



Annual activity report 2022

EUROPEAN CLIMATE, INFRASTRUCTURE AND
ENVIRONMENT EXECUTIVE AGENCY

Table of Contents

- FOREWORD3
- CINEA IN BRIEF.....4
- EXECUTIVE SUMMARY5
 - A. Key results and progress towards achieving the Commission’s general objectives and DG’s specific objectives.....5
 - B. Key Performance Indicators.....7
 - C. Key conclusions on financial management and internal control.....9
 - D. Provision of information to the Commissioner(s).....9
- 1. Implementation of CINEA’s Annual Work programme - Highlights of the year10
 - 1.1. Connecting Europe Facility (CEF)10
 - 1.2. Horizon Europe Cluster 5, including EU Missions15
 - 1.3. Innovation Fund19
 - 1.4. Programme for the Environment and Climate Action (LIFE)22
 - 1.5. European Maritime Fisheries and Aquaculture Fund (EMFAF).....26
 - 1.6. Renewable Energy Financing Mechanism (RENEWFM)29
 - 1.7. Just Transition Mechanism- Public Sector Loan Facility (JTM-PLSF)29
 - 1.8. Cross-programme activities.....30
- 2. MODERN AND EFFICIENT ADMINISTRATION AND INTERNAL CONTROL33
 - 2.1. Financial management and internal control.....33
 - 2.1.1. Control results33
 - 2.1.2. Audit observations and recommendations.....43
 - 2.1.3. Assessment of the effectiveness of internal control systems.....44
 - 2.1.4. Conclusions on the assurance.....44
 - 2.1.5. Declaration of Assurance46
 - 2.2 Modern and efficient administration – other aspects47
 - 2.2.1 Human resource management.....47
 - 2.2.2. Digital transformation and information management48
 - 2.2.3. Sound environmental management49
 - 2.2.4. Examples of economy and efficiency50

FOREWORD



I am pleased to introduce the CINEA activity report for 2022. The challenges of the past year – with the ever more severe effects of climate change and Russia’s invasion in Ukraine – show that our Agency’s mandate is more relevant than ever. The €6 billion made available in 2022 through our programmes is a testament to our commitment to the European Green Deal and to the EU’s green transition.

To that end, CINEA continued to expand its portfolio of projects. While this yielded many impressive results, it also brought the challenge of managing over 3,000 ongoing projects coupled with the evaluation of four times more calls for proposals compared to a year ago. Hence, CINEA worked towards optimising its working methods as well as intensifying recruitment and, despite the challenges managed to deliver on its ambitious operational goals. Without any doubt, the key factor for our success is the determination and commitment of CINEA’s staff and their motivation to *'fund a green future for Europe'*.

Moreover, we prioritised providing policy feedback to our parent DGs, enhancing synergies among the delegated programmes, and promoting our projects and results. We maintained our focus on building strong client partnerships by ensuring a quality service to our beneficiaries as confirmed by the results of the Agency’s first services satisfaction survey.

Finally, sustainability gained an increased focus within the Agency. We actively sought to limit our environmental footprint through various activities, such as reducing our energy consumption and successfully closing the EU Eco- Management and Audit Scheme (EMAS) audits on Communication and Building, and more.

Looking towards the future, CINEA has many projects lined up for the years to come and they will continue to contribute to the development of a climate-neutral, resource-efficient, competitive, and resilient economy for the benefit of all EU citizens.

Paloma Aba Garrote,
Acting 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, including 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 based in Brussels and at the end of 2022, it had a multi-national team of 516 statutory staff members.

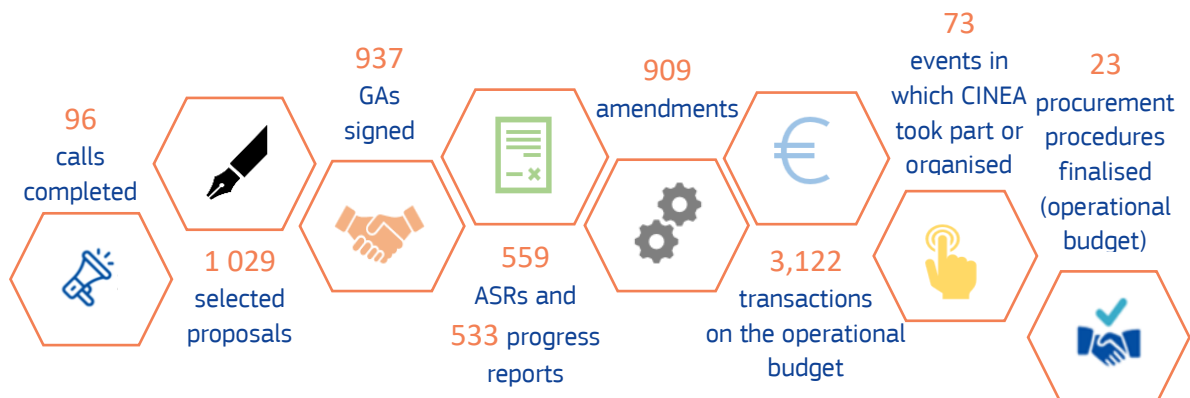
EXECUTIVE SUMMARY

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

2022 was a very dynamic year during which CINEA boosted its efficiency. The Agency concluded a record number of 96 calls for proposals followed by the signature of 937 grant agreements (GAs) in addition to ensuring the smooth implementation of all ongoing projects. The high number of evaluations and the on-boarding to eGrants, which constituted a novelty for the majority of CINEA programmes, posed challenges at operational level. To tackle them, the Agency further developed its web-based Manual of Procedures (eMoP) streamlining all internal procedures thus increasing CINEA's productivity by speeding up its operations in parallel to sustaining the Agency's robust internal controls. Furthermore, CINEA responded by offering solutions in line with the existing rules of sound financial management to beneficiaries facing project implementation challenges due to the adverse effects of Russia's invasion of Ukraine and post COVID-19 consequences.

Despite these challenges, the Agency delivered a significant number of outputs across its programmes as summarised below.



Moreover, the Agency provided feedback to its parent DGs through portfolio analysis for regulation reviews (e.g. TEN-E), success stories for policy documents (e.g. Communication on REPowerEU), cluster meetings, lessons learned for future calls, release of new or updated dashboards and promotion of dissemination and exploitation of project results, with over 200 Horizon and LIFE projects included in the Innovation Radar.

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

Progress was achieved in enhancing synergies by the implementation of the Agency's first tailored action plan. This included activities that combined relevant programmes at thematic level, such as the organisation of a workshop on the role of ports at the European Maritime Day at which five CINEA programmes took part, or the publication of a [dashboard](#) that provides a comprehensive overview of all Agency's programmes and projects. Moreover, CINEA actively promoted the programmes and the funding opportunities through its participation at major events such as at the Connecting Europe Days, or the organisation of events such as the European Sustainable Energy Week and signature ceremonies for the Innovation Fund.

All these achievements were made possible thanks to CINEA's highly skilled and committed workforce. Therefore, human resources management remained at the heart of the Agency. On top of actively contributing to the elaboration of a new multiannual HR Strategy common to all executive agencies, CINEA focused on staff engagement by ensuring wide participation in the shaping of operational procedures through a specially created 'Innovation Lab', by supporting bottom up initiatives such as the Agency's Cycling and Walking Groups and by fostering interpersonal relationships through social and knowledge sharing events.

Finally, the excellent collaboration with the parent DGs, one of the key factors for the success of CINEA, was confirmed during the visits of the Directors General of DGs CLIMA, MARE and ENER and the Director of 'Clean Planet' of DG RTD.

Operational highlights in 2022

- ✓ €4.5 billion were paid by CEF to build sustainable transport and energy infrastructure supporting the EU economy. Signing the grant agreements with the first CEF Military Mobility projects helped to accelerate the response to the Russian invasion of Ukraine whilst the completion of the first call for studies for cross-border renewable energy projects started the implementation of the new CEF Energy renewable energy window.
- ✓ The Innovation Fund portfolio gained speed by growing to 52 ongoing projects with an expected GHG emissions avoidance potential of 213 tonnes of CO₂ equivalent. A dedicated [public dashboard](#), allowing visualisation of the entire portfolio became available.
- ✓ The Agency Horizon Europe portfolio grew to almost 1,000 actions, including the newly signed GAs for the three EU Missions implemented by CINEA, marking an important milestone for the start of their implementation.
- ✓ LIFE celebrated its 30th anniversary with a [multi-fold campaign](#) that reached 6.3 million potential audience and gave the opportunity to showcase impressive deliverables such as the safeguarding of some 750 species. The Green Assist initiative providing technical advisory services successfully kicked-off while 75 projects received support from LIFE Close to Market initiative.
- ✓ CINEA supported DG MARE policies by launching three new Assistance Mechanisms on Sea Basin Strategies, on Maritime Spatial Planning and Blue Forum, and on Aquaculture. In addition, in the frame of the EMFF contract on Clustering and Synergies among maritime projects, a number of 'cluster stories' on selected policy areas were published and several workshops took place.
- ✓ An important milestone was the launch of the first JTM-PSLF call, which kicked-off the programme alongside intense work to make the first RENEWFM call a reality in 2023.

B. Key Performance Indicators

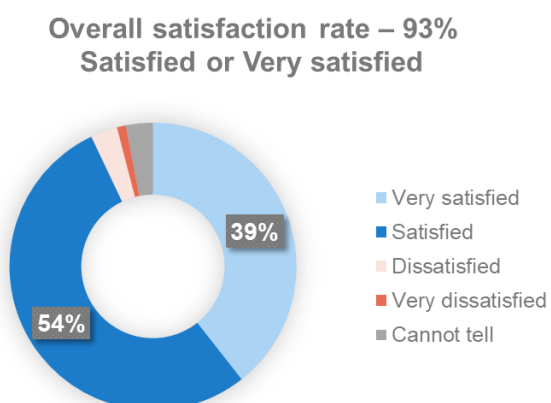
CINEA uses a diversified performance framework, which combines both process and result oriented indicators organised around three performance objectives. These indicators allow the Agency to monitor its performance in a systematic manner and, on that basis, to take actions whenever necessary. Results for 2022, including a comparison with 2021, are presented below.

Objective 1 High quality programme implementation through the efficient and sound management of the delegated budget



CINEA reached the targets for the indicators linked to the efficient and sound management of the delegated budget, registering an improvement despite an increase in the number of processed grant agreements and transactions compared to 2021 ⁽²⁾.

Objective 2 High quality services provided to the Agency's applicants/beneficiaries/contractors



In 2022, CINEA carried out its first services satisfaction survey ⁽³⁾, which is the main qualitative indicator in the Agency's key performance framework as established in its [2021 Annual Work Programme](#) (AWP). The survey allows the Agency to measure the applicants/beneficiaries/contractors' level of satisfaction with its services and to collect first hands ideas for improvement. The target set in the 2021 AWP is an overall satisfaction rate of more than 90%

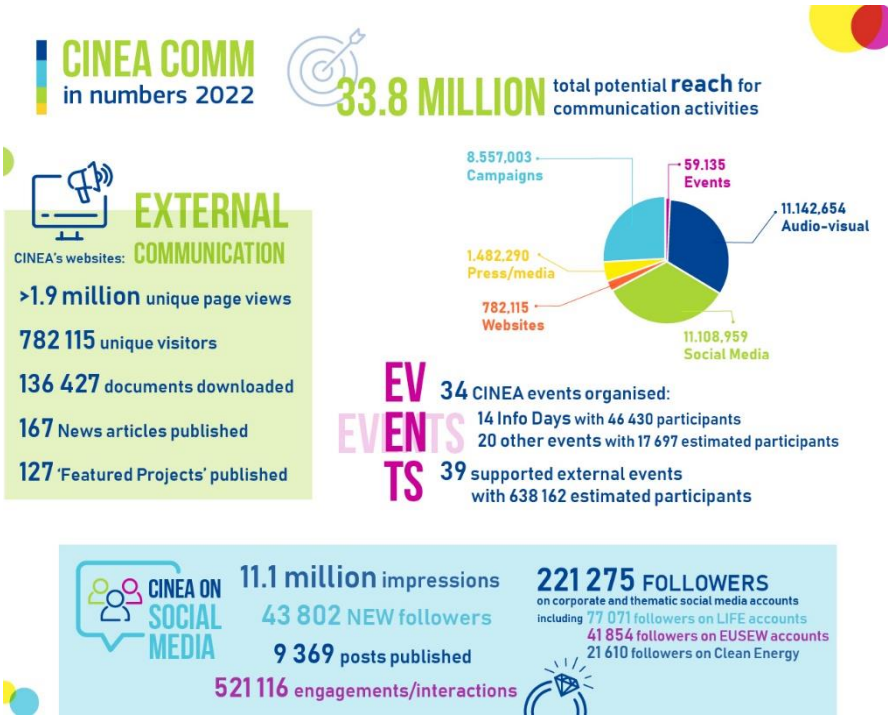
⁽²⁾ 937 grant agreements signed in 2022 versus 486 in 2021 and 3122 transactions done in 2022 versus 2731 in 2021.

