

Study supporting the evaluation of the EU Executive Agencies

European Innovation Council and SMEs Executive Agency
(EISMEA)

Independent Expert Report



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Study supporting the evaluation of the European Innovation Council and SMEs Executive Agency (EISMEA)

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List of Abbreviations

AAR – annual activity report
AWP – annual work programme
CA – contract agent
CBA – cost-benefit analysis
CINEA – European Climate, Infrastructure and Environment Executive Agency
DG – Directorate-General
DG BUDG – Directorate-General for Budget
DG CNECT – Directorate-General for Communications Networks, Content and Technology
DG GROW – Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs
DG JUST – Directorate-General for Justice and Consumers
DG REGIO - Director-General of the Directorate-General for Regional and Urban Policy
DG RTD – Directorate-General for Research and Innovation
EA – Executive Agency
EASME – Executive Agency for Small and Medium-sized Enterprises
ECA – European Court of Auditors
EIC – European Innovation Council
EU – European Union
FTE – full-time equivalent
HR – human resources
IAS – Internal Audit Service
ISG – Inter-Service Steering Group
INEA – Innovation and Networks Executive Agency
KPI – key performance indicators
MFF – multiannual financial framework
MoU – Memorandum of Understanding
REA – European Research Executive Agency
SFS – Specific Financial Statement
TA – temporary agent
TTG – time-to-grant
TTI – time-to-inform
TTP – time-to-pay
WP – work programme

Executive Summary

This report presents the findings of the external evaluation of the European Innovation Council and SMEs Executive Agency (EISMEA) for the period from 1 April 2021 to 31 March 2024. The evaluation, conducted in line with the European Commission's Better Regulation guidelines and Article 25 of Council Regulation (EC) No 58/2003, assesses EISMEA's effectiveness, efficiency, and coherence in implementing a complex portfolio of EU programmes delegated by five parent Directorates-General (DGs).

The evaluation was conducted using a mixed-method, theory-based approach to ensure a robust and balanced assessment of EISMEA's performance. The methodology integrated quantitative and qualitative techniques, including a systematic review of legal and operational documents, monitoring data analysis, and a comprehensive cost-benefit analysis. Two large-scale online surveys targeted beneficiaries, unsuccessful applicants, and external experts. Additionally, semi-structured interviews were held with Commission officials, EISMEA staff, beneficiaries, unsuccessful applicants, experts, and National Contact Points.

Main study results

Effectiveness

Objectives and delivery

EISMEA delivered effectively on its operational mandate and ensured the smooth continuation of programme management from predecessor agencies. It managed a diverse portfolio under five parent DGs (DG RTD, DG GROW, DG JUST, DG CNECT and DG REGIO), encompassing the European Innovation Council (EIC), the Single Market Programme (SMP), and the Interregional Innovation Investments (I3) instrument. While this broad mandate has enabled valuable synergies, the delegated programmes did not always fit seamlessly together, given their differing objectives, target groups, and implementation approaches. The Agency maintained high implementation performance, with commitment and payment rates close to or above 99% annually and contributed to the delivery of EU priorities in innovation, industrial competitiveness, and SME support.

Legal framework

EISMEA operated in full compliance with its establishing act and delegation decisions. The 2022 Memorandum of Understanding clarified roles and responsibilities with parent DGs, improving governance. The 2023 amendment transferring the equity component of the EIC Accelerator to indirect management under the European Investment Bank required procedural adjustments, which were implemented while maintaining continuity of grant management.

Internal Control

Internal control systems functioned effectively throughout the period. Audit results confirmed compliance with internal control standards and low error levels. A rise in the estimated error rate in 2024, driven by a small number of high-impact findings, prompted swift corrective actions, demonstrating system robustness. Internal challenges included workload pressure, staffing shortages, and declining staff satisfaction, as evidenced by the 2023 staff survey. In response, EISMEA launched a Recovery Plan focusing on workload planning, internal communication, transparency, and staff well-being, with early improvements already visible.

Communication

Communication and outreach were broadly effective and supported strong stakeholder satisfaction. Beneficiaries appreciated the clarity of guidance and availability of support, and external experts reported very high satisfaction rates. Nonetheless, improvements are needed in feedback to unsuccessful applicants, the clarity of programme-specific guidance, and visibility for smaller SMP components. Collaboration with parent DGs in communication activities strengthened over the period.

Reporting to parent DGs

EISMEA provided timely and structured reporting through dashboards, annual activity reporting, and formal MoU-governed processes. Reporting supported transparency and oversight, although stakeholders noted that reporting could be more streamlined and strategic, reducing duplication across different reporting streams.

