



Annual Activity Report 2021

European Climate, Infrastructure and
Environment Executive Agency (CINEA)

Table of Contents

FOREWORD	3
CINEA IN BRIEF	4
EXECUTIVE SUMMARY	5
A. Key results and progress towards achieving the Commission's general objectives and DG's specific objectives.....	5
B. Key Performance Indicators (KPIs).....	7
C. Key conclusions on Financial management and Internal control (executive summary of section 2.1).....	8
D. Provision of information to the Commissioner(s).....	8
1. Implementation of CINEA 2021 Annual Work programme - Highlights of the year	9
1.1. Connecting Europe Facility	9
1.2. Renewable Energy Financing Mechanism	14
1.3. Just Transition Mechanism - Public Sector Loan Facility	14
1.4. Horizon Europe Cluster 5, including Missions and H2020 Legacy	15
1.5. Innovation Fund	19
1.6. Programme for the Environment and Climate Action.....	20
1.7. European Maritime Fisheries and Aquaculture Fund, including legacy European Maritime and Fisheries Fund	25
1.8. Cross-Programme Synergies	28
2. MODERN AND EFFICIENT ADMINISTRATION AND INTERNAL CONTROL	30
2.1. Financial management and internal control.....	30
2.1.1. Control results	31
2.1.2. Audit observations and recommendations.....	40
2.1.3. Assessment of the effectiveness of internal control systems.....	42
2.1.4. Conclusions on the assurance.....	43
2.1.5. Declaration of Assurance and reservation	44
2.2. Modern and efficient administration – other aspects	45
2.2.1. Human resource management.....	45
2.2.2. Digital transformation and information management	46
2.2.3. Sound environmental management	47



...WELCOME CINEA!

FOREWORD

2021 was the first year of existence for the European Climate, Infrastructure and Environment Executive Agency (CINEA) when both its robustness and ability to adapt were tested. Following the reorganisation of executive agencies linked to the 2021-2027 financial framework, CINEA became the successor of parts of the former INEA and EASME agencies and started its new mandate with a new key role in supporting the European Green Deal towards a sustainable, connected and decarbonised Europe.

The year was exceptional for us because of the many challenges faced linked to the transition. Whilst managing the legacy programmes, the Agency had to ensure simultaneously the smooth transfer of staff, the optimisation of the working methods and the efficient takeover of the programmes linked to the new multiannual financial framework. This meant a considerable increase in our workload over the year as setting up CINEA entailed carrying out a wide range of tasks in a short time. To tackle this challenge the Agency placed an emphasis on intensifying recruitments and ensuring the optimal use of its resources. In parallel, management continued to engage with staff to co-design its new culture and organisational excellence.



Furthermore, CINEA started operating in a new environment. A major change for the Agency was to build up partnerships with an increased number of parent DGs (now seven). To this end, CINEA enhanced its efforts on the dissemination of project outcomes and its mechanisms to provide support for the development of EU policies.

Albeit the challenges faced, CINEA managed to deliver on all fronts thanks to the determination and commitment of its staff

Preliminary results of the implementation of the newly delegated programmes are positive, as the respective calls attracted a remarkably high number of applicants. I see this as an indication that the programmes meet the expectations of the participants and I am confident that the Agency will continue to have an instrumental role in contributing to the achievement of the European Green Deal objectives.

Looking ahead, I see many opportunities for us to continue to deliver high quality services to our stakeholders, contributing to the further development of a resource-efficient and competitive EU economy.

Dirk Beckers, Director of CINEA

CINEA IN BRIEF

The **European Climate, Infrastructure and Environment Executive Agency (CINEA)** started its mandate on 1 April 2021 with an overall **budget of €58.3 billion** under the new multiannual financial framework (MFF) 2021-2027. The Agency is entrusted with the implementation of seven EU programmes (see chart below) contributing to the **European Green Deal**. Through the sound and cost-efficient management of its portfolio of projects, CINEA contributes to achieving its parent DGs' specific objectives and ultimately to transforming the EU into a fair and prosperous society, with a modern, sustainable, resource-efficient and competitive economy. CINEA has seven parent DGs – DG CLIMA, DG ENER, DG ENV, DG MARE, DG MOVE (lead parent DG), DG REGIO and DG R&I. They define the policy objectives and priorities and supervise the Agency through a Steering Committee.



CINEA is responsible for the following tasks:

- ✓ Selection for funding of the best proposals following the principles of transparency, objectivity and equal treatment;
- ✓ Close monitoring of the project portfolio, including mitigation of potential risks;
- ✓ Dissemination of project results, success stories and funding opportunities;
- ✓ Identification of potential synergies between sectors and programmes;
- ✓ Feedback to policy through the provision of timely and comprehensive information to the Commission's services in support of their policy – making activities.

The Agency has its own legal personality and operating budget for which the Director acts as Authorising Officer by delegation. He has overall responsibility for implementing CINEA's revenue and expenditure in accordance with the principles of sound financial management as defined in the Financial Regulation applicable to the general budget of the Union. The Agency is structured in four departments and is based in Brussels. At the end of 2021, CINEA had a multi-national team of 474 statutory staff members.

EXECUTIVE SUMMARY

This Annual Activity Report is a management report of the Director of CINEA to the College of Commissioners. Annual Activity Reports are the main instrument of management accountability within the Commission and constitute the basis on which the College takes political responsibility for the decisions it takes as well as for the coordinating, executive and management functions it exercises, as laid down in the Treaties ⁽¹⁾.

A. Key results and progress towards achieving the Commission's general objectives and DG's specific objectives

2021 saw the beginning of CINEA when programmes were brought under one roof to support in a holistic manner the European Green Deal. It was a dynamic year, during which the biggest challenge was to manage CINEA's reorganisation and create a new, common corporate culture as per the Agency's Change Management Strategy. It was also necessary to optimise the working methods and for this CINEA worked thoroughly with the responsible Commission services for the integration of all delegated programmes ⁽²⁾ into the corporate eGrants IT system that covers the full grant management cycle.

A continuous challenge remained the mitigation of the effects of the COVID-19 pandemic. To that end, the Agency continued to adjust successfully its activities to a digital or hybrid form. CINEA offered tailored solutions in line with the existing rules of sound financial management aiming to ease the impact of the pandemic on beneficiaries.

Notwithstanding the above challenges, CINEA continued to deliver high-quality programme management services to its stakeholders. The Agency recorded significant achievements across the programmes contributing to the implementation of the policies and specific objectives of its parent DGs.



⁽¹⁾ Article 17(1) of the Treaty on European Union

⁽²⁾ Except H2020/Horizon Europe, which is already handled in eGrants.

Calls were published under the new programmes and evaluations took place according to schedule. The impressive numbers of applications and interactions during the info days confirmed the relevance of the programmes and the high interest of the beneficiaries.

An important milestone for the legacy programmes was the finalisation of the grant agreements (GAs) for the last calls under the previous MFF. On the portfolio management side, the Agency strengthened the project monitoring in order to optimise the overall budget absorption and to ensure policy relevance of the implementation of the projects. Concrete examples of project deliverables can be found in the respective programmes' sections.

CINEA provided valuable feedback to its parent DGs, relevant for their policy-making activities in various forms, such as policy briefs, project fact-sheets and seminars, as well as concrete contribution to regulation revisions (e.g. TEN-T Regulation proposal), strategic documents (e.g. Maritime Spatial Planning) or lessons learned for future calls. The portfolio of CINEA organised under the European Green Deal gave the opportunity to enhance cross-programme synergies in a number of ways. The Agency actively promoted the awareness of different programmes and the potential synergies around a thematic priority by being actively present at relevant fora, by issuing publications or through the organisation of workshops, cluster and information sessions. At the end of the year, CINEA adopted a dedicated strategy, setting up a structured approach towards fostering synergies among its delegated programmes including further support to its parent DGs in their policy-making.

Operational highlights in 2021

- ✓ Almost €3 billion were invested by CEF, building sustainable transport and energy infrastructure and supporting the EU economy. The annual reporting exercise revealed that the overwhelming majority of CEF projects are on good track and continuing to deliver tangible results. CINEA took part in the 'European Year of Rail' and contributed to the success of the emblematic initiative of the Connecting Europe Express.
- ✓ The Agency enlarged its portfolio by incorporating two new financing mechanisms - the RENEWFM and the JTM-PSLF and contributed to the design of the elements related to the planned future calls under these instruments.
- ✓ CINEA successfully integrated in the Agency's portfolio around 60 H2020 actions transferred from DG R&I. Reaching maturity, a large number of projects benefited from dissemination and exploitation services and took part in clustering events and Community research and Innovation publications (CORDIS packs). The Agency had a strong representation in important events to enhance the visibility of its Horizon portfolio, such as the R&I days and CIVITAS forum.
- ✓ Following the closure of the Innovation Fund 2020 calls, in total €1,26 billion will be invested in projects aiming to bring innovative low-carbon technologies to the market. The Agency took the opportunity to celebrate the signature of the first three small-scale projects financed by the Innovation Fund at a dedicated [COP 26](#) side event in Brussels.
- ✓ CINEA organised, in collaboration with DG ENER, the European Sustainable Energy Week (EUSEW) with over 3,000 unique participants and supported the organization of the New Bauhaus Conference. LIFE 2021 calls received over 600 proposals requesting nearly €1.6 billion and CINEA successfully launched the first LIFE Clean Energy Transition call.
- ✓ EMFAF facilitated access to market to innovative blue economy SMEs, by investing over €20 million in [11 SME driven projects](#). The BlueInvest platform, managed by the Agency, brought together over 1000 stakeholders at the BlueInvest day.

B. Key Performance Indicators (KPIs)

CINEA uses a diversified performance framework combining both process and result oriented indicators. These indicators allow the Agency to monitor its performance in a systematic manner and, on that basis, to take actions whenever necessary in order to successfully achieve its performance goals. The results for 2021 are presented below ⁽³⁾.

Key performance indicator	Measurement	Target	Result at the end of 2021	Comment
Effective budget execution	➤ Individualisation of Global commitment ➤ Payment appropriations (C1,C5, E0)	100% 100%	100% 100%	CINEA achieved full budget execution both on its commitment and payment appropriations.
Timeliness of the operations	➤ Timely payments (amounts) ➤ Timely payments (number)	100%	97% 99%	In 2021 the Agency registered 1% of late payments in terms of number which represented 3% of the total amount paid. 41 payments were processed late, out of which 11 for grants. Almost half of the late grant payments were due to the lack of payment appropriations at the end of 2020.
	➤ Grant agreements (GAs) signed on time (245 days after the call deadline for Horizon Europe and 275 days for all other programmes)	>98% of the grants signed on time	96%	20 out of 486 GAs (excluding GAs signed from reserve lists for LIFE) signed during the reporting period are outside the time limits. Most of the late GAs (14) concerned the H2020-LC-CLA-2020-2 call and were due to the transition of the grants under preparation from the ex-EASME to CINEA resulting in technical and procedural complications.
Robustness of controls	➤ Overall risk at closure	<2%	[0.96%-0.97%]	The overall risk at closure is less than 1%. More information on the residual error rates per programme can be found in Annex 7.
Quality services	➤ Evaluation review cases (HE&LIFE&IF) upheld by the Redress Evaluation Committee	<1% of the evaluated proposals	0,02%	In 2021, 25 calls closed their redress procedure registering a total of 131 redress cases out of more than 4,000 evaluated proposals. Only one redress case was upheld by the Redress Evaluation Committee.
Communication outreach	➤ Total potential reach via all communication channels	≥ 10 million	21,972,216	This result is linked to the substantial efforts put into communication activities, including the creation of new corporate channels such as a new website, social media landscape etc. It is also linked to an increase in interest by stakeholders, due to the Agency's key role in supporting the European Green Deal.