⁽³⁾ The survey is conducted every two years. The next exercise will take place in 2024.

measured through a dedicated question ⁽⁴⁾ on the overall satisfaction asked to all respondents. In addition, the survey contained questions relevant to CINEA’s support throughout the entire grant management cycle. **The high score 93%** given by the respondents confirmed that **CINEA is a top performant organisation and a trustworthy partner**. Following the survey, the Agency elaborated an action plan to be implemented in 2023. The next exercise is planned for 2024. A summary report can be found [here](#).

In addition, the quality of the services provided by CINEA is complementarily measured by an indicator on the percentage of proposals upheld by the Redress Evaluation Committees ⁽⁵⁾. **This indicator reflects the quality of the Agency’s evaluation process** and its target is less than 1%. For 2022, 96 calls were closed with a total of 88 redress cases out of 3,505 evaluated proposals. No redress case was upheld by the Redress Evaluation Committee **leading to a result of 0%** (result for 2021 was 0.02%).

Objective 3 - Increased visibility of the delegated programmes



The increased visibility of the delegated programmes indicator is measured through the registered total potential reach via all communication channels ⁽⁶⁾, which for 2022 was **33.8 million** against a target of 20 million. This accomplishment reflects the Agency’s efforts **to increase the publicity of its programmes by promoting the available EU funding**

and by providing real life examples of what the funds achieve via the programmes and projects.

⁽⁴⁾ ‘Overall, how satisfied are you with the service provided by CINEA?’

⁽⁵⁾ Concerns LIFE, Horizon Europe and Innovation Fund.

⁽⁶⁾ Total potential reach is measured through the number of unique people who potentially saw CINEA content, calculated using data collected from all CINEA’s communication channels: website, social media, videos, events, publications, campaigns, press/media actions, etc.

C. Key conclusions on financial management and internal control

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 the components and principles are present and functioning as intended. Please refer to annual activity report 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. Some minor improvements are necessary concerning the attendance rate of staff in the compulsory training on ethics, which despite being high (92%) has not reached full participation. Remedial measures have already been implemented to resolve this situation. The Acting Director of CINEA, in his capacity as Authorising Officer by Delegation has signed the Declaration of Assurance.

D. Provision of information to the Commissioner(s)

In the context of the regular meetings during the year between the Director and the parent DGs on management matters, the main elements of this report and assurance declaration have been brought to the attention of the Agency's Steering Committee and to the parent DGs Directors General.

1. Implementation of CINEA's Annual Work programme - Highlights of the year

In 2022, CINEA managed effectively its delegated programmes, both legacy and new ones (7), and thus contributed to the specific objectives of its parent DGs and supported its stakeholders to deliver the European Green Deal. The main achievements and challenges for the year are described below while more details on the concrete outputs are available in the respective programmes performance tables in annex 2.

1.1. Connecting Europe Facility (CEF)

CEF Transport

By the management of the **CEF Transport portfolio**, CINEA supports DG MOVE in achieving its strategic objectives as per the Sustainable and Smart Mobility Strategy. In particular, the Agency contributes to the completion of both layers of the TEN-T: the strategic backbone (the core network) by 2030 and its more extensive layer (the comprehensive network) by 2050. In addition, it supports the adaptation of the TEN-T to civilian-defence dual-use.

Portfolio management

CINEA finalised successfully the evaluation of the 2021 CEF Transport calls for proposals, including the Alternative Fuels Infrastructure Facility (AFIF) call (8) and the Technical Assistance calls. This also included the Military Mobility call for which the evaluation was accelerated in response to the Russian aggression against Ukraine. Subsequently, the Agency signed the grant agreements ensuring the timely start of the projects.

Regarding the **2022 calls**, CINEA anticipated the launch of the Military Mobility call supporting key EU transport dual (civilian and defense) use infrastructure and organised the

2022 CEF Transport call making available €5.12 billion



The Agency also launched the 2022 CEF Transport call for proposals with deadline in January 2023 and promoted it by an info day in October. Projects funded under this call will help increase the sustainability of transport network, putting the EU on track to meet the European Green Deal objective of cutting transport emissions by 90% by 2050.

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

(8) The AFIF call has several cut-off dates. The evaluation under the 3rd cut-off date (10/11/2022) will continue in 2023 in parallel to the signature of the grant agreements for the proposals selected following the 2nd cut-off date (07/06/2022).

respective info day. The response to the call was very high, with requests for funding amounting to four times the available budget. Following the evaluation of the submitted proposals, the CEF Committee approved at the end of the year the proposed list of projects to be funded. Furthermore, the evaluation for the 2022 Technical Assistance call started in November and will be completed at the beginning of 2023.

Although all calls were managed for the first time in a new IT environment (eGrants), the Agency managed to conclude successfully all evaluations as planned.

At the end of 2022, the Agency had **875** ongoing **CEF Transport projects** for **€26.8 billion** of EU grant support.

CINEA assessed close to 530 **Action Status Reports** (ASRs), which showed that the overall implementation of the actions is on track, although Russia's invasion of Ukraine and post

COVID-19 effects had repercussions on labour and supply chains. Similarly, inflation started affecting many actions. In cases of delays, CINEA offered tailored solutions in line with the existing rules of sound financial management, including the processing of amendments as appropriate. In addition, CINEA cooperated with the parent DG and the central services to assess the impact of high inflation for specific projects and explore possible additional measures.

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

Supporting environmentally friendly transport modes

501 CEF Transport projects aim to adapt, upgrade and improve several thousand kilometres of railway lines all over Europe. They aim at the electrification of over 2 000 km of railways lines for freight and the adaptation of over 640 km of railway to the European Standard Gauge. In addition, another 104 actions target the installation of over 22.000 alternative fuel supply points.

Inauguration of the Wendlingen – Ulm railway line

The newly built Wendlingen–Ulm line in Germany was inaugurated in December. The line covers a distance of 60 km, of which 30 km run through new tunnels. It is located on the Rhine-Danube TEN-T Core Network Corridor and overcomes an existing bottleneck. Together with the adjacent section Stuttgart–Wendlingen section (also funded by the CEF Transport programme to be inaugurated in 2025), it will lead to a travel time reduction of 24 minutes between Stuttgart and Ulm as well as increase the frequency of connections between Stuttgart and Munich. A dedicated [video](#) was also created.



Source: CINEA

CEF Energy

By the management of its **CEF Energy portfolio** of actions, CINEA contributes to DG ENER's specific objective for 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 completed the evaluations of the **2021 CEF Energy** calls and signed the respective grant agreements, both for the Projects of Common Interest (PCI) call and for the call for preparatory studies for cross-border renewable energy projects (cb-res), which kicked-off the implementation of the CEF programme window dedicated to renewable energy projects. In addition, the Agency developed and released a dedicated system that automates the submission of proposals to be included in the Union list of cb-res.

The Agency finalised also the evaluation of the **2022 CEF Energy** call for studies and works under the 5th PCIs list and started preparation of the respective grant agreements. The call is part of [REPowerEU Plan](#) and contributes to increasing the resilience of the EU energy system to phase out dependency from Russian fossil fuels. The info day organised in June, attracted great interest with more than 2,500 connections.

In March, CINEA launched a call to draw a list of eligible cross-border renewable energy projects, and following the list's adoption, followed up with a dedicated CEF Energy call for works and studies in November. In



Source: CINEA

Commissioner Simson handing over to Bulgarian Energy Minister the CEF Energy grant agreement for the Underground Gas Storage Facility in Chiren, Bulgaria (CEF Contribution: approx. € 77 million)

CEF Energy portfolio includes **42 ongoing** projects contributing with **€4.7 billion** of EU funding and triggering a total investment of more than **€9.6 billion**. By the end of 2022, 32 PCIs have been commissioned with CEF support.

In addition, the Agency published a call for proposals for cross-border renewable energy sector in September (preparatory studies). To further promote the funding opportunities, the Agency organised info days and published a dedicated [leaflet](#) summarising key dates and information.

CINEA carried out a review of the energy portfolio based on the analysis of the received **2022 ASRs**. The result showed that the majority of actions, with few exceptions, are progressing well with projects generally either on track or with minor delay. However, some projects were affected by the impact of the COVID-19 pandemic and of Russia's invasion of Ukraine, in particular due to disruption of supply chains, general increase of costs of material and labour. Amendments to ongoing

grant agreements were signed whenever justified. In addition, CINEA cooperated with the parent DG and the central services, to assess the impact of high inflation for specific projects and explore possible additional measures.

CEF Energy projects continued to support the Energy Union objectives of the security of supply, and diversification of energy sources. Important projects were completed in 2022. An example follows in the box below. Many others are listed [here](#).

Completion of CEF Energy projects reduced European dependency from Russian gas

Several key CEF-Energy investments in the cross-border gas infrastructure were completed last year. The gas interconnection between Poland and Lithuania (GIPL) was commissioned in May 2022, the Poland-Slovakia gas interconnection was completed in August 2022, and finally the Baltic Pipe, enabling gas imports from Norway via Denmark to Poland, was inaugurated in September 2022. A total CEF-Energy funding of 633 million EUR ensured the timely completion of the three projects. These key investments represent a crucial step in reducing European dependency on gas imports from Russia, reinforcing internal gas networks and increasing diversification and security of gas supply in the Baltic region as well as in Central and Eastern Europe.



Source: CINEA

Dialogue with stakeholders and feedback to policy for CEF

CINEA maintained close contacts with its parent DGs and provided feedback to policy on the overall portfolio implementation. In that context, work continued to define a framework for effective feedback to policy, including synergies within the CEF sectors and with other programmes. In addition, CINEA supported its parent DGs with the promotion of the programme featuring relevant project examples in policy documents, such as the Commission's Communication on REPowerEU. In cooperation with its parent DGs and HaDEA, the Agency published the [Investing in European Networks](#) brochure highlighting how CEF provided support for the completion of sectorial networks, facilitating synergies between them and leveraging private finance.

For CEF Transport, CINEA provided data and portfolio analysis for the revision of the TEN-T Regulation and shared with DG MOVE a comprehensive analysis of lessons learned from the evaluation of the 2021 CEF Transport calls. In February, the Agency published an [overview of transport investments under CEF1](#) with details on the funded projects per country.

The Agency participated in a number of events promoting CEF Transport, such as at the [Urban Mobility Days](#), the Annual Future of Transport Conference, the ITS Congress and the [World ATM \(Air Traffic Management\) Congress](#) - the world's largest international air traffic management (ATM) exhibition and conference with over 6,000 participants.



Source: CINEA
Commissioner Adina Valean with CINEA and
DG MOVE staff at the 2022 Connecting
Europe Days

At the [2022 Connecting Europe Days](#), Europe's flagship mobility event, CINEA was not only present at the conference of over 1,800 participants, but also managed a large exhibition of EU-funded projects (over 100) with demonstrations of alternative mobility vehicles and automated transport. Finally, the Agency organised two meetings of the CEF Transport Advisory Group, which started its new mandate at the beginning of the year.

