VII. Coordination of inter-institutional affairs						
Ombudsman cases satisfactory resolved	NA	100%	100%	☺	↔	100%
Maintain a high level of satisfaction	NA	The stakeholders survey was launched in the frame of the 3rd evaluation of EACEA. Preliminary results may be available during the 1st quarter 2016.				