⁽³⁾ No comparison over time is possible for 2021 due to the transition to the new mandate of the Agency.

C. Key conclusions on Financial management and Internal control (executive summary of section 2.1)

In line with the Commission's Internal Control Framework CINEA has assessed its internal control systems during the reporting year and has concluded that it is effective and functioning as intended, but some improvements are needed as minor deficiencies were identified. Remedial measures have already been implemented whereas others will be part of dedicated action plans targeting the areas with identified deficiencies. Please refer to AAR section 2.1.3 for further details.

In addition, CINEA has systematically examined the available control results and indicators, as well as the observations and recommendations issued by the internal auditor and the European Court of Auditors. These elements have been assessed to determine their impact on management's assurance about the achievement of the control objectives. Please refer to Section 2.1 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. Improvements are necessary concerning the CEF Energy sector due to the increased ex post residual error rate. The following actions, which are expected to have a positive impact on the error rate in the coming years, are/will be taken:

- Increased audit coverage to cover a higher proportion of the CEF Energy annual expenditure. This will allow for drawing conclusions on a wider population, including for identifying areas prone to errors. These areas can be subject to more in-depth ex ante controls and/or serve as a basis for additional guidance to unexperienced beneficiaries that could be provided for early prevention of irregularities during the implementation of actions.
- Increased awareness raising within CINEA operational and financial services on the major audit findings to date in order to improve ex ante controls, and in particular to enhance earlier up-front intervention and advice to beneficiaries to help identify potential sources of errors before they materialise.

The Director of CINEA, in his capacity as Authorising Officer by Delegation has signed the Declaration of Assurance albeit qualified by a reservation concerning the CEF Energy error rate.

D. Provision of information to the Commissioner(s)

In the context of the regular meetings during the year between the Director and the parent DG(s) on management matters, the main elements of this report and assurance declaration, including the reservation envisaged have been brought to the attention of the agency's Steering Committee and to the parent DG(s) Director(s) General.

1. Implementation of CINEA 2021 Annual Work programme – Highlights of the year

In 2021, CINEA managed effectively its delegated programmes, both legacy and new ones ⁽⁴⁾, contributing to the specific objectives of its parent DGs and fulfilling its mission to support its stakeholders to deliver the European Green Deal. Below are shown the main achievements and challenges for the year and more details on the concrete outputs can be found in the respective programmes performance tables in Annex 2.

1.1. Connecting Europe Facility

CEF Transport, including CEF Transport legacy

By the management of the Connecting Europe Facility Transport portfolio, CINEA contributes to the completion of both layers of the TEN-T network: the strategic backbone (the core network) by 2030 and its more extensive layer (the comprehensive network) by 2050. In addition, the Agency supports DG MOVE in achieving its objectives as per the sustainable and smart mobility strategy and the Zero pollution agenda.

Portfolio management

CINEA finalised the signature of the grant agreements (GAs) under the 2019 Blending Facility call and the CEF 2020 MAP call. This brings the total CEF1 transport portfolio 2014-2020 to 1,039 Actions ⁽⁵⁾. In September, the Agency launched the **2021 CEF Transport calls** supporting Actions under the General and Cohesion envelopes (including the new Alternative Fuels Infrastructure Facility) and the new Military Mobility envelope, with deadline in January 2022. The calls make available €7 billion to support infrastructure projects for key missing links and green transport across the European Union. CINEA organised two online info days which attracted around 4,500 viewers.



Source: CINEA

The second CEF Transport Advisory Group took place in Karlsruhe with a visit to the Rastatt tunnel, co-funded by the programme.

At the end of 2021, the Agency had **784 ongoing CEF Transport projects** for **€21.92 billion** of EU grant support, including 25 Programme Support Actions (PSA) and 3 Synergy (transport / energy) actions.

⁽⁴⁾ Legacy programmes under the 2014-2020 MFF and new programmes under the current MFF (2021-2027).

⁽⁵⁾ Includes ongoing, closed and terminated actions.

As part of its portfolio management activities, CINEA organised two meetings of the CEF Transport Advisory Group, which gathered stakeholder representatives to discuss implementation issues under the CEF Transport legacy programme and the transition from CEF1 to CEF2.

Over 22.000 alternative fuel supply points will be installed across Europe thanks to CEF Transport co-funding at the end of the programme.

During the annual reporting exercise, CINEA assessed close to **550 Action Status Reports** (ASRs), which showed that projects are on good track with many of them at an advanced stage of implementation. The continuous project management has allowed the Actions to meet their objectives and to maximise the absorption of the CEF funds. For the actions affected by the COVID-19 pandemic, amendments were signed in line with the existing rules and practices to extend the implementation period and thus neutralise the effects of the crisis.

A CEF Transport project example is shown in the box below. Comprehensive information on all projects is available [here](#).

Brenner Base Tunnel milestone reached



©Brenner Basistunnel BBT SE, 2021
Brenner Base Tunnel event in November 2021

The Brenner Base Tunnel is the centrepiece of the railway upgrade from Munich to Verona on the Scandinavian - Mediterranean Core Network Corridor. The 55 km cross-border Alpine tunnel will remove a major bottleneck for both freight and passenger transit between Austria and Italy. The tunnel starting in Italy reached the border with Austria and this was celebrated in a special ceremony in which CINEA took part.

CEF Energy, including CEF Energy legacy

By the efficient management of its CEF Energy portfolio of actions CINEA contributes to DG ENER's specific objective for a clean, affordable and secure energy. The Agency provides support to projects of common interest (PCIs) within the framework of the trans-European energy networks (TEN-E) policy as well as to cross-border projects in the field of renewable energy.

Portfolio management

CINEA signed all GAs for the 2020 CEF Energy call supporting projects of common interest in the energy sector, in the areas of electricity, gas, smart grids and cross-border carbon dioxide networks.

In September, the Agency launched the first **CEF2 Energy call** for key cross-border EU energy infrastructure projects included on the 4th Union list of PCIs, for an indicative budget of €785 million and organised a virtual info day which registered more than 3,000 connections. Following the call deadline in October, CINEA started the evaluation of the submitted proposals, which will be finalised in the first quarter of 2022. In addition, the Agency opened the CEF Energy call for preparatory studies for cross-border renewable projects with deadline for submission in February 2022 and organised two info days to present the call's features.

At the end of 2021, CINEA had a portfolio of **52 ongoing actions** for a total amount of **€4.21 billion** of EU grant support.

Based on the analysis of the 2021 ASRs, CINEA carried out a review of the energy portfolio. The results of the review showed that the majority of actions, with few exceptions, are progressing well, including as regards the overall budget absorption of the programme. One main challenge remained the COVID-19 pandemic in view of which the Agency addressed the identified risks appropriately, including by signing modifications of the grant agreements where necessary.

In total, by the end of 2021, 155 PCIs have received CEF support helping them advance in their implementation.

A tangible result of a CEF Energy project is shown in the box below. Comprehensive information on all projects is available [here](#).

Gas Interconnection Poland-Lithuania

The construction works for the Gas Interconnection Poland-Lithuania (known as GIPL) are ongoing, allowing to physically connect the gas systems of the two countries. This project, which has been granted a total support from CEF Energy of approx. €272 million for studies and works, aims at connecting the Baltic States to the EU gas market by opening the way to new



Source: CINEA

CINEA visiting the project site

sources and routes of gas supplies, enhancing diversification, competitiveness and security of gas supply in the region. CINEA visited construction sites in both countries in October 2021, to monitor progress of works, which should be completed by 2022.

Dialogue with stakeholders and feedback to policy for CEF

The Agency maintained regular contacts with its parent DGs through joint management meetings, bilateral meetings and ad-hoc communication at all levels. CINEA provided extensive input to its parent DGs for the cost assessment of the measures included in the Member States Recovery and Resilience Plans (RRPs) in particular for the plausibility of costs and complementarity of funds in the energy and transport sectors.

For CEF Transport, the Agency provided input to strategic planning and policy making activities, including contribution to the revision of the TEN-T regulation. Following the signature of the GAs under the last calls of CEF1, CINEA provided detailed information to DG MOVE on the outcome of the calls as well as an overview of the CEF Transport portfolio. Moreover, CINEA continued its reporting on the achievements of closed actions in the fields of transport and energy. In addition, CINEA participated at various working groups and meetings such as a meeting between the Agency, DG MOVE and the SESAR Deployment Manager (SDM) to discuss the transition from the current SDM into the future set up and the post-COVID recovery of the aviation sector. Moreover, the Agency took part in the European Rail Traffic Management System (ERTMS) Policy Board and provided input in the context of shaping the **new Alternative Fuels Infrastructure Facility**.

CINEA took part in **various events** with the aim to promote the CEF Transport programme and projects. It contributed to the success of the **'European Year of Rail'** and the emblematic initiative of the Connecting Europe Express, where CINEA organised the exhibition coach together with Shift2Rail. Other examples include organisation of a virtual workshop on ERTMS in CEF. Furthermore, CINEA organised a conference regarding CEF support to railways, which gave the opportunity to showcase to a large audience how the CEF programme contributes to the Single European Railway Area.

For CEF Energy, the Agency participated in the cross-regional and regional meetings organised by DG ENER and provided support to the DG in the framework of the selection of the 5th PCI list as well as for the monitoring of the implementation of the PCIs from the other lists. **CINEA** supported DG ENER in the preparation of the Delegated Regulation and cost-benefit analysis methodology in the context of the new CEF 2 Energy window on cross-border renewables. Further feedback from the implementation of projects and actions was provided to DG ENER in the context of the TEN-E review.

The Agency released the online [CEF Energy Supported Actions Brochure](#) providing an overview of all co-funded actions, including key -features per sector. Further visibility of the programme was made at the Baltic and Nordic Energy Summit, where CINEA presented the ongoing CEF Energy projects in the Baltics as well as the opportunities under CEF 2. In addition, the new window of CEF 2 Energy for cross-border cooperation in renewables was presented at the EUSEW in a dedicated session.

CINEA enhances visibility of CEF with social media guide for beneficiaries

A new publication was designed to help beneficiaries of the CEF Transport and Energy programmes reaping benefits of social media presence for their communication efforts. The [social media guide for CEF beneficiaries](#) offers insights into the main social media channels and explains how to plan, execute and evaluate effective social media campaigns.

CINEA has increased the sharing of CEF programme information with its parent DGs

For CEF Transport, CINEA has developed a number of dashboards allowing to access directly key information about the programme implementation. More specific dashboards with focus on the programme performance are currently being developed. These developments are guided by the newly set-up working groups with DG ENER and DG MOVE on Data & Results.

For CEF Energy, CINEA has developed a dynamic QlikSense dashboard allowing DG ENER to obtain and use the latest CEF programme performance information. The data related to CEF Energy actions is presented in conjunction with information about the relevant PCIs.

1.2. Renewable Energy Financing Mechanism

Portfolio management

CINEA contributes to the main objective of the Renewable Energy Financing Mechanism (RENEWFM), which is to enable Member States to work more closely together to achieve their individual and collective renewable energy targets. After the RENEWFM was delegated to the Agency, CINEA intensified its active collaboration with DG ENER. The Agency **contributed to the instrument's design features** in view of the launch of the first call foreseen in 2022, focusing on maximising the RENEWFM attractiveness. The programme was also promoted at relevant events such as the [European Energy Sustainable Week](#).