For CEF Energy, the Agency participated in the cross-regional meetings organised by DG ENER and provided support through regular information on the status of the PCIs, including contributed actively in Regional group meetings under the TEN-E policy as well as in High-level groups for energy infrastructure, notably CESEC (Central and South-Eastern Europe Connectivity) and BEMIP (Baltic Energy Market Interconnection Plan). CINEA supported DG ENER in the preparation of the first list of cross-border renewable projects with the dedicated Expert Group up to the adoption of the respective Decision. The Agency provided input for policymaking such as for the finalisation of the Delegated Regulation and cost-benefit analysis methodology in the context of the new CEF 2 Energy window on cross-border renewables as well as for the TEN-E regulation review.

CINEA actively promoted CEF Energy, its impact and funding opportunities at a number of meetings and conferences such as at the 8th Energy Infrastructure Forum as well as the EU Sustainable Energy Week (EUSEW) conference. The Agency also supported DG ENER to organise the 3rd edition of the PCI Energy days in September 2022 with an estimated 530 participants and where 28 projects participated in an exhibition. Moreover, the Agency released a number of publications such as the online [CEF Energy Supported Actions 2022 Brochure](#) providing an overview of co-funded actions, including key features per sector. Finally, CINEA published [an article](#) on the programme's contribution to the security of energy supply in the EU in the context of the global energy crisis.

Enhanced reporting on CEF programme's performance

On **CEF Transport**, CINEA released the first version of MAPIT (i.e. a Geographic Information Services tool developed by the Agency), which allows to collect and maintain relevant output indicators that will be used to support feedback to policy activities as well as dissemination and communication. Based on it, the Agency will also develop a single dashboard with comprehensive information on projects supported under CEF1 and CEF2, including geographical location. The dashboard is expected to be finalised in 2023.

For **CEF Energy**, CINEA updated the [PCI Transparency platform](#) adding data on programme performance output indicators for CEF2. Moreover, a new public viewer for cross-border renewables was developed and went live in October, showing to the public the new projects selected in the cross-border RES sector.

1.2. Horizon Europe Cluster 5, including EU Missions

Through the management of the portfolios of projects from the Horizon Europe (HE) Cluster 5 (Climate, Energy and Mobility), CINEA supports its parent DGs to achieve the programme's goals, such as:

- further **climate** science and climate action uptake;
- reduce the overall **energy** demand and make the energy supply cleaner and more secure;
- reach net-zero greenhouse gas emissions in and across all **transport** modes.

Furthermore, CINEA supports its parent DGs to achieve programme goals linked to other HE clusters and the three crosscutting **EU Missions** implemented by CINEA 'Adaptation to climate change', 'Restore our oceans and waters' and 'Climate-neutral and smart cities'.

Portfolio management

CINEA finalised the evaluations and concluded the signature of the grant agreements **for all HE 2021 calls**. In parallel, the Agency launched most of the **2022 calls** and, in cooperation with DGs RTD, ENER, MOVE and CLIMA, co-organised info days in February presenting 74 open topics, which attracted high interest with 8 000 on-line connections. For the calls with submission deadline within the first semester of 2022, CINEA completed the evaluation of eligible proposals and signed GAs with the successful applicants. Furthermore, the Agency finalised the evaluations for the Mobility topics call launched in April, as well as for the calls closing in

Following the call for expression of interest for the selection of the Mission Board Members, which closed in February, CINEA organised the evaluation of 1,114 applications for all five Missions.

CIVITAS anniversary

CIVITAS is one of the flagship initiatives that helps the European Commission to achieve its ambitious mobility and transport goals. Since 2014, CINEA has managed a total of 126 projects in the field of urban mobility with a total EU contribution of more than €1 billion, including projects under the umbrellas of the CIVITAS initiative and the Smart Cities and Communities (SCC).

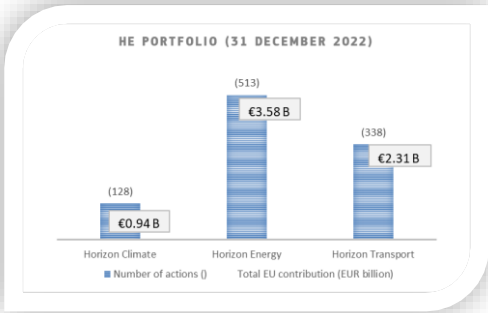
September and entered grant agreement preparation phase with the successful consortia. During this phase, one of the challenges faced was linked to an additional effort required because of the pending association of the UK to Horizon Europe.

Evaluation is progressing for the Energy topics call launched in May, planned to be concluded within the 1st quarter of 2023. Finally, CINEA

launched in December six 2023 calls for Cluster 5 making available a budget of over €960 million. To promote the calls, the Agency, in cooperation with the relevant DGs, [contributed to the Cluster 5 info days](#) in December presenting 106 open topics in plenary and parallel sessions, which had 16,523 total on-line connections.

For the three **EU Missions** implemented by CINEA, the Agency concluded the signature of GAs under all **2021 calls** marking an important milestone for the start of their implementation. In parallel, CINEA launched the **2022 EU Missions calls** and participated at the relevant info days. The evaluation of submitted proposals was completed and GA preparation started for ‘Restore our oceans and waters’ Mission as well as for the Global Mission on Urban Transitions call for identified beneficiary. Evaluation is ongoing for the remaining Mission calls with planned conclusion between February and May 2023.

At the end of December, CINEA’s Horizon portfolio comprised **979 ongoing actions** with an equivalent EC contribution of ca. **€6.8 billion** distributed according to each HE strand as shown on the graph.



As part of the close monitoring of the Horizon portfolio, CINEA assessed periodic reports, which showed that projects were on good track. The majority of the projects reported good progress on the expected results despite Russia’s invasion in Ukraine and the lingering COVID-19 effects. For projects facing big challenges, CINEA signed amendments to the grant agreements in line with the respective rules. Moreover, the Agency terminated the participation of those Russian entities included in the sanction list or under sectorial sanctions as aviation.

In parallel, CINEA started the management of the portfolio linked to the five Horizon Europe Cluster 5 co-programmed partnerships delegated to the Agency. In addition, the Agency kicked -off the implementation of the co-funded partnerships Clean Energy Transition and Driving Urban Transitions.

HE projects managed by CINEA continued to advance climate science research and accelerate climate action uptake, to make EU energy supply cleaner and more secure, as well as to enhance safe, competitive and climate neutral transport. All CINEA Horizon actions can be found on the [CORDIS database website](#).

'Ship of the year' award

The fully electric fast ferry ‘Medstraum’ developed under the H2020-funded [TrAM project](#), won the ‘Ship of the Year’ award at the [30th Shipbuilding, Machinery and Marine Technology \(SMM\) International Maritime Trade Fair](#), held in Hamburg and featured in a Euronews TV documentary. Medstraum is the world’s first fully electrically powered high-speed ferry in regular service in Norway.



Source: CINEA

The project worked on developing electric passenger ferries that would be faster and more cost effective in the future – and to make EU mobility more sustainable. The electric ferry operation will cut emissions by 1,500 tonnes a year, the equivalent of 60 buses.

Dialogue with stakeholders and feedback to policy

CINEA maintained regular contacts with its parent DGs and provided feedback to policy on the overall portfolio implementation. The Agency provided input for the **Cluster 5 work programme preparation** through the joint HE Executive committee meetings of the Common Implementation Centre and the Common Policy Centre where, the amendment of the 2021-2022 Work Programme (WP) and association to HE were discussed, among other issues. CINEA contributed as well to the co-creation working groups for the 2023-2024 WP, including lessons learned from the implementation of the Cluster 5 project portfolio. Moreover, the Agency provided input on ad-hoc basis such as in the case of a dedicated briefing on potential synergies between civil and defence applications and a summary of projects on how the EU supports young researchers in the field of climate. During the grant agreement preparation the Agency flagged projects relevant for future policy development. Finally, in cooperation with the parent DGs, CINEA made progress in the development of a comprehensive Feedback to Policy plan for Horizon Europe Cluster 5, which will be implemented as of 2023.

Moreover, the Agency maintained active relationship with the EU Missions' governance, while it enhanced sharing of expertise not only with the Cluster 5 streams but also with other CINEA programmes (please see section on synergies for more details). One example is the provision of projects linked to the implementation of the Ocean Mission from the CEF, Horizon and EMFAF programmes to be fed into a dedicated dashboard.



With the support of CINEA, DG RTD published the '[EU research contribution to IPCC \(Intergovernmental Panel on Climate Change\) working group II on impacts, adaptation and vulnerability](#)'

The publication includes 10 CINEA-managed projects (out of a total of 20) and highlights the contribution of EU-funded projects to the IPCC Working Group II report 'Climate Change 2022: Impacts, Adaptation and Vulnerability'.

Within the area of **Exploitation and Dissemination (D&E)** of project results, CINEA promoted the participation of its beneficiaries in the Horizon Results Booster (HRB), the Horizon Results Platform (HRP) and TRIMIS. By end of 2022, around 80 Cluster 5 projects have requested 145 services from the HRB and projects have published ca. 490 results, solutions and technologies in Horizon Results Platform. In addition, 60 Horizon projects were included in the Innovation Radar.

In order to maintain an active dialogue with stakeholders, CINEA organised several **clustering meetings** and knowledge sharing events. Examples include the Waterborne Transport Workshop in February organised jointly by CINEA, DG RTD and the EU-funded [STEERER project](#), for the occasion of which CINEA released a [new publication](#) on waterborne transport projects. Other examples are the organisation of the [policy talk 'Tipping points in the Earth's Climate'](#), with three Horizon 2020 projects to discuss the latest findings and [policy recommendation](#) on critical points and the potential for immediate transition of climate systems. Finally, CINEA organised an on-site Energy Carbon Capture, Utilisation and Storage (CCUS) and Alternative Fuels Cluster workshop.

CINEA presented the HE programme to a wide range of audiences, providing feedback to policy makers and promoting synergies with other programmes. An example is the Agency's participation to the European Parliament ITRE WG Hearing and OLGA Paris Airports Event. The Agency participated actively in the Transport Research Arena (TRA) event held in Lisbon and in the [H2020 Road Transport Research Conference](#), where CINEA, DG RTD and DG MOVE gave one of the opening speeches. The Agency presented its Cluster 5 portfolio at the [Amsterdam Drone Week](#), accompanied by a publication on [Drones and Urban Air Mobility](#). Other examples include the [Urban Mobility Days](#), which coincided with the 20th anniversary of CIVITAS celebration to which CINEA contributed with presentations and the preparation of a dedicated [publication](#). The Agency also took part in the ITS (Intelligence Transport Systems) European Congress and ILA Berlin 2022.

Furthermore, CINEA produced a number of **publications**, showcasing the results and relevance of Horizon-funded projects, including [Ocean climate nexus](#), [Quieter Aviation](#), [EU Road Safety](#) as well as several CORDIS results packs and brochures (e.g. the [Digitalisation of the energy system](#), [Supporting the development of Europe's geothermal energy sector](#), [local clean energy transition](#), the [Restore our Ocean and Waters CORDIS Synergy Info Pack](#) and an updated [CORDIS Results Pack](#) on private finance and energy efficiency.

'Reimagining our mobility' at TRA 2022



CINEA's presence at the [Transport Research Arena \(TRA\)](#) in November was dynamic; both at the different sessions where the importance of synergies was emphasised as well as at the EC stand where presentations from over 30 CINEA-managed projects attracted attention. The event was attended by over 2,200 participants.

1.3. Innovation Fund

Through the management of the Innovation Fund (IF), CINEA contributes to the specific objectives of DG CLIMA to mainstream climate-related spending in the EU budget, foster innovation and deliver significant greenhouse gas (GHG) emission reductions. In particular, the Fund enables commercial demonstration and scaling-up of innovative technologies that have the potential to substantially reduce GHG emissions and kick-start new clean energy and industrial markets.

Portfolio management

The implementation of the Innovation Fund gained speed in 2022 as the programme's portfolio of projects expanded. To that end, the Agency concluded the evaluation of the **2021 Large Scale call** and signed all grant agreements alongside those for the **2020 Large-scale two-stage call**, for which evaluation concluded in late 2021. The projects coming from both calls aim at bringing innovative low-carbon technologies to the market in a variety of sectors, such as energy intensive industries, renewables and carbon capture, use and storage.

Furthermore, in November, CINEA launched the **third Large-Scale projects call** (submission deadline in March 2023) and held a dedicated info day with wide participation of more than 5,500 connections. The call has a special focus on the priorities of the REPowerEU Plan and makes available €3 billion support towards decarbonisation and ending the EU's dependence on Russian fossil fuels.

Finally, evaluation of proposals under the **2021 Small Scale projects call** concluded on time. The grant agreement preparation of the successful proposals started in December and the grant agreements will be signed in the first quarter of 2023. The call, launched in March 2022, was accompanied by an info day in April with speakers from CINEA, DG CLIMA and the Joint Research Centre. The Agency also launched in May a dedicated [campaign](#) targeting experts to evaluate proposals.

The Innovation Fund on-boarding to eGrants was concluded successfully both for the calls and for the related programme implementation tools and templates.



Source: CINEA

To promote the first large-scale call, CINEA, together with DG CLIMA and Commission representations in Member States, organised successful grant agreement signature ceremonies, which took place in Brussels (BE) Stockholm (SE), Porvoo (FI) and in Lumbres (FR). Some of the ceremonies were marked by the presence of EC VP Timmermans and the Belgian Vice Premier, Vincent Van Quickenborne.

At the end of 2022, the Innovation Fund portfolio comprised **52 ongoing projects** with a budget of **EUR 2.94 billion** of EU funding and with expected GHG emissions avoidance potential of 213 million tonnes of CO₂ equivalent. Project periodic reports confirmed good progress of the concerned actions and for projects facing implementation issues, CINEA signed amendments to the GAs in line with the respective rules. Challenges reported by the beneficiaries were mostly linked to the current economic context and permitting issues.

CINEA also initiated discussions with DG CLIMA on the preparation of a new competitive bidding scheme under the IF, expected to be implemented throughout 2023 ⁽⁹⁾. The scheme, represents a complementary support mechanism and is a part of a wider EC proposal to revise the EU ETS Directive.

The Innovation Fund is one of the world's largest funding programmes for demonstration of innovative low-carbon technologies aiming to bring to market industrial solutions to decarbonise Europe and support its transition to climate neutrality. Detailed information on the ongoing projects can be found [here](#). A concrete project example follows in the box below.

ReLieVe - Recycling Li-ion Batteries for electric Vehicles



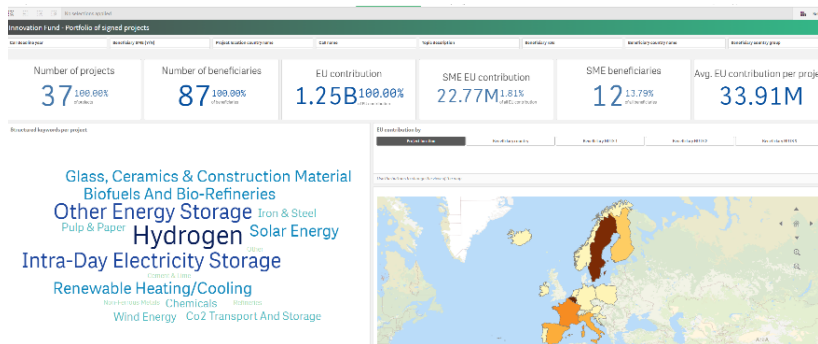
The ReLieVe project aims to create an innovative end-to-end, European-based integrated solution for the closed loop recycling of 50 000 tons of end-of-life lithium-ion batteries and production waste from battery manufacturing processes per year. The key project innovation involve the combination of low-impact mechanical pre-treatment with hydrometallurgical refining to produce new battery grade salts. The ReLieVe plant, scheduled to enter operation in 2027, will produce high quality recycled

metal salts for the production of new batteries in Europe, which is expected to avoid around 4.2 Mt CO₂ equivalent compared to the reference scenario.

Dialogue with stakeholders and feedback to policy making

CINEA provided feedback to DG CLIMA on the implementation of the project portfolio through its regular quarterly reports established in 2022, and through input for the preparation of the IF's [progress report](#) to the EU Parliament adopted in August. In addition, the Agency continued to provide support for improving not only future calls for proposals, but also related procedures, guidance documents and tools. This was achieved through the communication of key figures on the calls (e.g. number of proposals received, geographic distribution), the analysis of submitted proposals (e.g. technological pathways leading to the green transition of multiple sectors) and regular lessons learned exercises.

⁽⁹⁾ Subject to the approval by the Commission and conclusion of the related legislative procedure.



An important milestone was reached through the development and roll-out of the [IF public dashboard](#), which allows for data processing and visualisation of the entire IF portfolio. In addition, country factsheets were published on [CINEA](#)

[website](#) and individual project factsheets for [large-scale](#) and [small-scale](#) projects were also developed and were made available on DG CLIMA website.

In close cooperation with DG CLIMA, CINEA concluded the development of a **knowledge sharing (KS) framework and a dedicated 2023 plan**. This also includes the forthcoming development of a tailor-made tool for modern and efficient knowledge sharing and processing of project information, along other activities such as dedicated workshops, annual KS report and complementary business intelligence tools. A first closed-door KS event on [challenges in reaching Financial Close \(FC\) and ways to tackle them](#) was organized in September. The event was attended by beneficiaries from 37 IF projects. The main findings of the event are published on a new dedicated [Knowledge Sharing section on CINEA website](#).

CINEA and DG CLIMA [organised](#) lessons learned events for the small-scale and large-scale project calls. The Agency also supported DG CLIMA and DG ENER in the preparation of the Carbon Capture and Storage (CCS) thematic workshops for IF and CEF Energy projects. In addition, CINEA supported DG CLIMA in the engagement of NCPs (National Contact Points) through dedicated events and the preparation of communication materials.

Finally, the Agency promoted the programme in various external **events** such as the 2022 European Hydrogen Week and EUSEW. Preparation is ongoing for the forthcoming Clean-Tech Financing conference, scheduled for January 2023, which will be accompanied by a signature ceremony for the second large-scale projects call. Moreover, internal Information sessions were organised to provide insights on the programme, the funded projects and its potential to create synergies with other EU funded instruments.

1.4. Programme for the Environment and Climate Action (LIFE)

LIFE aims at the shift towards a sustainable, circular, energy-efficient, climate-neutral and resilient EU economy, in order to protect, restore and improve the quality of the environment and to halt and reverse biodiversity loss. Through the management of the LIFE portfolio, CINEA supports its parent DGs in the development and implementation of Union legislation and policy on the environment, including nature and biodiversity, and on climate action, including the transition to renewable energy and increased energy efficiency.

Portfolio management

CINEA completed the evaluations for all **2021 LIFE calls** and signed the relevant grant agreements. It was the first time that eGrants was used for the evaluation and grant agreement preparation cycles but the Agency managed to successfully conclude both processes on time.

Since the programme's start LIFE projects have safeguarded some 750 species, while with support of LIFE around 200 thousand hectares of land have been purchased across the EU, which is now protected indefinitely.

The **2022 LIFE** calls were published in May, with a budget of approximately **€640 million** for nature conservation, environmental protection, climate action, and clean energy transition projects. The calls were received with great interest confirmed both by the high participation at the dedicated info session (more than 5 000 participants) as well as by the high number of submitted proposals (over 750 with total requested budget €2.9 billion). Following the evaluation of proposals, CINEA started grant agreement preparation for the three calls with a deadline in September, well ahead of the planned time to grant. Proposals evaluation for the Standard Action Projects (SAP) and



Clean Energy Transition (CET) calls with submission deadline in the last quarter of 2022 will be completed in the second quarter of 2023. Finally, the second stage of call for Strategic Integrated Projects (SIP) and Strategic Nature Projects (SNAP) launched in May, as well as the LIFE CET call for Identified Beneficiary launched in December 2022 are still open for submission of proposals.

In 2022, Ukraine and Moldova signed association agreements to the LIFE programme. CINEA organised [an information session](#) for potential applicants from Ukraine, and following the ratification of the agreement, the first GA with an Ukrainian beneficiary was signed in October.

A number of **calls for tenders** was published in February, including a contract for developing the [ManagEnergy](#) support facility for public authorities and energy agencies in

the Member States. Moreover, CINEA launched a new call for tenders for the renewal of the monitoring and evaluation services, including communication support. The evaluation contract was signed while the new contracts for LIFE monitoring and communication support are expected to be signed in 2023.

At the end of 2022, CINEA had a portfolio⁽¹⁰⁾ of **1 243 ongoing actions** for an EU contribution of **€3.76 billion**. Interim reports confirmed that the projects were generally on good track. The Agency produced [social media guidelines](#) to support the dissemination efforts of its LIFE beneficiaries and supported the Concerted Actions (CA EPBD, CA EED, CA RES, and EEPLIANT)⁽¹¹⁾ as well as the Consultation Forum for Sustainable Energy in the Defence and Security Sector (CF SEDSS).

LIFE projects help Europe to reach climate-neutrality by 2050 and to put the continent's biodiversity on a path to recovery by 2030. An example is presented in the box below. Many others can be found [here](#).

Innovative techniques for mine restoration

Although mining supplies other industrial sectors with the raw materials needed, mining operations are often carried out over areas of high landscape and ecological value, changing them drastically. [LIFE TECMINE](#), which ended in 2022 set out to improve the restoration of open pit mines in Mediterranean forest areas by combining different techniques. The team restored more than 13 hectares of the Fortuna mine in Valencia, using a method called GeoFluvTM. This method produces a natural-looking landscape which, together with other ecological restoration techniques, has improved different habitats and a high species biodiversity. The project's work is being replicated in other parts of Spain and in Sweden.



Source: CINEA

Dialogue with stakeholders and feedback to policy

CINEA actively provided input to policy-making on a number of occasions. The Agency produced 39 policy feedback fiches on the **Circular Economy and Quality of Life** sub-programme, through which it shared with its parent DGs lessons learned and project results with policy relevance. In addition, CINEA provided dedicated support to DG ENV for the revision of the 'Packaging Directive'.

⁽¹⁰⁾ Includes also H2020 CET actions, the continuation of which is ensured through LIFE.

⁽¹¹⁾ EPBD – Energy Performance of Building Directive; EED –Energy Efficiency Directive; RES– Renewable Energy Directive; EEPLIANT–aims to increase the effectiveness and efficiency of the market surveillance work undertaken across the EU on the [Ecodesign Directive](#) and the [Energy Labelling Regulation](#)

Following an analysis of the main issues raised from projects regarding **Climate action** policies, CINEA provided input for the Climate-ADAPT strategy 2022-2024. In May, DG CLIMA, relevant LIFE projects and the Agency engaged in a successful policy dialogue on fluorinated gases, while CINEA provided targeted policy feedback from projects, including on carbon calculations.

The Agency contributed to the development of the **Biodiversity Strategy** by participating in meetings with Member States and stakeholders sharing information from the projects' implementation. Moreover, DG ENV exchanged with projects representatives during the platform meetings and INTERLIFE regional meetings organised by CINEA. Additionally, success stories from CINEA funded projects featured in the Commission's proposal for a [nature restoration law](#) to repair damage done to Europe's nature by 2050 and in a [dedicated section](#) on DG ENV's web page. Finally, DG ENV and CINEA finalised the Natura 2000 and [LIFE story map](#) as well as the [LIFExNatura2000](#) web tool projects.