1.3. Just Transition Mechanism - Public Sector Loan Facility

Portfolio management

CINEA contributes to the achievement of the programme's objectives to support territories and regions most affected by the transition to a climate-neutral economy to alleviate the resulting economic and social costs. After the decision to delegate the Just Transition Mechanism - Public Sector Loan Facility (JTM-PSLF), CINEA intensified its active collaboration with DG REGIO and the EIB to define the work programme and **prepare the details of the first call** (to be launched in 2022). In parallel, the Agency published a [brochure describing the JTM](#) and presented the programme at ECOMONDO.

1.4. Horizon Europe Cluster 5, including Missions and H2020 Legacy

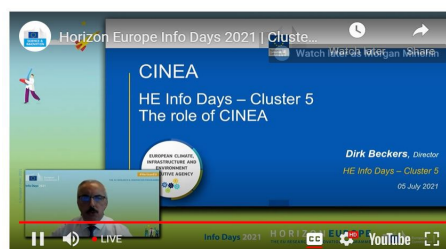
Through the management of the three strands of Horizon Europe Cluster 5, CINEA supports its parent DGs to achieve the programme's goals such as:

- further climate science and accelerate climate action uptake (both mitigation and adaptation) in line with the Paris Agreement and the Sustainable Development Goals,
- reduce the overall energy demand and make the energy supply cleaner, more secure, competitive and climate neutral reaching net-zero greenhouse gas emissions,
- reduce air pollutants in and across all transport modes through a smart and innovative transport sector that makes the most of digitalisation and automation, supported by adequate funding.

Portfolio management

CINEA concluded the signature of all GAs for the **last calls under Horizon 2020**, notably for large demonstration projects from the Green Deal call, marking an important milestone for the legacy programme. In parallel, the Agency launched the **first 2021 calls for HE Cluster 5** with a total of €1.2 billion EU funding for Climate, Energy and Mobility topics and supported DG R&I in the organisation of the HE Cluster 5 info days, which attracted a high number of participants. Following the calls' deadlines, CINEA organised the evaluations of the submitted proposals, which are expected to be finalised in early 2022. In addition, for the climate topic, CINEA organised the evaluations of the proposals for the EIC prize 'Early warning for epidemics'. CINEA also ran the evaluation and signed the first Horizon Europe grant targeted to an identified beneficiary for the SET-plan conference in Ljubljana.

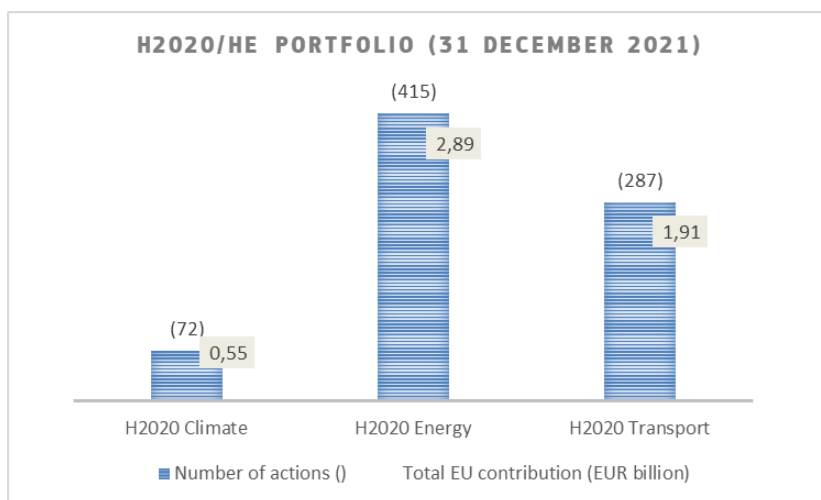
Welcome and introduction



Under the first edition of the **HE Info Days**, CINEA coordinated the Info Days for Cluster 5 'Climate, Energy and Mobility' on 5-6 July, which focused on green and digital transition to achieve climate neutrality in Europe by 2050. The two-day sessions attracted many participants with almost 20,000 interactions, the highest number of unique visitors per day and in total to the HE website, 500 questions asked and more than 16,000 Youtube views.

CINEA started the evaluation for the first calls of two EU missions, notably for the ‘Restore our Ocean and Waters by 2030’ and the ‘Climate adaptation’. The Agency also launched the subsequent calls for these missions and contributed to the call for expression of interest for the ‘Climate Neutral and Smart Cities’ mission.

At the end of 2021, CINEA’s portfolio of actions comprised **774 ongoing actions** with an equivalent EC contribution of ca. **€ 5,35 billion** as shown on the graph. This comprises around 60 additional legacy actions handed over by DG R&I which CINEA successfully integrated in the Agency’s portfolio.



As part of its project management activities, CINEA assessed periodic reports (interim and final), which showed that consortia were still able to achieve good progress despite difficulties experienced due to COVID-related restrictions. As mitigating measures, CINEA supported the beneficiaries by providing the necessary flexibility to deal with the effects of the crisis, including by granting extensions whenever possible.

The Agency actively promoted the participation of its beneficiaries in the Horizon Results Booster (RB), the Horizon Results Platform (HRP) and TRIMIS. Several CINEA projects were selected to receive support from the Results Booster and different solutions and technologies from CINEA’s portfolio are listed in the HRP. Below is an example from the Agency’s portfolio. All CINEA H2020 actions can be found on the [CORDIS database website](#).

Responding to big challenges



Source: Christophe Ramage @ARTTIC_RTD 2019

[SUNlight-to-LIQUID](#) was recognised as one of the world’s best environmental projects winning the 22nd Energy Globe World Award during the COP 26 in Glasgow in the category ‘Fire’, dedicated to projects on sustainable energy technologies. The project developed technology to produce renewable transportation fuels from water and CO₂ with solar energy. The Energy Globe World Award is the most recognised environmental award in the world.

Dialogue with stakeholders and feedback to policy

The Agency organised several thematic workshops in order to provide the opportunity for project promoters to share best practices with EC policy makers. Some examples include the **clustering meetings** for ocean energy and biofuels projects as well as the joint clustering event on batteries, which gathered projects from both H2020 energy and transport sectors. In addition, CINEA hosted the H2020 Energy 1st Coordinators' **workshop** on photovoltaic technologies in buildings, the Carbon Capture, Utilisation and Storage (CCUS) & Alternative Fuels cluster workshop, as well as a thematic workshop on tackling aviation noise and an EU Climate Neutrality Policy and **Knowledge Sharing event** addressing, inter alia, the themes of green recovery, just transition and designing climate policies for the coming decade. These meetings gathered a large number of participants and provided opportunities to exchange views between members of the teams working on the projects and EU policy makers.

CINEA continued to provide **direct project-based feedback** to its parent DGs by sharing information on project implementation, challenges and results achieved. Special attention was given to identify cross-cutting issues and links between sectors ensuring a global overview of the contribution of the Agency's portfolio to the programme's objectives and policies. The Agency provided feedback to DG R&I on the research and innovation costs in the context of the Member States' Recovery and Resilience plans. In addition, a presentation was delivered to DG MOVE on how CINEA's portfolio contributes to the EU Sustainable and Smart Mobility Strategy. The Agency provided support to DG ENER in setting up two working groups on digitalisation and energy efficiency. CINEA staff was also invited to contribute to one-year horizon scanning exercises organised under a project launched in 2021 by JRC and the European Parliamentary Research Service (EPRS).

The Agency actively participated in corporate networks and groups of the research family such as the Executive Committee Meetings on Horizon Europe focusing both on the preparation of the HE work programme providing valuable lessons learnt on implementation issues. Other examples include the D&E network of the Common Implementation Centre (CIC), various co-creation groups in the context of the Feedback to Policy framework for Horizon Europe as well as the Joint Common Policy Centre/CIC executive committee.

CINEA remained active as regards **EU Missions** and took part in relevant events such as the information session on the mission 'Adaptation to Climate Change' organised by DG

On 29 June, CINEA organised a workshop to present recent findings of H2020 Climate projects NAVIGATE and INNOPATHS with the participation of DG ECFIN. The agenda covered, inter alia the road to achieve greening and growth at the same time and the green Recovery and Resilience Facility instrument.



© Shutterstock

CLIMA or the Conference on European Missions, co-organised by the European Commission and the Committee of the Regions. In addition, CINEA participated in the Mission Owners Group for the Mission 'Restore our Ocean and Waters by 2030'.

The Agency also continued to manage the structured cooperation between the projects in the field of energy systems (BRIDGE initiative) and Smart Cities and Communities and to facilitate related policy feedback to the Commission.

CINEA maintained its efforts to provide information on the results and impact of the funded projects through a number of **publications**. Some concrete examples include the [H2020 Energy brochure](#) on smart grids and storage projects as well as brochures featuring H2020 transport projects and results on important themes such as [Automated Road Transport](#) and [Intelligent Transport System for Roads](#). A range of updated CORDIS Results Packs from H2020 addressing topics of interest for EU policy makers, such as on [Ocean Energy](#), [Solar Heat for power and industry](#), [Social Sciences and Humanities](#) and [Climate Neutrality](#) were also published in 2021.



CIVITAS Forum 2021

Source: CINEA

The Agency took part in a number of key **events** with the aim to promote the H2020 programme funding and its project portfolio. Examples include CINEA's intense involvement in the COP26 Climate Change Conference, where numerous side events were organised both in Glasgow and online in collaboration with H2020 Climate projects. Another example are the R&I Days where CINEA had an important presence at the exhibition area.

The Agency participated in the Opening Plenary session of the CIVITAS ⁽⁶⁾ forum discussing about the role of mobility and transport in creating climate-neutral European cities.

CINEA was also represented at the national press conference organised in November for the launch of the Green Deal STARGATE project where a consortium of 22 entities led by Brussels Airport aim to make aviation and airports greener and more sustainable. Finally, the Agency was present in many other important events such as at the ITS World Congress in Hamburg, the world's largest event on smart mobility, and at ENLIT, the European energy event for which CINEA updated a brochure with relevant projects participating in a dedicated "EU project Zone". A number of CINEA projects were also present at the Ocean Energy Europe Conference & Exhibition and the World Geothermal Congress.

⁽⁶⁾ CINEA is also enabling and monitoring the CIVITAS initiative – the network of cities dedicated to cleaner, better transport in Europe and beyond. CIVITAS brings together cities developing and deploying innovative transport solutions.

1.5. Innovation Fund

Through its activities, CINEA contributes to DG CLIMA's objective to mainstream climate-related spending in the EU budget and foster innovation and the delivery of significant GHG emissions savings. The Innovation Fund supports commercial demonstration and scaling-up of innovative technologies that have the potential to substantially reduce greenhouse gas emissions.

Portfolio management

Following the finalisation of the two stage evaluation of the **first call for proposals for large-scale projects**, CINEA announced in November the [first seven selected large-scale](#) innovative projects for a total funding of over €1,1 billion and started the grant agreement preparation process. The selected projects, which will be implemented as of 2022 in six Member States aim to bring innovative low-carbon technologies to the market, covering a balanced set of sectors such as solar energy, renewable heating, iron and steel, among others.

Under the **call for small-scale projects** launched at the end of 2020, CINEA finalised the evaluation of the submitted proposals and signed grant agreements for 30 projects covering a wide range of technology pathways across 11 Member States, Norway and Iceland. To support the beneficiaries of both large and small scale calls, CINEA organised two workshops on the grant agreement preparation process and common legal, financial and communication issues.



In October, the Agency launched the second call for large-scale projects (single stage) with a budget of €1.5 billion and organised the Info Day which attracted more than 1,400 participants. The call is open for submission of proposals until March 2022.

At the end of 2021 the portfolio comprised **37 ongoing actions for a budget of €1,25 billion**.

Dialogue with stakeholders and feedback to policy making

CINEA provided feedback to DG CLIMA as regards **lessons learnt from the closed calls** and in cooperation with the DG organised two dedicated seminars presenting the conclusions with more than 1,600 attendees in total. In addition, the Agency took part in two stakeholder events (with Innovation Fund Expert Group (IFEG) members and National Contact Points) that fed into the drafting of subsequent calls.

CINEA presented actively the funding opportunities under the programme in more than 10 **relevant events**, including the EU Sustainable Energy Week (with 350 registered participants), where it hosted a session with DG CLIMA, the EU Week of Regions and Cities, and events organised by National Contact Points (Ireland, Cyprus) or sector representatives (Ocean Europe, the Italian Association Confindustria, etc.).



*COP26 Innovation Fund Side event
Source: CINEA*

The Agency took the opportunity to celebrate the **signature of the first three small-scale projects** financed by the Innovation Fund at a dedicated COP 26 side event in Brussels. During the event, project promoters presented how their clean technologies will contribute to the decarbonisation of EU industries.

1.6. Programme for the Environment and Climate Action

CINEA contributes to the implementation of the Programme for the Environment and Climate Action which aims to the shift towards a sustainable, circular, energy-efficient, renewable energy-based, climate-neutral and - resilient economy, in order to protect, restore and improve the quality of the environment, including the air, water and soil, and to halt and reverse biodiversity loss and to tackle the degradation of ecosystems, including by supporting the implementation and management of the Natura 2000 network, thereby contributing to sustainable development.

Portfolio management

CINEA signed all grant agreements following the **LIFE 2020 calls**, which were the last under the previous programming period 2014-2020. In addition, the Agency finalised the contracting for the Coordination and Support Actions (CSA) projects selected under the clean energy transition part of Horizon 2020.

In July, CINEA launched the **2021 LIFE** calls for proposals with a total budget of €580 million comprising the four sub-programmes: nature & biodiversity, circular economy and quality of life, climate change mitigation and adaptation and clean energy transition. Subsequently, the Agency organised a series of dedicated info days and a virtual Q&A session attended by more than 250 participants from 32 countries. At the end of 2021, CINEA started the evaluation of the over 600 submitted proposals for these calls with the exception of the calls under the clean energy transition sub-programme, which have a deadline for submission at the beginning of 2022. Finally, in December the European City Facility call was launched, followed by an info session, as well as the call for BEST ⁽⁷⁾ and a series of calls for other actions and projects responding to specific Union legislative and policy priorities.

At the end of the reporting period, CINEA had **1017 LIFE** ongoing actions for **€2.44 billion** of EU grant support. In addition, it had **189** ongoing actions for **H2020 Energy CET** for **€347.45 million** of EU contribution.

CINEA continued to manage the relevant service contracts for the evaluation and monitoring of the LIFE programme and to ensure the sound implementation of service contracts in LIFE CET on behalf of DG ENER. The Agency continued the review of the LIFE project monitoring activities in view of ensuring an effective control strategy of both legacy and new LIFE programmes.

During the reporting period and as part of its project portfolio management activity, **CINEA**

assessed numerous periodic reports received from technical monitors ⁽⁸⁾. The analysis showed that projects are overall on good track while some were facing challenges related to the COVID-19 restrictions. As a mitigating measure, the Agency was constantly updating [a list of replies to FAQs](#) to guide the project beneficiaries.

CINEA portfolio of LIFE projects helps Europe become a climate-neutral continent by 2050, put Europe's biodiversity on a path to recovery by 2030, and contribute to the EU green recovery post-COVID-19, among other policies. An example is presented in the box below. Many others can be found on the [LIFE public database](#)

In a [press release](#) for the launch of the **2021 calls**, Frans Timmermans, Executive Vice-President for the European Green Deal said: '...With the European Green Deal, we showed strong leadership at COP26 in Glasgow in the race to tackle the biggest problem our planet has ever faced. We need a truly collective effort to address this challenge, and here is where LIFE projects come in as they bring citizens, public bodies, industry and NGOs together to work for the climate and environment.'

⁽⁷⁾ Grant Scheme for Biodiversity in the Outermost Regions and Overseas Countries and Territories

⁽⁸⁾ When relevant, LIFE projects are monitored by technical monitors who either visit physically the project once per year or connect in video-conference with the beneficiary and report to the Agency on the advancement of the implementation.

LIFE SUSTAINHUTS wins energy efficiency award



© LIFE SUSTAINHUTS project
Source: CINEA Archives

and promote sustainable tourism.

LIFE SUSTAINHUTS was [awarded](#) the most energy-efficient project during the 23rd Energy Days conference in Portorož, Slovenia. By installing energy technologies and new insulation material, [the project](#) reduced the emissions from 12 mountain huts in Spain, Italy, Slovenia and France. This approach can be replicated by others living in isolated locations across Europe and can help prevent air pollution, preserve mountainous forests,

GREEN ASSIST

Under GREEN ASSIST - **Advisory Services for Sustainable Investment Support**, a new INVESTEU advisory initiative, CINEA helps project promoters, their investment teams and other stakeholders to 'green' their investments by facilitating access to advisory services, capacity building services and market development studies. In 2021, the Agency signed a Memorandum of Understanding with DGs ENV and ECFIN and prepared [tendering documents](#) to select contractors to provide, as of 2022, advisory services in green investments.



© Shutterstock

Dialogue with stakeholders and feedback to policy

CINEA continued to provide high quality feedback to policy to its parent DGs for all phases of the projects lifecycle.

Within **the Circular Economy and Quality of Life sub-programme**, the Agency continued the pilot exercise on the policy feedback fiche, gathering on a regular basis (every 4-6 months) tangible project results with policy relevance and sharing lessons learned with parent DGs. So far 23 policy feedback fiches have been developed.

For the **Climate Change Mitigation and Adaptation sub-programme**, the Agency contributed to the new EU Climate Adaptation Strategy providing lessons learned from the projects' implementation. CINEA provided inputs for the Climate ADAPT platform of the European Environment Agency (EEA) and together with DG CLIMA organised a platform meeting on the European Climate Pact and behaviour change and started the preparation of a workshop on the phasing out of Fluorinated-gases (F-gases).

For **Nature and Biodiversity**, CINEA continued to provide extensive feedback to DG ENV on Natura 2000 and Biodiversity Strategy. Cooperation was also sought with Horizon 2020 projects and the EU Missions relevant for biodiversity. CINEA organised INTERLIFE regional meetings, where projects representatives met alongside policy-makers from DG ENV. In addition, the Agency organised several platform meetings, such as the meeting ‘Lessons learned from LIFE towards a coherent and functional resilient network of protected areas’ including a public event on financing connectivity.

Concerning the **Clean Energy Transition**, on top of providing feedback on the call for proposals 2021, the Agency took part in inter-service working groups on the renovation wave initiative and on digitalisation. CINEA also contributed to the revision of the Energy Performance of Buildings Directive and Energy Efficiency Directive and supported the BUILD UP Skills initiative ⁽⁹⁾ by updating the respective [CORDIS Results Pack](#). The Agency continued to support initiatives for the implementation of EU energy policies, namely the Concerted Actions ⁽¹⁰⁾ as well as the Consultation Forum for Sustainable Energy in the Defence and Security Sector (CF SEDSS) and organised with DG ENER the launch event for the guidelines ‘Energy Efficiency First: From principles to practice’, with opening address from Commissioner Simson.

CINEA continued to encourage its LIFE projects to participate in the Innovation Radar and other platforms to promote the upscaling of their innovative solutions and to maximise the impact of the EU funding.

 **More than 50 LIFE projects have been added to the EU Innovation Radar platform**, the Commission initiative to identify high potential innovations and innovators in EU-funded projects. By being featured on the platform projects increase the visibility of their innovations as well as their access to the market and subsequent use across multiple sectors.

An example is the LIFE Waste2Protein project that was amongst the three winners of the EU backed Sustainability Start-ups awards which are organized within the frame of the R&I Innovation Radar.

⁽⁹⁾ Following the end of the Horizon 2020 programme, the work carried out under BUILD UP Skills continues under the LIFE 2021-2027 programme.

⁽¹⁰⁾ Concerted Action on the Energy Performance of Buildings Directive- CA EPBD, Concerted Actions on the Energy Efficiency Directive- CA EED, Concerted Action on the Renewable Energy Directive- CA RES, Concerted Action on market surveillance – EEPLIANT.



EC/CINEA stand at ECOMONDO
Source: CINEA

In addition, CINEA **took part in various events** to promote the LIFE portfolio of projects and the Agency's activities. Examples of the most important events include the [European Sustainable Energy Week \(EUSEW\)](#), co-organised by the Agency in collaboration with DG ENER, which was followed by more than 4,500 participants from 98 countries. The Agency participated in Ecomondo, the reference event in Europe for the ecological transition and the new models of circular and regenerative economy, hosting thematic sessions and presenting projects and possibilities from LIFE

and all relevant programmes managed by CINEA. The Agency showcased LIFE projects at the 3rd EU Clean Air Forum as well as in the Global Peat Press Project (GP3) campaign, coordinated by the UNEP's Global Peatlands Initiative ⁽¹¹⁾. At the EU Week of Regions and Cities CINEA had a stand featuring all the programmes managed by the Agency as well as a seminar on how LIFE supports public authorities to Green transition.

In addition, CINEA took part in the cycling race Giro d'Italia where the Agency promoted LIFE and CEF Transport, the [Covenant of Mayors Investment Forum: Energy Efficiency Finance Market Place](#), as well as the 2021 LIFE Awards Ceremony hosted in the [EU Green Week](#) recognising the most innovative, inspirational and effective LIFE projects. The Agency contributed to the [New European Bauhaus](#), which connects the European Green Deal to living spaces and organised a Sustainable Energy Investment Forum with the participation of the Belgian State Secretary for Recovery and Strategic Investments as well as DG REFORM and DG ENER colleagues.

In parallel, the Agency produced **several publications** such as factsheets on [LIFE Integrated projects](#) supporting authorities in EU Member States to implement environmental and climate plans, on [LIFE Programme and Energy](#) with key findings from an ex post study on LIFE+ energy projects and on [LIFE and circular economy](#). Finally, the Agency published the update of the study on [Market Uptake of Energy Efficiency Measures in Industry and Services](#), as well as infographics such as [Bringing Nature into the European Bauhaus](#).



⁽¹¹⁾ The initiative brings together international partners to highlight the importance of peatlands as vulnerable but valuable ecosystems.

1.7. European Maritime Fisheries and Aquaculture Fund, including legacy European Maritime and Fisheries Fund

By implementing the European Maritime Fisheries and Aquaculture Fund, including the legacy European Maritime and Fisheries Fund (EMFF), CINEA contributes to the specific objectives of DG MARE to fostering fisheries and aquaculture enabling the development of a sustainable blue economy, including strengthening international ocean governance and safe, secure and clean seas and oceans.

Portfolio management



CINEA completed the GAs signature for the **last calls under the EMFF programme** and also carried out the evaluation of offers for several procurement procedures and signed the respective service and specific contracts.