The fruitful dialogue between CINEA and DG ENER on the outcomes of the 2021 **Clean Energy Transition (CET)** calls provided input for the development of future ones. The Agency also facilitated the dialogue among relevant stakeholders through Sustainable Energy Investment Forums and national roundtables on financing sustainable energy in 17 EU Member States. Further examples include a session for socio-economic research and policy support projects back-to-back with the Energy Efficiency First summit and a workshop on Integrated Home Renovation Services. In addition, the 14th Edition of the BUILD UP Skills EU exchange meeting gathered more than 25 Horizon 2020 and LIFE projects addressing the upskilling of building professionals on energy efficiency and sustainability.

Finally, CINEA supported the dissemination and exploitation of LIFE project results. By the end of 2022, over 140 projects were included in the Innovation Radar, while 75 projects received support from LIFE Close to Market initiative.

Happy Birthday LIFE



As 2022 marked the 30th birthday of LIFE and the Habitats Directive, which created Natura 2000, CINEA grasped the opportunity to widely promote the programme, its impact and project results.

To celebrate the occasion of LIFE reaching 30, CINEA launched a [promotional campaign](#) with several initiatives throughout the year in collaboration with parent DGs and DG COMM. The campaign reached a potential audience of 6.3 million people.

Powerful images from some of the most innovative and inspirational, LIFE projects were exhibited as part of the campaign during the [LIFE Awards 22 ceremony – special 30th](#)

The Agency actively **promoted** the programme at different fora:

- ✓ During the 2022 edition of the Green Week that featured the LIFE Awards ceremony at which four CINEA managed LIFE projects received prestigious Natura2000 Awards.
- ✓ The Agency co-organised with DG ENER [the European Sustainable Energy Week \(EUSEW\)](#), which gathered more than 8.000 participants online and onsite. It hosted conversations on the REPowerEU plan, digitalisation and energy efficiency and CINEA organised five of the 36 policy sessions. The [EUSEW Awards 2022](#) ceremony awarded prizes to clean energy champions.
- ✓ CINEA co-organised the 2022 Covenant of Mayors Investment Forum - Energy Efficiency Finance Market Place in close collaboration with DG ENER, DG CLIMA, the Covenant of Mayors Office and the European Investment Bank. Over 400 attendees joined the event with 15 dedicated sessions featuring LIFE, H2020, ELENA and Smart Cities projects.



Source: CINEA
Two CINEA projects receiving prizes at the EUSEW Awards 2022 ceremony by Commissioner Kadri Simson

Further examples include the Agency's participation at the [World Sustainable Energy Days](#), the [EU Regions Week](#), the Ecosystem Services Partnership Europe Conference and the XXVI International Congress of Entomology.

Finally, several **reports and publications** such as on [Integrated projects](#), [Green mobility](#), or on the [performance of BUILT UP](#) on top of infographics and LIFE Newsletters were produced and published on CINEA website. All publications are available [here](#).



Source: CINEA

Green Assist was officially launched in November at the 25th edition of Ecomondo

2022 was an important year for the **GREEN ASSIST** initiative that aims at providing technical advisory services. CINEA launched **a call for tenders** for a Framework Contract with an estimated total value of €30 million and two lots: Lot 1 for the set-up and management of a 'roster of experts' for providing advisory services to individual project developers or promoters, and Lot 2 for providing broader support services such as capacity building or market studies.

CINEA co-organised [a webinar](#) with DG ECFIN and DG ENV to inform potentially interested tenderers. In addition, the Agency launched in May a campaign for recruiting experts to populate the roster. Following evaluation, the Agency signed the Framework Contract for Lot 1. For Lot 2, evaluation and contracting will be finalised in 2023. More information can be found on the [CINEA website](#).

1.5. European Maritime Fisheries and Aquaculture Fund (EMFAF)

Through the implementation of the EMFAF programme, CINEA contributes to the specific objectives of DG MARE that aim at fostering fisheries and aquaculture, and enabling the development of a sustainable blue economy, including strengthening international ocean governance and fostering safe, secure and clean seas and oceans.

Portfolio management

CINEA completed the implementation of the actions included in the 2021 EMFAF Work Programme, by finalising the evaluations of **2021 EMFAF calls**, and signing the respective grant agreements. The Agency also concluded the evaluations and signed the GAs for five Identified Beneficiaries Actions (IBAs), and for nine voluntary contributions to Regional Fisheries Management Organisations (RFMO) ⁽¹²⁾.

At the same time, CINEA started implementing the **2022-2023 EMFAF Work Programme**. In particular, the Agency concluded the evaluations and signed the GAs for two IBAs, as well as for a number of voluntary and compulsory contributions to RFMOs. Of the voluntary contributions launched in 2022, two GAs remain to be signed in 2023. Two invitations for IBAs (European Coast Guard Functions Forum, and Union for the Mediterranean) were sent out at the end of the year.

In addition, in May, the Agency launched the **2022 Women in the Blue Economy call**, which aimed at increasing the participation of women in the different sectors of the blue economy. The evaluations will be concluded in 2023 and subsequently CINEA will start grant agreement preparation with the successful proposals. In October, CINEA launched the **2022-2023 calls** for proposals on **Blue careers** for a sustainable blue economy and for **Regional flagships projects** supporting sustainable blue economy in the EU sea basins. To promote the calls, CINEA organised in cooperation with DG MARE an [info day](#) in November presenting to potential applicants the policy background and specific call conditions. The closing date for the calls is 31 January 2023.

CINEA supported **DG MARE's policies** by launching three brand new Assistance Mechanisms on Sea Basin Strategies, on Maritime Spatial Planning and Blue Forum, and on Aquaculture

As far as **procurement procedures** are concerned, the Agency launched several calls for tenders and requests for services to commission a variety of services such as, among others, the call for tenders on EMODNET service contracts (Biology and Seabed Habitats), on Catalogue of sound signatures (European

⁽¹²⁾ RFMOs include: North Atlantic Salmon Conservation Organization, Southern Indian Ocean Fisheries Agreement, International Commission for the Conservation of Atlantic Tunas, Convention on Conservation of Antarctic Marine Living Resources, South Pacific Regional Fisheries Management Organisation.

Parliament's pilot project) and on the Biodiversity Beyond National Jurisdiction (BBNJ) study. Moreover, the Agency renewed the two EMODnet service contracts (Bathymetry and Human Activities).

At the end of 2022 the EMFAF portfolio, including the EMFF legacy, contained **83 ongoing actions** for grants for a total of **€92.7 million of EU support** and **62 ongoing contracts** for a total of **€48.5 million**. The analysis of the interim and final reports received during the year, both for contracts and grants, showed that projects are overall on track with the implementation of their actions.

CINEA's portfolio of projects contribute to the development of areas such as off-shore renewable energy, maritime green transport, sustainable aquaculture and ocean data enabling the growth of a sustainable blue economy and fostering prosperous coastal communities. An example is shown in the box below. Many others can be found [here](#).

Automated wing to power ships providing 20% of fuel savings and emissions reduction



Source: CINEA

While the shipping sector is generating 2.3 million jobs, it is also responsible of nearly 3% of the global worldwide emissions and about 13% of EU transport sector's GHG emissions per year. The two-year project [SEAWING4BLUE](#) led by AIRSEAS aims at maximising the power of wind through the product Seawing, a large wing structure, flying at a high altitude capturing a more stable wind for propulsion of the vessel. It includes an integrated system of a kite wing, a deck structure mast to deploy the wing and a storage tank, as well as software technologies to control the flight automatically and to help the crew in routing the ship. Some of its advantages are independence from fossil fuels, the use of wind as an unlimited renewable energy source, and the possibility to retrofit existing ships.

Dialogue with stakeholders and feedback to policy making

CINEA provided high quality policy feedback based on an action plan jointly elaborated with DG MARE in 2021 taking into consideration the evolving policy priorities, including in the 2022-2023 Work Programme.

Within the frame of the EMFF contract on **Clustering and Synergies** among maritime projects, a number of 'cluster stories' on selected policy areas were published and several workshops took place. Examples include a workshop on blue skills, the results of which fed into the 2022 and 2023 EMFAF blue careers calls for proposals, a workshop to enhance EMFAF projects' financial literacy and thematic workshops supporting synergies across EU funded projects focused on the Sea-Basin Dimension and on Offshore Renewable Energy.

Within the new Aquaculture Assistance Mechanism, which is part of a contract managed by CINEA, an Aquaculture Technical Seminar was organised in December with representatives from the Commission and EU Member States, who discussed the most recent developments in implementing the aquaculture policy at the EU and international level.

CINEA organised and participated at several events aiming to enhance the visibility of the programme and results of funded projects. The **European Maritime Day** took place in May in Ravenna, Italy under the theme 'Sustainable blue economy for green recovery'. With 890 participants onsite and 521 online, the event discussed the latest developments in the sustainable blue economy. CINEA's presence was multi-fold, with a stand, the organisation of two pitch sessions and a workshop (more details in Synergies section).



Source: CINEA
Commissioner Sinkevičius with CINEA team at the European Maritime Day Conference

The programme was also presented at ECOMONDO and at Hannover Messe, while other examples include the yearly edition of the BlueInvest Day organised by the CINEA-managed BlueInvest platform and the Agency's presence at the sustainable Blue Economy in outermost regions meeting.

Moreover, with CINEA's support the [WestMED Initiative](#) started the 'WestMED in my country' campaign - a series of interactive national events focusing on Blue Economy - a priority topic in the participating countries, culminating with discussions of the conclusions at the WestMED Steering group and a Hackathon in Malta.

To promote its project portfolio, CINEA produced a number of **infographics** on different topics such as on [Maritime Spatial Planning in the EU](#), [EMFF Blue Careers](#), on [offshore renewable energy](#), [green shipping projects and on the EMFAF programme](#). These were in addition to selected success stories for DG MARE's Newsletter, as well as projects featuring on CINEA's website and in the Clean Energy Newsletter.

Finally, the Agency supervised several **studies** focusing on a number of topics, such as Maritime Spatial Planning (a toolbox for MSP, underwater cultural heritage and others), Climate change and the Common Fisheries Policy (CFP), the Regionalisation of the CFP, and the landing obligation management measures in the Mediterranean and Black Sea. All publications are available [here](#).

1.6. Renewable Energy Financing Mechanism (RENEWFM)

CINEA contributes to the objective of the Renewable Energy Financing Mechanism, which is to enable Member States to work more closely together to achieve their individual and collective renewable energy targets. Through its activities, the Agency contributes to the specific objective of DG ENER that aims at clean, affordable and secure energy.

In 2022, CINEA collaborated closely with DG ENER for the signature of the Memorandum of Understanding (MoU) that sets the specific provisions for the implementation of the RENEWFM. In addition, the Agency supported the matching exercise between contributing and hosting countries following the [call for expression of interest](#) by Member States that was organised in July by DG ENER. Subsequently, the Agency provided input to DG ENER for the design of the calls for proposals and started intense work to launch the first call at the beginning of 2023.

To enhance the visibility of the Mechanism, the Agency promoted the RENEWFM at various occasions such as the EUSEW.

1.7. Just Transition Mechanism- Public Sector Loan Facility (JTM-PLSF)

CINEA contributes to the objectives of DG REGIO and of the Just Transition Mechanism- Public Sector Loan Facility, which aim to ensure that the transition towards a climate-neutral economy happens in a fair way, including by addressing its social and economic effects.

In July CINEA launched the [first JTM-PSLF call](#) and organised a dedicated info day in September. The call has three cut-off dates per year from 2023 until 2025 and the EU funding will be blended with loans up to €10 billion from the European Investment Bank (EIB). The call gives public authorities the possibility to apply for support to territories that are most affected by the transition to a sustainable, climate-neutral economy. Following the submission of proposals under the first cut-off date in October, CINEA started the evaluation process foreseen to be finalised until March 2023.