In the second half of the year, the Agency launched the **first EMFAF calls** with an overall budget of over €12 million⁽¹²⁾ supporting projects aiming to boost the sustainable use of ocean resources, to improve ecosystem health and reinforce regional cooperation. In addition, the Agency launched and finalised four calls for tenders for services for the European Marine Observation and Data Network (EMODnet), scientific advice for fisheries and advice on the aspects related to algae as well as launched seven calls to identified beneficiaries to fund predominantly projects in the domain of international ocean governance.

At the end of 2021, the EMFF portfolio contained **75 grants and 67 contracts** amounting to **€89 million and €50 million** of EU contribution respectively. The analysis of the received periodic and final reports showed that projects are overall on track with the implementation of their tasks, delivering valuable results. In few cases, amendments had to be signed due to delays in the implementation triggered by the COVID-19 pandemic or linked to technical and/or administrative issues. An example of one of these bottom-up projects is shown in the box below. Many others can be found [here](#).

⁽¹²⁾ EMFAF-2021-PIA-CISE 'Action for a CISE incident alerting system', EMFAF-2021-PIA-MSP 'Maritime Spatial Planning Projects' and EMFAF-2021-PIA-FLAGSHIP 'Flagship projects promoting a sustainable blue economy through regional maritime cooperation in the Atlantic, the Black Sea and the Western Mediterranean'.

FISH4FISH

The fish industry produces huge amounts of plastic containers and more than 10,000 tons a year of shellfish food waste. The shelf life of fresh fish is also short and adds to food waste. FISH4FISH tackles both problems by using bio-waste of the seafood sector to produce an innovative, active and sustainable material for fish packaging. FISH4FISH active packaging can enhance fish products' shelf life and also serve as fertilizer and microbial preservative for plants as it is biodegradable and compostable.



Source: ©Fish4Fish

Dialogue with stakeholders and feedback to policy

During the first half of the year, the Agency developed and agreed with DG MARE **an action plan for policy feedback**, targeting ten policy areas for the period 2021-2022. Within this framework, CINEA prepared 29 project factsheets and provided other relevant information linked to its portfolio, including four ad-hoc reports/notes focusing on Sea Basin Strategies, investment, maritime security and blue skills. These will be posted on the maritime forum. CINEA also contributed to DG MARE notes on the state of play for the next steps of the implementation of the Maritime Spatial Planning (MSP) Directive and the Atlantic Action Plan as well as to the preparation of the relevant Work Programmes.

The Agency provided feedback on the relevant actions implemented in the Arctic area, which was used by DG MARE for the development of the new Arctic Joint Communication. CINEA organised a seminar to provide targeted feedback to DG MARE **on BlueInvest assistance** mechanism and two seminars, one on marine litter and one on circularity aspects of the offshore wind energy sector, presenting EMFF projects and discussing their results with representatives of different DGs including DGs MARE, ENV, R&I, and MOVE. The latter seminar was organised as a [side event](#) to the World Circular Economy Forum 2021.

CINEA also continued to support the work of a technical expert group on Data for MSP whose creation was facilitated by the Agency. In 2021, the technical expertise gathered within the Data for MSP technical expert group, combined with the EMODnet Human Activities expertise, was used for developing a coherent Europe MSP data model which allow the National MSP plans to be uploaded to EMODnet to create seamless digital maps.

CINEA supported DG MARE in the implementation of the EU sea basin strategies (Atlantic, Western Mediterranean Initiative and Black Sea) through its concrete contribution to the daily work with the experts of the three Assistance Mechanisms, envisioned to support the Commission, Member States and third countries in implementing the strategies. CINEA also elaborated an option for a single contract for the current assistance mechanisms, which

could bring in a number of advantages in terms of procedural, operational and communication aspects.

CINEA also assisted DG MARE in the implementation of the support to the European Coast Guard Functions Forum and to the Mediterranean Coast Guard Functions Forum.

Furthermore, the Agency participated in a **number of other events** showcasing the results and impacts of projects funded by EMFF, and by other EU funding programmes, e.g. LIFE and Horizon 2020, stimulating synergies among programmes and projects. Examples include a stand and a workshop on chemical recycling of plastic and marine litter in Ecomondo, a presentation of funding opportunities across



EC/CINEA's EMFAF stand at ECOMONDO

programmes at the Aquaculture Europe Conference and WestMED Steering Committee and a webinar on Sustainable Tourism Innovation. Off-shore energy was also in the spotlight at the EU Sustainable Energy Week. Here CINEA co-organised with DG MARE a policy conference to take stock of the EU's Offshore Renewable Energy Strategy where examples of EU-supported initiatives were presented (e.g. eMSP project).

The BlueInvest platform, managed by the Agency, brought together over 1000 companies, investors and stakeholders at the **BlueInvest day in January**. CINEA was also in the lead for two sessions of the European Maritime Day during which EMFF projects presented their innovative solutions and business cases to investors from across the EU. Additional workshops and meetings include the kick-off meeting of the 11 new BlueInvest grants at Ecomondo, on digitalization skills in the Mediterranean region with a particular focus on aquaculture and tourism and the MSP global final conference which gathered 585 participants from 87 countries to celebrate the first worldwide guide on Maritime Spatial Planning practices. Finally, two seminars on Maritime Spatial Planning were co-organised with the Intergovernmental Oceanographic Commission (IOC)-UNESCO and DG MARE.

CINEA actively promoted the communication and **dissemination of project results** through the Agency website where 18 projects were featured. In addition, four projects supported by the EMFF were featured in the [EuroNewsOcean](#) programme. Two thematic videos, one on marine litter and one on offshore renewable energy featuring EMFF funded projects were published on CINEA website.



CINEA published 15 reports and studies on its [webpage](#) with insights on policy relevant topics. Examples are the application of an Ecosystem-Based Approach in Maritime Spatial Planning accompanied by infographics, guidance document, case-study and literature reports. Other studies focused for example on the effects of the COVID-19 on the EU fishing sector and the identification of measures to protect by-catch species in mixed-fisheries management plans.

1.8. Cross-Programme Synergies

All CINEA's programmes contribute to the achievement of the European Green Deal with different scopes and specificities. The Agency increased efforts to foster synergies within its portfolio by organising cross-programme activities. Initiatives were taken to showcase project results as well as funding opportunities to promote the awareness of different programmes around a particular thematic priority. Some examples include:

- The **EU Sustainable Energy Week** (EUSEW) co-organised by CINEA and DG ENER, with over 275 speakers, debates, awards, policy sessions and networking activities. CINEA presented the Agency and its programmes during several sessions, including a lunchtime session focused on [how CINEA delivers the EU Green Deal](#). CINEA staff was present at a virtual stand providing information on all relevant programmes (Horizon 2020 & HE, LIFE, EMFF & EMFAF, Innovation Fund, REFM, CEF Energy).
- **Ecomondo**, where CINEA hosted [a series of thematic sessions](#) at which numerous Agency's projects from different programmes (LIFE, EMFF, CEF Transport and Horizon 2020 Transport) showcased their results at the EU stand.
- The **United Nations Climate Change Conference (COP26)** where CINEA was present in a number of side events both onsite in Glasgow, in Brussels and online, in collaboration with project promoters from the H2020 and LIFE programmes and where the first GAs of the Innovation Fund were signed in a dedicated ceremony.
- The New European Bauhaus which featured [projects](#) both from LIFE and Horizon2020.
- The **ITS World Conference**, with a record participation of more than 13,000 visitors, where CINEA was present at the EU stand to support several projects funded under CEF Transport and Horizon 2020 Transport and promote relevant EU funding.



Source: CINEA

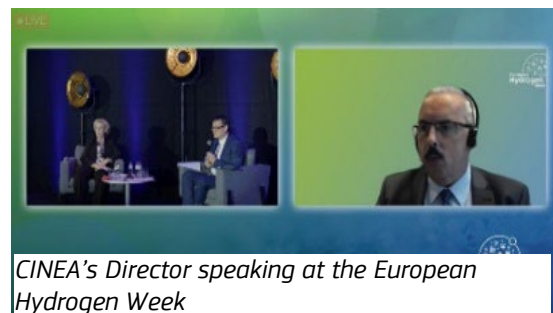
LIFE and EMFF programmes joined forces for the BLUEINVEST thematic workshop “Unlocking Opportunities for a Green Blue Economy” that took place on 28th October 2021 in Rimini. The event discussed market opportunities for the Green Blue Economy, including innovation trends and major developments. It was followed by a presentation of the LIFE programme by CINEA while five EMFF and LIFE projects then pitched their innovative solutions in front of a panel of investors highlighting their contribution to the Green Deal to make the EU economy greener and more circular.

- The **EU Week of Regions and Cities**, with a virtual stand showcasing CINEA projects and a dedicated session “Together for aviation recovery - Green Deal innovation in EU regions, cities and airports” led by CINEA, where synergies with EU regional funds were also addressed.

A number of **trainings, workshops and thematic information sessions** fostered knowledge sharing both among CINEA programmes but also between project promoters and policy makers. A prominent example is the Knowledge Sharing event on Climate Neutrality organised by CINEA in December. The event brought together **over 60 participants** from EU funded projects, representatives from ten policy DGs (REGIO, ECFIN, CINET, ENER, DEFIS, MARE, INTPA, R&I, CLIMA and ECFIN) and CINEA colleagues and contributed to strengthening synergies across the Agency’s programmes, such as LIFE, H2020 Energy and Climate, IF and CEF Energy.

In addition, several internal events were organised to allow for an advanced knowledge sharing within the Agency. In July, a lunchtime session took place at which CINEA colleagues exchanged on best practices as regard fostering synergies from the ex-EASME and ex-INEA agencies. In addition, sessions on sustainable blue economy success stories from EMFAF and LIFE, Ocean literacy and supporting readiness and access to finance for SMEs in the blue economy took place in the second half of the year

CINEA cooperated with other services to promote synergies at thematic level. The Agency’s Director, Dirk Beckers, took part in the [European Hydrogen Week](#) talking about the synergetic potential between the programmes managed by CINEA and the Fuel Cells & Hydrogen Joint Undertaking.



Building on the strong thematic links between its programmes, synergies were also addressed in CINEA’s communication and dissemination activities. A concrete example is the **Clean Energy**

Newsletter and related Twitter account, which was broadened to include all of the Agency’s programmes in the area of sustainable energy. Another example is the [Intelligent Transport Systems \(ITS\) flyer](#), illustrating projects from both the Connecting Europe Facility (CEF) and Horizon 2020 programmes, which was presented at the 2021 ITS World Congress. In addition, CINEA complemented the European Maritime Transport Environmental Report with projects financed by CEF and H2020.

Finally, at the end of 2021, CINEA adopted its **Strategy on enhancing synergies and cross-programme feedback to policy**. The strategy describes how the Agency can build on the management of its portfolios of projects to foster synergies among its delegated programmes and support further its parent DGs in their policy-making activities. The strategy was welcomed by CINEA Steering Committee and will be implemented through specific and agreed annual plans as of 2022.

2. MODERN AND EFFICIENT ADMINISTRATION AND INTERNAL CONTROL

2.1. Financial management and internal control

Assurance is provided on the basis of an objective examination of evidence 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. The results are explicitly documented and reported to the Director. The following reports have been considered:

- The reports submitted by the authorising officers by sub-delegation on the progress of their areas of responsibility including internal control;
- Regular reporting on ex ante and ex post controls and results;
- The limited conclusion of the Internal Auditor on the state of internal control;
- The reports by the European Court of Auditors (ECA) and the Internal Audit Service (IAS);
- The report on the annual assessment of the internal control systems of CINEA as well as the report on the annual risk assessment exercise and its mid-term review;
- The register of exceptions and non-compliance events.