Source: CINEA

DG REGIO and CINEA speakers at the Just Transition Platform meeting of 10 May

The Agency implemented a number of actions to enhance the visibility of the programme. It took part in the [5th Just Transition Platform Meeting](#) communicating to over 1 300 registered participants its role in the implementation of the facility, participated at the Just Transition Platform Conference in October and actively promoted the programme at various external events such as at the [EU Sustainable Energy week](#) and at the [EU Regions Week](#).

1.8. Cross-programme activities

As per its 2022 cross-programme feedback to policy and synergies action plan, CINEA carried out numerous crosscutting activities to foster the interaction among its delegated programmes as well as to support its parent DGs' strategic programming process. These activities took various forms and were organised around the European Green Deal (EGD) objectives.

Under the objective **'Cleaning our energy system'**, CINEA performed a portfolio analysis linked to the new EU Solar Energy Strategy including projects from H2020, LIFE and EMFF and organised a thematic workshop on energy communities projects with the involvement of LIFE CET, LIFE CLIMA and HE Energy. The Agency produced analyses of its Carbon Capture and Storage portfolio and of innovation opportunities in electricity grids that could be deployed via other programmes, both encompassing H2020 Energy and CEF Energy ⁽¹³⁾.

In relation to the EGD objective **'Making transport sustainable for all'**, CINEA organised a LIFE platform meeting on Green Mobility with the participation of projects from CEF, Horizon, LIFE and EMFF and a workshop on Green Shipping during which coordinators of EMFAF, Innovation Fund, CEF and Horizon 2020 projects presented their innovative solutions, and were able to highlight opportunities and challenges linked to a greener shipping sector in a panel discussion with the participation of DG MARE, DG MOVE, DG RTD and CINEA, as well as external stakeholders.

European Maritime Day – workshop on the role of ports – projects from CEF E, CEF T, EMFAF, H2020, and LIFE



At the European Maritime Day, CINEA organised a thematic workshop on the role of ports in the context of the European Green Deal. The aim of the workshop was to showcase the impact of a selection of EU funded programmes implemented by CINEA. Projects funded by CEF Transport, EMFF, H2020 and LIFE presented their results, demonstrating the broader impact that different EU funding programmes can attain when they join forces to implement European Green Deal policies.

⁽¹³⁾ The analysis on innovation opportunities in electricity grids that could be deployed via other programmes was sent to the parent DGs in early 2023.

Synergies between CINEA projects



In December, the [Steelanol project](#) was inaugurated. The project includes the development and testing of a technology that allows for the capture and reuse of a portion of carbon emitted by the steel industry. This is considered a first of its kind installation in the European steel industry and the H2020 funded Steelanol project will help reduce CO2 emissions in the ArcelorMittal steel plant in Ghent. In the steelmaking process, so-called 'reductants' are needed to transform iron ore into hot metal. And here comes the [SMART project](#), funded by the LIFE programme, which will allow to recover through chemical process residual material into metallurgical coke and into pulverised coal. This will allow to reduce the use of fossil carbon and will reduce CO2 emissions.

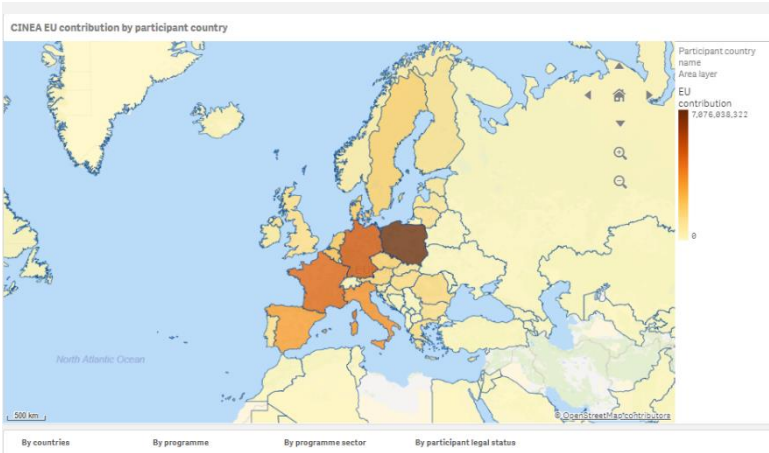
In support to the implementation of the '**Transforming our economy and societies**' objective, CINEA, together with EISMEA and REA, participated in Ecomondo - the benchmark event for the green and ecological transition in the Mediterranean, which gathered more than 10.000 participants from 90 countries and around 1.400 exhibitor brands. The three executive agencies participated with a very central stand showcasing over 50 projects from the LIFE, Horizon Europe, EMFAF, CEF Transport and the European Innovation Council. Hundreds of one-to-one meetings took place highlighting the funding opportunities available to implement the EU Green Deal. CINEA also organised or co-organised four events: the launch of the Green Assist Advisory Services, a session on Blue skills and careers, an event on European funding programmes, and a pitching session with selected experts and investors for twelve European beneficiaries – including three LIFE and EMFAF projects.

Under the EGD objective, '**Renovating buildings for greener lifestyles**', CINEA provided DG ENER with an analysis of its H2020 CET and H2020 Energy projects related to energy performance certificates (EPC) for the Impact Assessment accompanying the proposal for the recast of the Energy Performance of Buildings Directive and relevant CINEA managed projects from LIFE CET, Horizon Energy and LIFE Climate were involved in taking into account the SRI (Smart Readiness Indicator) assessment methodology developed by the DG.

Finally, a platform meeting on strictly protected areas in the marine environment was organised linked to the '**Working with nature to protect our planet and health**' objective. The meeting took place, together with the French Presidency, and the participation of beneficiaries such as coastal authorities, which use funding from both LIFE and EMFF programmes.

Furthermore, CINEA took the occasion of several events to give cross-programme presentations highlighting funding opportunities and project results from the whole Agency's portfolio. Examples include the ITS (Intelligent Transport Systems) European Congress, where CINEA was part of DG MOVE's stand while several transport projects funded under H2020 and CEF programmes had live presentations and participated in sessions. CINEA took part in [ENLIT](#), the European energy event with around 40 CINEA projects participating at the event in a dedicated 'EU project Zone'. Several CINEA projects

from LIFE, Horizon 2020 and EMFF programmes participated at the first-ever Festival of the New European Bauhaus. At the 2022 edition of the Connecting Europe Days, CINEA contributed to the debate session 'Research and Innovation for a Modern and Resilient Infrastructure', organised by DG MOVE, giving examples of how its programmes are designed to work together in a synergetic way, mentioning the link among the Horizon, IF and CEF programmes. The Agency organised, in collaboration with DG ENER, a stand at the EUSEW with all CINEA programmes linked to clean energy and renewables (LIFE, Horizon 2020/Europe, CEF Energy, EMFAF, Innovation Fund, RENEWFM, JTM-PSLF) and a dedicated event on industry decarbonisation incorporating the Innovation Fund and CEF projects. Finally, during the PCI Energy Days, CINEA took the opportunity to showcase relevant projects from CEF Energy alongside projects from LIFE and H2020 Energy, which presented mature technologies with potential for deployment under TEN-E PCIs.



At the end of 2022, CINEA finalised the development of a new Public Dashboard, which aims to communicate publicly real-time information on all CINEA's projects and programmes in an easy, transparent, flexible and user-friendly manner. The dashboard became available on CINEA website in January 2023

following a dedicated communication campaign to promote the tool.

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 / documentation 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 Internal Audit Service (IAS);
- The report on the annual assessment of the internal control systems of CINEA as well as the results of the annual risk assessment exercise and its mid-term review;
- The exceptions and non-compliance events reported throughout the year.

The systematic analysis of the available evidence provides sufficient guarantees as to the completeness and reliability of the information reported and results in the full 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.

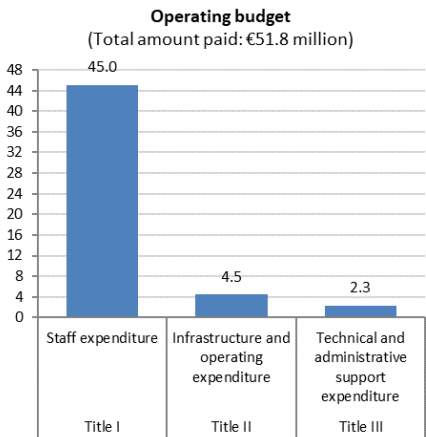
2.1.1. Control results

This section reports and assesses the elements identified by management, which support the assurance on the achievement of the internal control objectives (ICO) ⁽¹⁴⁾. CINEA's

⁽¹⁴⁾ 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). The 2nd and/or 3rd Internal Control Objective(s) (ICO) only when applicable, given the DG's activities.

assurance building and materiality criteria are outlined in annual activity report [annex 5](#). The annual activity report [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

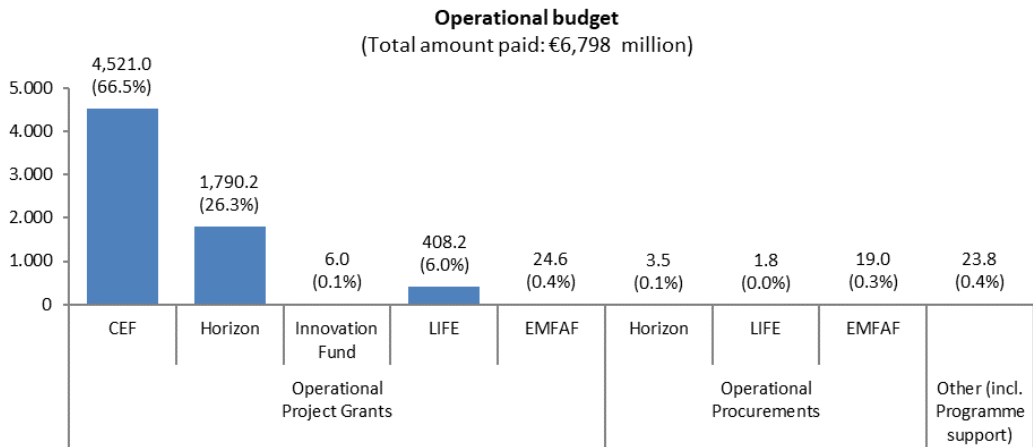


CINEA has established a system of controls that aims at ensuring the sound financial management and the legality and regularity of all financial transactions. In 2022, in total 903 payments related to the operating budget (€ 51.8 million) were processed. The year was also the first one during which CINEA introduced a new financial system (SUMMA) for its operating budget as one of the three pilot EU Agencies.

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% ⁽¹⁵⁾, 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.

Operational budget



⁽¹⁵⁾ For types of low-risk expenditure with indications that the equivalent error rate might be close to 'zero' (administrative expenditure, procurement and experts), following DG BUDG instructions CINEA uses 0.5% as a conservative estimate.

CINEA's operational budget is almost exclusively implemented through grants under direct management (> 99% in terms of total payments made). The Agency's system of controls ensures the sound financial management and the legality and regularity of all financial transactions including grants (€6,750 million or 99.29%), procurement (€24.3 million or 0.36%) and other expenditure (incl. programme support and compulsory contributions to RFMO) (€23.8 million or 0.35%). In 2022, CINEA performed a total of 3,122 transactions on the operational budget.

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

1. Cases of "confirmation of instructions" (new FR art 92.3) – no such cases;
2. Cases of financing not linked to costs (new FR art 125.3) – no such cases;
3. Financial Framework Partnerships >4 years (new FR art 130.4) – one case concerning the Framework Partnership Agreement (FPA) for the Climate-Neutral and Smart Cities Mission Platform Scaling Netzerocities for which the duration of five years is clearly indicated in the Work Programme.
4. Cases of flat-rates >7% for indirect costs (new FR art 181.6) – no such cases;
5. 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. The Agency has a comprehensive Control Strategy on all control activities as part of the operational and financial implementation of its spending programmes. In 2022, CINEA reviewed the strategy in view of covering all aspects of the newly delegated programmes.

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 the overall CINEA activities. This said, controls are in place also for procurements and are detailed in annex 6. Further details on the quantitative and qualitative benefits for grants 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 evaluations 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. For 2022, benefits for this stage amounted to €14.6 billion.