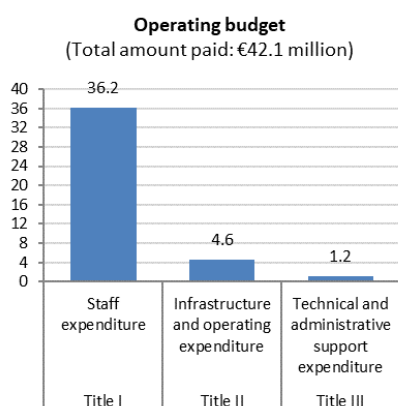
These reports result from a systematic analysis of the available evidence. This approach provides sufficient guarantees as to the completeness and reliability of the information reported and results in a complete coverage of the budget delegated to the Director of CINEA.

This section covers the control results and other relevant elements that support management's assurance. It is structured into 2.1.1 Control results, 2.1.2 Audit observations and recommendations, 2.1.3 Effectiveness of internal control systems, and resulting in 2.1.4 Conclusions on the assurance.

2.1.1. Control results

This section reports and assesses the elements identified by management, which support the assurance on the achievement of the internal control objectives (ICO) ⁽¹³⁾. CINEA's assurance building and materiality criteria are outlined in AAR Annex 5. The AAR Annex 6 outlines the main risks together with the control processes to mitigate them and the indicators used to measure the performance of the relevant control systems.

Operating budget



CINEA has established a system of controls that aims at ensuring the sound financial management and the legality and regularity of all financial transactions (in total 340 payments) related to the operating budget (€ 42.1 million paid).

CINEA performs ex ante checks on transactions related to payments and recoveries in view of spotting any possible errors that may impact the reliability of the accounts. The result of the checks is the basis for the certification of the annual accounts, the validation of the financial

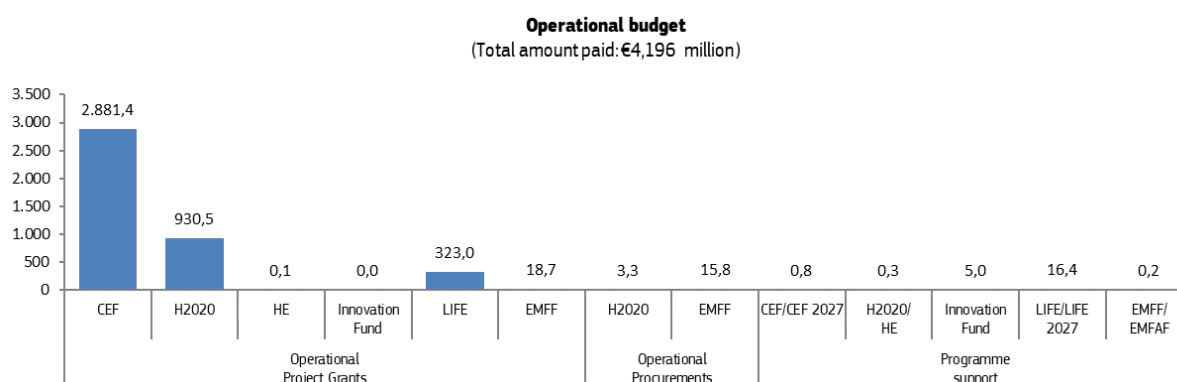
processes by the Accountant and for the signature of the Management Representation Letter that accompanies the Financial Statements, addressed to the Court of Auditors.

The cost of controls is difficult to measure given the nature of the transactions performed by the Agency (low risk, standard transactions). Therefore, its quantification is not undertaken here. The residual error rate is currently estimated at 0.5% ⁽¹⁴⁾, which is significantly below the target of 2%. In the past few years, the Court of Auditors has not issued any observations on CINEA's system of controls.

⁽¹³⁾ 1) Effectiveness, efficiency and economy of operations; 2) reliability of reporting; 3) safeguarding of assets and information; 4) prevention, detection, correction and follow-up of fraud and irregularities; and 5) 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 36.2).

⁽¹⁴⁾ For types of low-risk expenditure with indications that the equivalent error rate might be close to 'zero' (administrative expenditure, procurement and experts), as a conservative estimate CINEA uses 0.5% following DG BUDG instructions.

Operational budget



CINEA's operational budget is almost exclusively implemented through grants under direct management (> 99% in terms of total payments made). Its system of controls ensures the sound financial management and the legality and regularity of all financial transactions ⁽¹⁵⁾ including grants (€4,154 million), procurement (€19.1 million) and programme support – evaluation and monitoring experts (€22.9 million)

The following overview table presents the various (risk-differentiated) segments for each of the Agency's activities.

Table 1: Overview table (amounts in EUR million)

Risk-type / Activities	Grants (e.g. actual costs based, or lump sums, or entitlements)	Procurement (e.g. minor or major values)	Other (Programme support)	Total Expenditure
CEF	2,881.41		0.97	2,882.38
H2020	930.47	3.33	0.28	934.08
Horizon Europe	0.13			0.13
Innovation Fund			5.03	5.03
LIFE	323.00		16.41	339.41
EMFF/EMFAF	18.73	15.75	0.22	34.70
Total (coverage operational budget)	4,153.73	19.08	22.91	4,195.72
Operating budget				42.10
Grand Total				4 237,82

⁽¹⁵⁾ In 2021, CINEA performed a total of 2,772 transactions on the operational budget.

In line with the 2018 Financial Regulation, CINEA's assessment for the new reporting requirement is as follows:

- Cases of "confirmation of instructions" (new FR art 92.3) –no such cases;
- Cases of financing not linked to costs (new FR art 125.3) – no such cases;
- Financial Framework Partnerships >4 years (new FR art 130.4) –no such cases;
- Cases of flat-rates >7% for indirect costs (new FR art 181.6) – no such cases;
- Cases of "Derogations from the principle of non-retroactivity [of grants] pursuant to Article 193 FR" (new Financial Regulation Article 193.2) – no such cases.

1. Effectiveness of controls

a) Legality and regularity of the transactions

CINEA uses internal control processes to ensure sound management of risks relating to the legality and regularity of the underlying transactions it is responsible for, taking into account the multiannual character of programmes and the nature of the payments concerned. In 2021, the Agency reviewed its Control Strategy to cover all legacy programmes including those transferred from former EASME i.e. LIFE and EMFF as of 1 April 2021.

As shown above, the vast majority of CINEA's activities fall under grants in direct management. Considering the low amount of procurements managed by the Agency (< 1% in terms of total payments made), this section covers only cost of controls of grants in direct management as the cost of controls for procurements are considered marginal in the context of overall CINEA's activities. This said, controls are in place also for procurements and are detailed in Annex 6.

The sections below provide an overview of the cost of controls of grants in direct management. Further details on the quantitative and qualitative benefits are provided in Annex 7.

Stage 1 – Evaluation and selection of proposals

This control stage aims at ensuring that only the best projects meeting the policy objectives are among the selected proposals. For this, the Agency organises the evaluation with the support of external independent experts according to objective and transparent procedures that ensure equal treatment of all applicants. Several qualitative benefits have been identified such as that policy objectives of the relevant programmes can be achieved in the most efficient way by selecting the best proposals. In quantitative terms, the benefits are the requested funding in proposals that were not recommended by the external experts during the evaluation process, amounted to €6.5 billion in calls for proposals finalised in 2021.

Stage 2 – Grant Agreement Preparation

The control objective of this stage is to translate each of the selected proposals into legally binding grant agreements in a way that ensures an optimal allocation of the EU funds. This refers to the grant agreement preparation process that may result in grant reductions compared to the initial proposals. Quantitatively, a total amount of €38.2 million was not contracted, due to either cancelations or reductions applied during the grant agreement preparation.

Stage 3 – Monitoring the execution

The overall control objective of this stage is to ensure that the projects are performing according to their schedule and technical specifications and that the payments (or recoveries) made comply with the regulatory and contractual provisions. The execution of the projects is monitored through different means, the results of the ex ante controls being the most important one. A series of non-quantifiable benefits can be derived from these controls, such as reduced risk of fraud, prevention of errors, deterring effect of controls and accounting data quality. Quantitatively, €71.3 million (or 1.5%) of the submitted amount of €4.8 billion was rejected due to ineligibility of costs/irregularities ⁽¹⁶⁾.

Stage 4 – Ex post controls ⁽¹⁷⁾

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

Due to the COVID-19 pandemic, CINEA had to postpone on-the-spot missions until further notice. To minimise the impact of the pandemic on the audit plan CINEA conducted desk audits, in line with international best practice and auditing standards. Nevertheless, CINEA reached 100% completion of all planned CEF audit ‘fieldwork’ and the target to close 50% of planned CEF audits within the calendar year.

CINEA took over LIFE and EMFF programmes from former EASME as of 01 April 2021. The Agency inherited 17 and 12 audits for LIFE and EMFF programmes respectively. The audits were launched in 2020 in line with former EASME’s ex post control strategy. All audits have been finalised in 2021.

As to H2020, ex post controls are under the responsibility of the DG R&I Common Audit Service (CAS).

Multi-Annual residual error rates at the end of 2021 are shown in the table below ⁽¹⁸⁾

⁽¹⁶⁾ It is important to highlight that the ineligible amount considered for this purpose refers to invoices with detected irregularities. Other ineligible amounts resulting from overspending or from the maximum ceiling of interim payments set at 80% for CEF were not taken into account for this calculation.

⁽¹⁷⁾ The Innovation Fund is not subject to ex-post controls (lump sums).

Programme / Sector	Detected Error Rate	Residual Error Rate
CEF Transport	0.68%	0.59%
CEF Energy	2.96%	2.52%
LIFE	0.72%	0.68%
EMFF	0.99%	0.88%
H2020	2.29%	1.83%

Overall, the benefits of this stage can be quantified by the amount of EU contribution detected in ex post control activities. In 2021, this amount was estimated at €1.84 million for CEF, €0.104 million for LIFE, €0.034 million for EMFF and €0.572 million for H2020.

CINEA's portfolio consists of segments with a relatively low error rate, i.e. CEF Transport, H2020, LIFE and EMFF and a segment with a relatively high error rate, i.e. CEF Energy in 2021. This is, respectively, thanks to the inherent risk profile of the programmes and the performance of the related control systems.

For the segment with control weaknesses, such as CEF Energy, an increase in the error rate in 2020 and 2021 was observed leading to a reservation in the current AAR. While the error rate is sensitive to large detected errors due to the small number of beneficiaries in this programme, at present it cannot be excluded that the non-audited population is affected by the same level of error. Management actions taken to address this include the development and implementation of an action plan aiming to reduce the error rate. This includes increased audit coverage from 2022 onwards to cover a higher proportion of the CEF Energy annual expenditure. This will allow for drawing conclusions on a wider population, including for identifying areas prone to errors. These areas can be subject to more in-depth ex ante controls and/or serve as a basis for additional guidance to unexperienced beneficiaries that could be provided for early prevention of irregularities during the implementation of actions. Furthermore, internal awareness raising activities have been organised to operational and financial services on the major audit findings to date in order to improve ex ante control in general, and in particular to enhance earlier up-front intervention and advice to beneficiaries to help identify potential sources of errors before they materialise.

Through recoveries and financial corrections, CINEA has in place an effective mechanism for correcting errors. During the reporting year, the executed corrective capacity amounted in total to €75.2 million representing 1.81% of the relevant expenditure. The benefit at ex ante level control amount to €71.3 million, whilst recoveries and financial corrections

⁽¹⁸⁾ An explanation of the methodology for ex-post controls for each programme under CINEA management is provided in Annex 5.

following the results of ex post controls amounted to €3.9 million (for more details see Annex 7).

The Agency's relevant expenditure, its estimated overall risk at payment, estimated future corrections and risk at closure are set out in Table 2 Estimated risk at payment and at closure.

The estimated overall risk at payment for 2021 expenditure amounts to € 52.63 million, representing 1.26 %⁽¹⁹⁾ of the Agency's total relevant expenditure for 2021. This is the AOD's best, conservative estimation of the amount of relevant expenditure during the year not in conformity with the contractual and regulatory provisions applicable at the time the payment was made. This expenditure will subsequently be subject to ex post controls and a proportion of the underlying errors will be detected and corrected in subsequent years. The conservatively estimated future corrections for 2021 expenditure amount to € 12.42 million. The difference between those two amounts results in the estimated overall risk at closure of €40.22 million, representing 0.97 % of the Agency's total relevant expenditure for 2021.

The overall amount at risk at closure decreased by €1.98 million in 2021 (from an upper limit of €42.2 to €40.22 million) compared to 2020. Despite the additional €1 million of amount at risk at closure that corresponds to the newly received programmes LIFE and EMFF/EMFAF, there has been a decrease of the amount at risk at closure of €2 million linked to CEF Telecom which has been transferred to another Executive Agency (HaDEA). For CEF Transport (the largest single budget line in CINEA) the amount at risk at closure decreased from €16 million in 2020 to €13 million in 2021 due to a reduced rate of detected error. Conversely, the increase in detected error rate for CEF Energy leads to an increase of the amount at risk at closure from under €6 million in 2020 to almost €11 million in 2021. Regarding H2020, the overall amount at risk has decreased by €3 million mainly due to a reduced detected error of 2.29% in 2021 compared to a rate of 2.95% in 2020. This decrease could be due, among other reasons, to the beneficiaries' increased knowledge of the eligibility rules and its inherent learning curve, as well as to the results of the communication campaigns, targeted webinars and trainings, addressed in particular to newcomers and SMEs.

The net impact of the above main changes forms the majority of the downward movement in the overall amount at risk compared to 2020 figures.

The average recoveries and corrections and estimated future corrections decreased overall at 0.30% on average for all programmes, compared to 0.38% in 2020. However, the estimated overall risk at payment also decreased significantly overall at 1.26% on average at all programmes, compared to 1.61% in 2020.

For an overview at Commission level, the CINEA's estimated overall risk at payment, estimated future corrections and risk at closure are consolidated in the AMPR.

⁽¹⁹⁾ 52.63/4,160.8 from amount at risk table.

Table 2: Estimated risk at payment and at closure (amounts in EUR million). The full detailed version of the table is provided in Annex 9.

Control environment	Programme	Relevant expenditure	Estimated risk (error rate %) <i>at payment</i>		Estimated future corrections and deductions		Estimated risk (error rate %) <i>at closure</i>	
Grants under direct Management	CEF Transport, incl. CEF Synergy actions	2,632.05	17.83	0.68%	5.22	0.20%	12.62	0.48%
	CEF Energy	500.20	14.82	2.96%	3.38	0.67%	11.45	2.29%
	CEF Telecom (DSI) ⁽²⁰⁾	3.72	0.15	4.11%	0.02	0.57%	0.13	3.54%
	H2020	802.49	18.38	2.29%	3.69	0.46%	14.69	1.83%
	Horizon Europe	0	0	0%	0	0%	0	0%
	LIFE	127.58	0.92	0.72%	0.08	0.07%	0.84	0.65%
	EMFF	11.55	0.11	0.99%	0.03	0.24%	0.09	0.75%
Operational procurements	H2020	3.33	[0, 0.02]	[0-0.5%]	0.00	0.00%	[0, 0.02]	[0-0.5%]
	EMFF	15.75	[0, 0.08]	[0-0.5%]	0.00	0.00%	[0, 0.08]	[0-0.5%]
Programme support ²¹		22.01	[0, 0.11]	[0-0.5%]	0.00	0.00%	[0, 0.11]	[0-0.5%]
Sub-total		4,118.68	[52.22, 52.42]	[1.27-1.27%]	12.42	0.30%	[39.80, 40.01]	[0.97-0.97%]
Operating budget		42.10	[0, 0.21]	[0-0.5%]	0.00	0.00%	[0, 0.21]	[0-0.5%]
Total EA (operational + operating)		4,160.78	[52.22, 52.63]	[1.26-1.27%]	12.42	0.30%	[39.80, 40.22]	[0.96-0.97%]

b) Fraud prevention, detection and correction

CINEA has developed and implemented its own anti-fraud strategy since 2013, on the basis of the methodology provided by OLAF. In December 2021, CINEA updated its anti-fraud strategy (AFS) to reflect the extension of the Agency's mandate including an action plan, which will be carried out in 2022/2023. The implementation of the AFS is monitored and reported to CINEA's management on a regular basis and is embedded in the Agency's internal control system, which is assessed every year.

⁽²⁰⁾ Includes some cleared pre-financings authorised at the beginning of the year linked to the programme handed over to HaDEA (CEF Telecom legacy program). They represent 0.09% of CINEA's total expenditure with estimated amount at risk at closure of EUR 0,13 million €. The 'de minimis' thresholds (5% of a DG's total payments and with a financial impact of € 5 million) for a quantified financial reservation are not exceeded and therefore no financial reservation is required. More information about the management of the programme can be found in HaDEA's Annual Activity Report.

⁽²¹⁾ Additionally to staff expenditure, the different programmes and control environments/stages are supported by expenditure on CINEA's administrative budget (Title III) and operational budget. Full details can be found in annex 7.

Furthermore, CINEA contributed to the implementation of the Commission's anti-fraud strategy (e.g. making use of relevant IT tools, which support fraud prevention and detection, and participating in all relevant channels and working groups) and followed up 100% of the received financial recommendations. Two OLAF recommendations are currently ongoing - one in liquidation procedure and another one, related to irregularities in the declaration of cost for one project, received in December 2021, which is under analysis.

The results achieved during the year thanks to the anti-fraud measures in place can be summarised as follows:

- 95% of CINEA staff attended the course '*Fight against fraud*'.
- In total, almost 100% of the Agency's staff in post for more than 12 months had followed this training. CINEA will pursue a high participation rate in this course in order to raise awareness among its staff on detecting and fighting fraud.

On the basis of the available information, CINEA has reasonable assurance that the anti-fraud measures in place are effective.

2. Efficiency of controls

Efficiency of controls is assessed through quantitative indicators that are continuously evaluated throughout the implementation of the programmes. For this, the Agency uses the following three indicators for grants under direct management: time-to-inform, time-to-grant and timely payments. Below is a short state of play for each indicator and more details, including on the average time can be found in Annex 7.

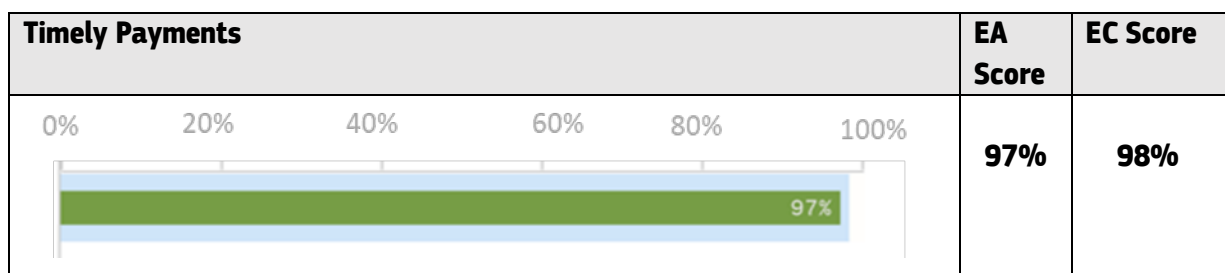
The **time-to-inform**⁽²²⁾ limit for all programmes was respected in all but one case.

The **time-to-grant** limit for all programmes was respected in most cases achieving a result of 96%. In 2021, CINEA signed 486 GAs, all on time with the exception of 20 GAs ⁽²³⁾ outside the time limits. Most of the late GAs (14) concern the H2020-LC-CLA-2020-2 call and are due to the transition of the grants under preparation from the former EASME to CINEA resulting in technical and procedural complications.

As far as the **timely payments indicator** is concerned (i.e. payment accepted amount on time/ payment accepted amount in EUR), despite the pandemic CINEA managed to achieve 97% which is just below the EC average. It should be noted that the number of payments made on time is 99.3%.

⁽²²⁾ Only calls for proposals whose time-to-inform deadline took place in 2021 have been taken into account.

⁽²³⁾ Grant agreements signed from reserve lists for LIFE are not included.



Apart the quantitative indicators, other initiatives have contributed to increase the efficiency of the implemented controls such as additional internal guidance documents and checklists published in the Agency's Manual of Procedures.

As shown by the results on the monitored indicators, CINEA delivered efficient services to its stakeholders albeit some challenges faced due to the establishment of the new Agency and the COVID-19 pandemic.

3. Economy of controls

The total costs of CINEA's overall control system (all stages combined) can be approximated by the costs of staff working in control functions⁽²⁴⁾, including other related control expenses⁽²⁵⁾ (€ 32.3 million) and the administrative payments made on the operational budget (€ 22.9 million) which are:

- payments for evaluation experts and reimbursement of translation expenses of proposals;
- costs for the maintenance of legacy IT tools and QlikSense dashboards;
- payments for monitoring activities, including the cost of the LIFE programme support framework contract.

Therefore, the cost of controls amount to € 53 million, which led to quantifiable benefits of € 6.6 billion. More details on the benefits can be found in the section on effectiveness of the implemented controls and Annex 7.

Details of the estimated cost related to shared/pooled control activities carried out by REA and hosted by DG RTD (Common Implementation Centre; Common Audit Service; Common Policy Centre) for the Research and Innovation family are reported in the Annual Activity Reports of REA and DG R&I.

⁽²⁴⁾ In accordance with CINEA's methodology for calculating the cost of controls.

⁽²⁵⁾ In particular, costs of on-site missions in the context of project monitoring and costs of ex post audits externally contracted.

4. Conclusion on the cost-effectiveness of controls

CINEA has assessed the effectiveness, efficiency and economy of its control system. When comparing the costs of controls for grants under direct management (€ 53 million) with the total operational payments made in this control environment in 2021 (€ 4,154 million), the ratio is set around 1.28%, demonstrating the cost-effectiveness of the controls.

While a direct comparison with the previous programming period cannot be established due to the new delegation package and the extension of the mandate of the Agency ⁽²⁶⁾, there are indications that the cost of controls of the new Agency are relatively higher compared to the former INEA, mostly due to the expanded portfolio of CINEA. In particular, the increase is due to the cost of controls ratios registered for some of the programmes such as LIFE and EMFF (i.e. combination of controls with high intensity during the monitoring phase and smaller average grant/contract size compared to other programmes), and to the Innovation Fund for which costs of controls were incurred in 2021 without any payments on the operational budget due to the early stage of implementation of this programme. However, benefits of controls outweigh the overall costs of controls on a global basis. To this should be added a number of non-quantifiable benefits of the different control stages, as detailed in Annex 7.