Stage 2 – Grant Agreement Preparation

The control objective of this stage is to translate each of the selected proposals into legally binding grant agreements to ensure higher assurance on the achievement of the projects and contribution to policy objectives. In addition, this stage ensures an optimal allocation of the EU funds as the grant agreement preparation process may result in grant reductions, compared to the amount recommended for funding as a result of the evaluation. Quantitatively, a total amount of €394.5 million was not contracted, due to either cancellations 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 improved quality of accounting data. Quantitatively, €84.6 million (or 1.8%) of the submitted amount of €4.7 billion was rejected due to ineligibility of costs/irregularities ⁽¹⁶⁾. Additionally, €4.9 million was recovered due to early termination of grant agreements.

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. In 2022, ex post audits on-the-spot resumed thanks to the improved sanitary and health conditions.

⁽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 were not taken into account for this calculation.

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

Overall, the benefits of this stage can be quantified by the amount of EU contribution detected in ex post control activities. In 2022, this amount was estimated at €17.15 million for CEF, €0.148 million for LIFE, €0.181 million for EMFF and €0.367 million for H2020.

CINEA reached 100% completion of all planned CEF audit ‘fieldwork’ and the target to close 50% of planned CEF audits within the calendar year.

For LIFE and EMFF programmes, the audit campaigns are progressing well. For EMFF, all audits from audit plan 2021 were closed, and 100% of planned fieldwork for the audit plan 2022 completed. For LIFE, the audit plan 2021 was completed at 84% and fieldwork for 2022 audits completed at 100%.

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

Multi-annual detected and residual error rates at the end of 2022 are shown in the table below ⁽¹⁸⁾.

Programme / Sector	Detected Error Rate	Residual Error Rate
Financial Framework 2014-2020		
CEF Transport	1.72%	1.63%
CEF Energy	2.12%	1.83%
LIFE	0.70%	0.65%
EMFF	2.54%	2.45%
H2020	2.71%	2.00%

CINEA’s portfolio consists of segments with a relatively low to medium error rate, i.e. CEF Transport, CEF Energy, LIFE and H2020 and segments with a higher error rate, i.e. EMFF. This is, respectively, thanks to the inherent risk profile of the programmes and the performance of the related control systems. For those latter (sub) segments with control weaknesses, the (root) causes of the issues are due to the inherent risk profile of the programme, largely personnel cost based and of the beneficiaries including NGO, SMEs and private entities inexperienced in the administrative requirements of managing EU funding under direct management, despite the efforts made by the Agency to provide clear guidance and simplification.

⁽¹⁸⁾ An explanation of the methodology for ex post controls for each programme under CINEA management is provided in annex 5. Error rates are not yet available for the programmes under the 2021-2027 MFF due to the early stage of their implementation.

The residual error rate for EMFF at the end of 2022 is 2.45%, above the materiality threshold of 2%. The increase from end of 2021 (0.88%) to end of 2022 is attributable to a single audit leading to the full rejection of the EU contribution due to denied access to information rather than the incidence of widespread and systematic detected errors. Therefore, the single audit result with a 100% error rate is considered as an anomaly, rather than a weak internal control system. With the small population of EMFF grants (and the small population of audits ⁽¹⁹⁾) the error rate calculation is sensitive to large adjustments. As a result, CINEA does not consider that additional ex post audit measures or management actions to raise awareness of potential issues with beneficiaries are needed.

As EMFF programme falls within the ‘de minimis’ criteria ⁽²⁰⁾ for reporting, there is no reservation required for EMFF in the current report.

CINEA anticipates that with completed audit plans 2022 and 2023, the residual error rate will decrease below 2% in the next couple of years.

In addition, CINEA has in place an effective mechanism for correcting errors, through ex ante and ex post controls, resulting in preventive and corrective measures, respectively. Please see table below for details:

		Preventive Measures (m EUR)	Corrective measures (m EUR)
Implemented by the Commission			
	<i>of which from Member States controls</i>	N/A	N/A
	<i>of which from EU controls</i>	89.8	8.6
CINEA total		89.8	8.6

During the reporting year, the executed corrective capacity amounted in total to €98 million representing 2.4% of the relevant expenditure. The benefit at ex ante level control amount to €89.8 million ⁽²¹⁾, whilst recoveries and financial corrections following the results of ex post controls amounted to €8.6 million (for more details see annex 7 and annex 3, table 8). Based on all the above, CINEA presents in the following table an estimation of the risk at payment and risk at closure for the expenditure managed during the reporting year:

⁽¹⁹⁾ 50 EMFF Audits closed to date.

⁽²⁰⁾ The ‘de minimis’ rule states that: quantified reservations, related to residual error rates above the materiality threshold, are deemed not substantial for segments representing less than 5% of the total payments made and with a financial impact below € 5 million.

⁽²¹⁾ Includes €84.6 million from cost claims (grants), 4.9 million linked to early termination of grant agreements and 0.3 million preventive measures linked to procurement.

Table: 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	Total payments	Relevant expenditure	Estimated risk (error rate %) at payment ⁽²²⁾		Estimated future corrections and deductions		Estimated risk (error rate %) at closure	
Grants under direct Management (Financial Framework 2014-2020 - Programmes based on actual costs)	CEF Transport, including CEF Synergy actions	1,972.26	2,292.81	39.46	1.72%	3.36	0.15%	36.10	1.57%
	CEF Energy	392.08	488.51	10.34	2.12%	1.25	0.26%	9.09	1.86%
	Horizon 2020	334.86	952.36	25.81	2.71%	6.76	0.71%	19.05	2.00%
	LIFE	212.29	263.37	1.84	0.70%	0.22	0.08%	1.62	0.61%
	EMFF	15.95	24.53	0.62	2.54%	0.05	0.20%	0.57	2.34%
Grants under direct Management (Financial Framework 2021-2027 - Programmes based on actual costs)	CEF Transport	1,911.51	0.00						
	CEF Energy	245.13	0.00						
	Horizon Europe	1,455.37	0.20	0.004	2.00%	0	0%	0.004	2.00%
	LIFE	195.95	0.13	[0.001, 0.003]	[1-2%]	[0, 0]	[0.1-0.2%]	[0.001, 0.003]	[0.9-1.8%]
	EMFAF	8.66	0.00						
Grants under direct Management (Programmes based on lump sums)	Innovation Fund	6.00	6.00	[0, 0.03]	[0-0.5%]	0.00	0.00%	[0, 0.03]	[0-0.5%]
Operational procurements	Horizon Europe / Horizon 2020	3.50	3.50	[0, 0.02]	[0-0.5%]	0.00	0.00%	[0, 0.02]	[0-0.5%]
	LIFE	1.78	1.37	[0, 0.01]	[0-0.5%]	0.00	0.00%	[0, 0.01]	[0-0.5%]
	EMFF/EMFAF	18.98	18.98	[0, 0.09]	[0-0.5%]	0.00	0.00%	[0, 0.09]	[0-0.5%]
Other (incl. Programme support)		23.83	24.80	[0, 0.12]	[0-0.5%]	0.00	0.00%	[0, 0.12]	[0-0.5%]
Sub-total		6,798.15	4,076.57	[78.07, 78.35]	[1.92-1.92%]	11.64	0.29%	[66.44, 66.71]	[1.63-1.64%]
<i>Operating budget</i>		51.81	51.81	[0, 0.26]	[0-0.5%]	0.00	0.00%	[0, 0.26]	[0-0.5%]
Total EA (operational + operating)		6,849.96	4,128.37	[78.07, 78.61]	[1.89-1.9%]	11.64	0.28%	[66.44, 66.97]	[1.61-1.62%]

⁽²²⁾ Estimates are used for the programmes under the 2021-2027 MFF as error rates for these programmes are not yet available due to the early stage of their implementation.

The estimated overall risk at payment for 2022 expenditure amounts to € 78.61 million, representing 1.90 % ⁽²³⁾ of the Agency's total relevant expenditure for 2022. This is the AOD's best, conservative estimate 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 2022 expenditure amount to € 11.64 million. The difference between those two amounts results in the estimated overall risk at closure of € 66.97 million, representing 1.62 % of the Agency's total relevant expenditure for 2022.

The overall amount at risk at closure increased by € 26.75 million in 2022 (from an upper limit of € 40.22 million to € 66.97) compared to 2021. For CEF Transport (the largest single budget line in CINEA) the amount at risk at closure increased from € 12.62 million in 2021 to € 36.10 million in 2022 due to an increased rate of detected error. Regarding H2020, the overall amount at risk has also increased by € 4.36 million mainly also due to an increased detected error of 2.71% in 2022 compared to a rate of 2.29% in 2021.

The net impact of the above main changes forms the majority of the upward movement in the overall amount at risk compared to 2021 figures.

The average recoveries and corrections and estimated future corrections decreased overall at 0.28% on average for all programmes, compared to 0.30% in 2021. However, the estimated overall risk at payment also increased overall at 1.90% on average at all programmes, compared to 1.26% in 2021.

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.

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 started to be implemented in 2022, and will continue throughout 2023. Its implementation 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. All necessary actions were implemented except the revision of the existing internal guidelines on conflict of interest (although some actions have been carried out in this area). Its implementation is in progress and completion is expected for the first quarter of 2023.

CINEA also 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 all of the

⁽²³⁾ 78,61/4.128,37 from amount at risk table.

received OLAF's financial recommendations. In 2022, one financial recommendation was fully implemented, a second one was partially implemented and is expected to be fully implemented in 2023 and a third financial recommendation was still under analysis. The Agency received a fourth recommendation, which is coordinated by the Commission and requires further analysis.

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

- Staff awareness was raised on matters of conflict of interest (set of slides was published in the Agency's manual of procedures).
- The anti-fraud culture of CINEA was strengthened through the delivery of the 'Fight against fraud' training session. Notably 99% of the Agency's staff had followed this training.
- Increased knowledge of relevant staff on issues related to persons and entities representing risks threatening the Union's financial interests.

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.

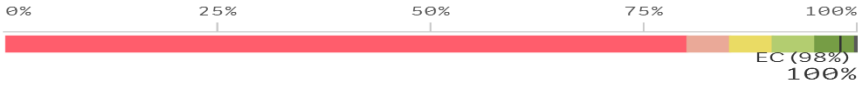
The **time-to-inform** ⁽²⁴⁾ limit for all programmes was respected.

The **time-to-grant** ⁽²⁵⁾ limit for all programmes was respected in most cases achieving a result of 98%. In 2022, CINEA signed 937 GAs, all on time with the exception of 17 GAs outside the time limits.

As far as the **timely payments indicator** is concerned (i.e. payment accepted amount on time/ payment accepted amount in EUR), CINEA managed to pay on time 100% of its operational appropriations, which is higher than the EC average, demonstrating effective processing of payments and deadline monitoring.

⁽²⁴⁾ Only calls for proposals whose time-to-inform deadline took place in 2022 have been taken into account.

⁽²⁵⁾ Reserve list proposals are not taken into account. They are concerned only for the time-to-inform but not for the time-to-grant period, which only applies to successful applicants.

Timely Payments	EA Score	EC Score
	100%	98%

Apart the quantitative indicators, other initiatives have contributed to increase the efficiency of the implemented controls such as information sessions, 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. This was also confirmed by the high overall satisfaction rate (93%) registered in the 2022 CINEA services satisfaction survey.

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 ⁽²⁶⁾, including other related control expenses ⁽²⁷⁾ (€39.6 million) and the administrative payments made on the operational budget (€16.4 million) which are:

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

Therefore, the costs of controls amount to €56 million against a total of operational payments made in this control environment of €6,750 million resulting in a ratio of around 0.83%, which demonstrates the cost-effectiveness of the controls. This result represents a decrease in relation to the previous reporting period, during which the ratio was 1.28%. The performed controls led to quantifiable benefits of €15.1 billion. More details on the cost of controls and benefits per programme 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

⁽²⁶⁾ In accordance with CINEA’s methodology for calculating the cost of controls.

⁽²⁷⁾ In particular, costs of on-site missions in the context of project monitoring and costs of ex post audits externally contracted.

Policy Centre) for the Research and Innovation family are reported in the Annual Activity Reports of REA and DG RTD.

4. Conclusion on the cost-effectiveness 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.

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, swift time-to-pay and low costs of controls.

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.

Internal Audit Service (IAS)

In 2022, ten assurance engagements were relevant to CINEA. During the year, the IAS issued three final reports, which included nine recommendations for CINEA (none of them critical and only one very important). Part were implemented by the Agency throughout 2022, including the only very important recommendation ⁽²⁸⁾. The remaining ones will be put into effect in 2023.

In its contribution to the 2022 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.

European Court of Auditors (ECA)

In 2022, CINEA was subject to the recurring ECA financial audit on the Statement of Assurance (SoA), including the audits on the administrative and on the operational annual accounts. No important or critical shortcomings were identified. Furthermore, there were no open recommendations from the previous SoA exercises for the Agency.

⁽²⁸⁾ The need to raise staff awareness to the applicable Horizon guidance for the implementation of ex post audit results and extensions of audit findings, recommended by the IAS audit on 'Implementation of audit results in Horizon 2020'.

In addition, the Agency provided support to its parent DGs in the context of eight ECA special audits in different stages of implementation. One special report was published in 2022, 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.

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.

CINEA has assessed its internal control system during the reporting year and has concluded that it is effective and the components and principles are present and functioning as intended. Some minor improvements are needed in the field of ethics and integrity (in particular related to the attendance rate of staff in the compulsory training on ethics). A number of remedial measures have already been implemented to resolve this situation. Regular monitoring of the attendance rate will determine if additional measures should be taken. Annex 8 provides details about the assessment of the internal control system of CINEA.

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 information sessions on matters of internal control and risk assessment.

2.1.4. Conclusions on the assurance

This section draws an overall conclusion, which stems from the results of management and auditor monitoring and systematic analysis of the elements reported in part 2 of this report. On this basis, CINEA's management trusts that resources assigned in 2022 to the activities described in this report are used for the intended purpose following sound financial management, and that the control system in place gives the necessary guarantees concerning the legality and regularity of the underlying transactions.

The relatively high error rate of EMFF does not lead to a financial reservation, considering its limited financial impact (as described in section 2.1.1. of this report), and thus should

not have bearing on the assurance. As to CEF Energy residual error rate, it was above 2% (2.52%) at the end of 2021, leading to a quantified reservation in the AAR 2021. However, in 2022, all open audits were closed with no major findings. As a result of this audit activity, and the other steps taken by CINEA as part of the CEF Energy error rate reduction action plan, the residual error rate fell to 1.83% at the end of 2022, thus under the materiality threshold (2%). Therefore, no quantified financial reservation is required for the current AAR. More information on the evolution of the CEF Energy error rate is shown in the table below:

Reservation Title	Financial Impact (in m EUR)		Residual error rate 2022	Evolution
	2021	2022		
Grants under direct Management (Financial Framework 2014-2020 - Programmes based on actual costs) - CEF Energy	12,61	8,94	1,83%	Lifted (solved)

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 Acting Director, in her capacity as Authorising Officer by Delegation has signed the Declaration of Assurance.

2.1.5. Declaration of Assurance

Declaration of Assurance

I, the undersigned,

Acting 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 ⁽²⁹⁾.

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.

Brussels, 28 March 2023

(e-signed)

Paloma Aba Garrote

⁽²⁹⁾ True and fair in this context means a reliable, complete and correct view on the state of affairs in the DG/Executive Agency.

2.2 Modern and efficient administration – other aspects

2.2.1 Human resource management

To deliver on its ambitious operational goals, CINEA continued its **intensive recruitment** carrying out more than 140 procedures. In addition, CINEA made special efforts to promote the Agency through a campaign on social media and presence at dedicated Commission events, such as the 2022 Career Day or Spotlight on CINEA. As a result, the Agency reached a vacancy rate of 8.8% (compared to 16% at the beginning of the year when additional posts were received) with 516 staff members in place.



Source: CINEA
CINEA management presenting the Agency during the ‘Spotlight on CINEA’ workshop

With the aim to increase staff motivation and engagement, CINEA actively contributed to the elaboration of a **new multiannual HR Strategy** common to all executive agencies. The strategy is built around three pillars: attractiveness and retention, selection and recruitment and career prospects, and will be implemented as of 2023 through a targeted action plan.

“
I GAINED NEW INSIGHTS ON THE FEMININE TRAITS OF LEADERSHIP AND HOW YOUR OWN BRANDING IS A KEY FOR A SUCCESSFUL AND RAPID CAREER GROWTH JOURNEY

Testimony by a staff member who took part in the Inter-Agency Women Talent Programme

A diverse and inclusive environment remained an important priority for CINEA. The Agency actively participated in relevant initiatives such as the Inter-Agency Women Talent Programme and the Respect & Dignity @work week where executive agencies co-signed a joint declaration on respect and dignity at the workplace. At the end of 2022, women occupied 37%

of the middle management positions while the Agency kept active dialogue with its parent DGs to increase further this percentage.

The Agency implemented various actions aiming at **staff development and learning**, including peer coaching and career guidance as well as participated in corporate-level initiatives such as inter-agencies job shadowing. With the aim to build higher cumulative knowledge and wider expertise in CINEA’s staff CINEA carried out, in cooperation with its parent DGs, the Green Talks initiative to discuss different topics around the European Green Deal objectives.

Continuing its efforts on **engaging with staff**, the Agency organised a series of brainstorming sessions following the 2021 EC satisfaction survey. The sessions aimed at collecting bottom-up ideas on staff engagement and lead to the implementation of various activities such as the ‘Let’s Talk’ consisting of regular discussions on various topics between CINEA’s senior management and staff members.

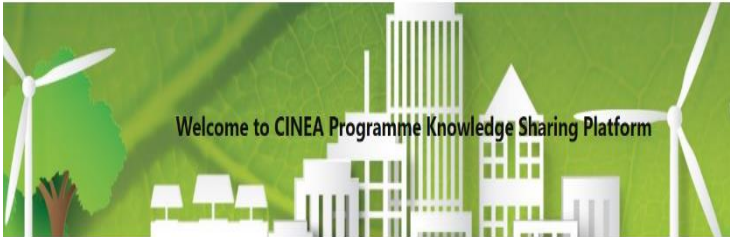


Source: CINEA
Staff deliberating with senior management during the Let’s Talk initiative

To promote healthy lifestyle and **staff well-being**, the Agency organised a ‘Vitality month’ and participated in different corporate initiatives such as Velomai and the Walking Challenge, both supported by the enthusiastic CINEA’s Cycling and Walking Groups. Finally, the easing of COVID-19 measures gave the possibility to get together in numerous occasions with the first physical Away Day since the creation of the Agency being an important highlight.

2.2.2. Digital transformation and information management

In order to ensure a culture of collaborative working and knowledge sharing, CINEA started implementing a new Data, Information and Knowledge Management Strategy, following the approach of the Commission



and the rolling action plan 2022-2024. Within this framework, the **Agency developed a dedicated platform** to be used as of 2023 that provides easy access in a form of a ‘one stop shop’ to internal programme-related material across the Agency. The platform aims to encourage staff members to get informed about the developments in the different CINEA programmes, including to enhance organisational efficiency through centralisation of the information flow.

As effective **internal communication** (IC) is essential for collaborative working, the Agency pursued the implementation of its Internal Communication Strategy 2021-2024 through actions aiming at increasing engagement and supporting DG COMM on the

INTERNAL COMMUNICATION

- 301 news on CINEAnet
- 46 weekly Director’s messages
- 25 editions of the internal newsletter
- 10 monthly management videos (total views 2 522)
- 4 editions of the internal magazine

corporate priorities, using various IC channels (intranet, internal newsletter, internal magazine, weekly Director’s messages, video messages, internal events etc.). Furthermore, CINEA continued to build an open, inclusive and cooperative way of working by **facilitating access to data** in alignment with the Commission’s Data Governance

and Data Policies. Actions included the successful migration of CINEA’s intranet to a new operating system as well as regular promotion of awareness raising sessions to remain cyber-secure. The use of electronic signatures was further promoted with the aim to strengthen fully automated and digitalised processes.

As far as on-boarding to eGrants is concerned, the Agency took active part in the respective DG RTD’s Common Implementation Centre groups and provided feedback for further development of the system. In parallel, CINEA kept maintaining TENtec and Butler - the management tools for the legacy CEF and LIFE programmes, while for the latter a security plan was drafted following a risk management exercise.

Finally, in collaboration with the Commission, CINEA actively prepared the enrolment of the Agency to the corporate Digital Work Place service with roll-out date in January 2023.

Developments related to **Business Intelligence services** progressed in line with the annual work plan under the supervision of the dedicated Steering Committee of the Agency and in 2022, CINEA released further internal dashboards to support the management of the programmes.

Data protection

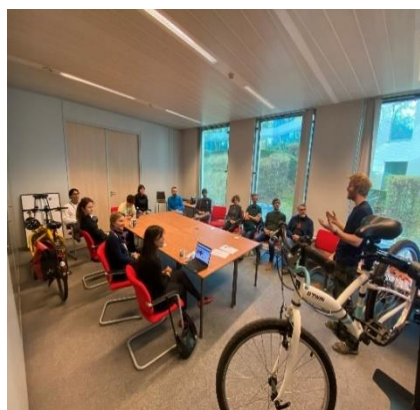
The Agency ensured compliance with the rules on Data Protection and work towards the implementation of the Commission's Data Protection action plan (C(2018) 7432) and its review (C(2020) 7625). On top of participating and promoting training activities to raise awareness on data protection, such as the Executive Agencies European Data Protection Week 2022, key achievements included:

- Adoption and publication of four new records and data protection notices;
- Provision of two trainings on data protection to CINEA staff;
- Adoption and publication of CINEA procedure to reply to data subjects' requests to exercise their rights.

2.2.3. Sound environmental management

CINEA successfully passed the EU Eco-Management and Audit Scheme (EMAS) audits on Communication and Building, which should enable the Agency to join the EMAS corporate scheme in 2023.

Furthermore, the Agency worked actively to reduce its environmental impact through an action plan elaborated by CINEA's Green Team (GT), following an internal survey performed in 2021. Implemented actions based on ideas from staff included promotion of video conferences instead of missions, awareness actions on reducing GHG emissions at the office and at home, better waste recycling and lower energy consumption at the office. In addition, the GT promoted corporate initiatives by providing support to all EMAS campaigns such as VeloMai, Mobility week, Waste reduction, Intern institutional days, spring campaign and Earth day.



Source: CINEA

The CINEA Green Team and Cycling group organised regular internal workshops to raise awareness on environmental issues.

Contributing to the Commission's goal for energy saving, the Agency's office opening hours were reduced by one and half hour and as of October temperature was lowered to 19C°.

Finally, progress was achieved on availability of bike parking facilities while 24 additional bike parking and cargo bike parking spots were installed resulting in the reduction of three car parking spaces.

2.2.4. Examples of economy and efficiency

CINEA remained committed to improve its operations especially given its growing portfolio of projects and diversity of programmes. In this context, building a systematic and coherent application of the procedures is key to enhancing operational efficiencies. To that end, the Agency further developed its web-based Manual of Procedures (eMoP), which documents in a single repository the relevant working processes, procedures and templates in a concise and user-friendly manner. In 2022, the eMoP was expanded with new sections for the programmes under the MFF 2021-2027, reflecting also the most recent working methods established after the on-boarding to eGrants. This streamlining of all internal procedures contributed to increase CINEA's productivity by speeding up its operations and led to a reduced internal administrative burden in parallel to sustaining the Agency's robust internal controls. Moreover, the use of e-Grants for the implementation cycle of the projects is expected to bring further efficiencies by moving to a fully digitalised system.