The system of controls in place is therefore considered suitable to fulfil the intended control objectives efficiently and at a reasonable cost. This conclusion is attested by the satisfactory balance between generally low error rates ⁽²⁷⁾, swift time-to-pay and relatively low costs of controls.

Based on the most relevant key indicators and control results, the Agency has assessed the effectiveness, efficiency and economy of its control system and reached a positive conclusion on the cost-effectiveness of the controls for which it is responsible.

2.1.2. Audit observations and recommendations

This section sets out the observations, opinions and conclusions reported by auditors – including the limited conclusion of the Internal Auditor on the state of internal control. Summaries of the management measures taken in response to the audit recommendations are also included, together with an assessment of the likely material impact of the findings on the achievement of the internal control objectives, and therefore on management's assurance.

⁽²⁶⁾ A comparison will be reinstated as of the next reporting period.

⁽²⁷⁾ With the exception of CEF Energy's residual error rate of 2.52% for which a financial reservation is included in this report.

Internal Audit Service (IAS)

In 2021, seven assurance engagements were relevant to CINEA. Ten recommendations were issued (none of them critical and only two very important) in the context of four engagements for which the IAS issued a final report. Some were implemented by the Agency throughout 2021 and the remaining ones will be put into effect in 2022. With regards to the very important recommendations, one ⁽²⁸⁾ was implemented and successfully closed in 2021 as attested by the dedicated IAS follow-up audit. The remaining one ⁽²⁹⁾ will be addressed in 2022.

In its contribution to the 2021 Annual Activity Report process, the IAS issued the limited conclusion of the Internal Auditor on the state of CINEA's internal control, which concluded that the internal control systems in place for the audited processes are effective except for the observations giving rise to the only very important recommendation still open⁽²⁹⁾, which will be addressed in 2022 as already mentioned.

European Court of Auditors (ECA)

In 2021, CINEA was subject to the recurring ECA financial audit on the Declaration of Assurance (DAS), including the audits on the administrative and on the operational annual accounts. No important or critical shortcomings were identified. In relation to recommendations issued for the previous DAS exercises, all actions related to CINEA but one, have been considered by the Court as fully implemented or implemented in most respects.

Furthermore, the Agency provided support to its parent DGs in the context of five ECA special audits and one review. Two special reports and one review were published in 2021, giving rise to a number of recommendations addressed to the audited DGs. CINEA is associated to the dedicated action plans targeting the areas with identified deficiencies.

In conclusion, CINEA pays due care to the IAS and ECA audit observations and recommendations and addresses them to the greatest possible extent. More details are provided in Annex 8.

⁽²⁸⁾ The need to revise the procedure for assessing the technical justifications provided by CEF beneficiaries for the signature of amendments of procurement contracts (subject to the Public Procurement Directives), recommended by the IAS audit on the 'Effectiveness of the design and of the implementation of the ex-post control strategy for the Connecting Europe Facility in the Innovation and Networks Executive Agency' as detailed in Annex 8.

⁽²⁹⁾ The need to increase staff awareness to the H2020 Guidance for the implementation of audits results and extensions. This recommendation was issued in 2022, in the final report of the IAS audit on the 'Implementation of audit results in Horizon 2020'. Details in Annex 8.

2.1.3. Assessment of the effectiveness of internal control systems

The Commission has adopted an Internal Control Framework based on international good practice, to ensure the achievement of its policy and management objectives. Compliance with the internal control framework is a compulsory requirement.

The Agency uses the organisational structure and the internal control systems suited to achieving its policy and internal control objectives in accordance with the internal control principles and has due regard to the risks associated with the environment in which it operates.

In particular, the Agency's risk management activities have shown the resilience of CINEA's staff and its capacity to cope with long-term, complex circumstances. This is notably attested by CINEA's response to the COVID-19 pandemic. Despite of the challenges created by the longer than expected health and economic crisis, the Agency identified and implemented the appropriate measures to reduce the negative effects of the pandemic and effectively continue to support the achievement of its objectives.

CINEA has assessed its internal control system during the reporting year ⁽³⁰⁾ and has concluded that it is effective and the components and principles are present and functioning well overall, but some improvements are needed as minor deficiencies were identified related to human resources, the achievement of targets (as per the objectives of the 2021 AWP) and CINEA's control strategy (including ex post controls). A number of remedial measures have already been implemented whereas others will be part of dedicated action plans targeting the areas with identified deficiencies. Annex 8 provides details about the assessment of the internal control system of CINEA (including the various sources).

Finally, on matters of internal control, the Agency also builds upon the good working relations with other executive agencies, the central Commission services and the parent DGs. These working relations materialise into a series of initiatives that range from regular meetings to the organisation of events on matters of internal control and risk assessment ⁽³¹⁾.

⁽³⁰⁾ The Agency notes that after the conclusion of the 2021 self-assessment, the IAS issued its limited conclusion, with reference to a very important recommendation in the context of the audit on the 'Implementation of audit results in Horizon 2020', finalised in January 2022. Overall, CINEA believes that the issues raised by the IAS have limited impact on the overall Agency's framework of controls.

⁽³¹⁾ From 4 to 8 October 2021, CINEA organised together with the other Executive Agencies a series of workshops for their staff within the second edition of the Internal Control Awareness week.

2.1.4. Conclusions on the assurance

In conclusion, based on the elements reported above, management has reasonable assurance that, overall, suitable controls are in place and working as intended; risks are being appropriately monitored and mitigated; and necessary improvements and reinforcements are being implemented. The Director, in his capacity as Authorising Officer by Delegation has signed the Declaration of Assurance albeit qualified by a reservation concerning the CEF Energy sector residual error rate. The elements reported do not reveal any significant weaknesses and do not fulfil any of the materiality criteria laid down in Annex 5 of this report, with the exception of the ex post controls results of the CEF Energy sector. For the latter, the residual error rate is above the materiality threshold of 2% expected for the multi-annual period. Since this programme does not meet the cumulative criteria to fall within the 'de minimis rule' ⁽³²⁾, the Agency is issuing a reservation. Given that the net amount at risk at closure corresponds to 0.27% of the total budget execution in terms of payments in 2021, its effect on the overall declaration of assurance is limited. Nevertheless, the Agency will implement an action plan to reduce the error rate. For further details, please see recapitulative table below and refer to Annex 9.

Reservation Title	Financial Impact (in m EUR)		Residual error rate 2021	Evolution
	2020	2021		
Connecting Europe Facility – Energy sector 2014-2020	0	12,61	2,52%	New

⁽³²⁾ According to DG BUDG guidelines, since 2019, quantified reservations related to residual error rates above the 2% materiality threshold, are deemed not substantial for segments representing less than 5% of the Agency's total payments and with a financial impact below EUR 5 million. In such cases, reservations in AAR are no longer needed.

2.1.5. Declaration of Assurance and reservation

Declaration of Assurance

I, the undersigned,

Director of CINEA,

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

Declare that the information contained in this report gives a true and fair view ⁽³³⁾.

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 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 CINEA.

However, the reservation for payments in reimbursement of cost claims for the CEF Energy sector should be noted. More details are provided in Annex 9.

Brussels, 31 March 2022

(e-signed)

Dirk Beckers

⁽³³⁾ True and fair in this context means a reliable, complete and correct view on the state of affairs in the Executive Agency.

2.2. Modern and efficient administration – other aspects

2.2.1. Human resource management

At the end of 2021, CINEA had 474 staff members representing 25 different nationalities, out of 532 staff foreseen in the Establishment Plan for the year. The Agency also had 37 external staff members, including interim staff, trainees and consultants.

In view of its expanded mandate, the Agency launched an ambitious recruitment plan carrying out more than 135 recruitment procedures. As a result, CINEA ended the year with a vacancy rate of 11% compared to 18% registered at the end of June. The Agency will maintain its efforts to reduce further its vacancy rate.



In the context of **gender balance in management positions**, CINEA's management kept continuous dialogue with DG HR and the parent DGs to further increase gender balance in management positions in the Agency. At the end of the year, CINEA submitted an overview to its Steering Committee, which showed that 26% of the middle and senior management posts were occupied by women while the overall women representation at agency level was 59% and the share of women in pre-management positions is 35%. In addition, CINEA took part in the Inter-Agency Women Talent Programme initiative with the objective of enabling women aspiring to leadership positions.

“

IT WAS ONE OF THE MOST INTERESTING AND USEFUL EXERCISES I DID AT THE AGENCY OR WHENEVER ELSE
#3 Coachee

Testimony by a staff member who took part in CINEA Peer-coaching scheme

CINEA participated in relevant Commission initiatives such as the [Career Days](#) or Inter-Agency [Job Shadowing](#). In parallel, a series of lunchtime sessions was organised presenting the new portfolio of the Agency and enhancing knowledge sharing among staff. Building further on the 'new CINEA culture' the Agency implemented a comprehensive internal communication and staff engagement campaign, including pulse surveys, staff assemblies and

brainstorming sessions leading to a bottom-up action plan that will be implemented in 2022. In addition, CINEA's new Staff Committee took up its duties in November.

In terms of promoting a **flexible working environment and staff well-being**, the Agency promoted a healthy lifestyle and actively contributed to events within the Commission's programme 'fit@work' (VeloMai, walking challenge). In view of the new virtual working methods established due the COVID-19 pandemic, Virtual Random Coffee rooms@CINEA started to be organized to encourage colleagues to get to know each other.

Enjoy the ride!



In the context of VeloWalk, [CINEA Cycling Group \(CCG\)](#) organised a webinar on CINEA projects contributing to the promotion of cycling.

- The Agency provided two trainings on Data Protection that were followed by 240 colleagues in total.

Initiatives to improve economy and efficiency of financial and non-financial activities

In 2021, CINEA worked thoroughly with the responsible Commission services for the integration of all delegated programmes ⁽³⁷⁾ into the corporate eGrants IT system that covers the full grant management cycle. So far, for the programmes that recently joined eGrants the Agency launched more than 30 calls for proposals and signed 30 grant agreements in the new system.

The tool promotes an improved integration with other corporate IT tools (notably ARES and ABAC), an increased automation of exchanges with beneficiaries and the systematic use of integrated electronic workflows among many other aspects. The fact that all programmes in CINEA use the same IT tool will also contribute to further harmonisation of procedures. CINEA is confident that over time, the generalised use of the tool will result in efficiency gains which will become more apparent when the full grant management cycle is integrated into eGrants, and all the capabilities of the system are exploited.

The integration into eGrants also led to a generalised use of the Funding & Tenders Portal that serves as a one-stop-shop for all external parties and offers a complete and consistent set of functionalities for all participants.

2.2.3. Sound environmental management



Source: CINEA

In order to support the Commission's commitment to implement the objectives of the Green Deal for its own administration, including becoming climate neutral by 2030, CINEA actively promoted the Commission's Eco-Management and Audit Scheme (EMAS) corporate campaigns and initiatives among its staff (e.g. European Week for Waste Reduction, the procurement of office supplies through the OIB's green procurement catalogue). In addition, the Agency implemented local environmental actions aiming to increase staff environmental awareness.

CINEA's 'Green Team' (GT) established in 2020 and enlarged in 2021, supported CINEA's management in steering the Agency towards carbon neutrality, including the preparation for **CINEA to formally join the EMAS corporate scheme** of the Commission.

Additional initiatives were undertaken to raise staff's awareness on sound environmental management, including guidance on promoting video conferences or hybrid meetings instead of missions.

⁽³⁷⁾ Except H2020/Horizon Europe, which is already handled in eGrants.