Efficiency

Programme management

Delegating programme management to EISMEA proved efficient. The cost–benefit analysis confirms that the agency model generated significant cost savings compared to in-house delivery, particularly during the early years.

Fit for purpose

EISMEA's lean staffing model and progressive digitalisation supported operational efficiency. Procedural simplifications were introduced in grant and financial management, aided by the transition to corporate IT tools and the harmonisation of internal processes. During the evaluation period, efficiency was affected by temporary disruptions linked to IT transitions, programme-specific needs not immediately supported by corporate tools (e.g., within the SMP Food Programme and some EIC components), and persistent workload peaks and recruitment delays. These factors were reflected in the 2023 staff survey findings. EISMEA implemented a targeted Recovery Plan to improve internal communication, transparency, and workload planning. Despite these constraints, the Agency maintained solid time-to-grant and time-to-pay performance, and procurement and financial management remained compliant with internal control standards.

Environmental impact

EISMEA made tangible progress in reducing its environmental footprint, expanding paperless workflows, increasing remote working, limiting mission travel, and preparing for EMAS certification. These efforts align with the Commission's broader sustainability objectives.

Digitalisation

Digitalisation advanced steadily, with centralised digital platforms now supporting most grant and project management workflows. This strengthened harmonisation, consistency, and reporting across programmes. Some programme-specific functionalities, especially for EIC instruments, still require further refinement to fully meet operational needs.

Coherence

Coherence of the Programme Portfolio

EISMEA's activities were broadly coherent with its founding objectives and the mandates of its parent DGs. The Agency has aligned its internal processes and reporting mechanisms with

those of its five parent DGs, supported by annual Memoranda of Understanding (MoUs) that clarify responsibilities and coordination arrangements.

Division of Tasks between the Agency and the Parent DG

Roles and responsibilities were adapted to the new governance set-up, particularly regarding the EIC Fund and its transition to indirect management. While coordination improved, challenges persisted in achieving clearer delineation of responsibilities between programme units and parent DGs, and in ensuring smooth cooperation across interconnected policy areas.

Feedback to Policy

Feedback-to-policy processes strengthened over time, with the Agency increasingly providing operational insights to inform programme design and supervision. The 2023 mandate amendment, transferring the EIC Accelerator's equity component to indirect management, required further adjustments in coordination between EISMEA, the EIB, and parent DGs, reinforcing the importance of continuous feedback loops.

1. Introduction

This document presents the Draft Final Report of the study supporting the evaluation of the European Innovation Council and SMEs Executive Agency (EISMEA). This evaluation support study is being conducted under the Multiple Service Framework Contract RTD/2023/OP/0011 - Framework Contract for the Impact Assessments, Evaluations, Foresight and Strategic Analysis of Research and Innovation Policies and Programmes, Lot 3 - Studying, assessing and evaluating research and innovation programmes and policies (SARI).

In line with the tender specifications, the report is organised as follows:

- The remainder of this section Section 1 provides an overview of the purpose and scope of the evaluation, the evaluation criteria covered and the methodology applied.
- Section 2 provides a description of the intervention and the baseline for the evaluation.
- Section 3 provides an overview of EISMEA's evolution during evaluation period
- Section 4 provides the evaluation findings
- Section 5 presents the conclusions and the recommendations of the study.

The annexes to the report provide a detailed overview of the consultation's scope, including the interviews conducted and documents reviewed, as well as an in-depth presentation of the survey findings.

This external evaluation assesses the operations of the European Innovation Council and SMEs Executive Agency (EISMEA) from **1 April 2021 to 31 March 2024**, in line with Article 25 of Council Regulation (EC) No 58/2003, which mandates a review every three years. The evaluation focuses on the agency's effectiveness, efficiency, and coherence, following the European Commission's Better Regulation guidelines.

The study examines whether EISMEA met its operational objectives, the efficiency of its resource use, and the alignment of its activities with institutional goals. It also evaluates the agency's interaction with its parent Directorates-General and the coherence of its programme portfolio. Specifically, the following evaluation themes are covered, in line with the Commission's better regulation principles:

- **Effectiveness**, assessing whether the Agency has fulfilled its tasks effectively (including delivery of communication and outreach, internal control and reporting).
- **Efficiency**: assessing whether the Agency has fulfilled its tasks efficiently in line with Article 25 of Regulation (EC) No 58/2003, examining the extent to which the Agency has optimised the use of its resources, streamlined internal processes and implemented cost-effective actions to deliver its delegated tasks.
- **Coherence**: covering internal and external coherence assessing if there are overlaps, gaps or inconsistencies in its management of the programme portfolio; whether there is a clear delimitation of tasks between EISMEA and the parent Directorates-Generals and information flows on feedback to policy.

The evaluation was structured around 15 questions outlined in the tender specifications, with a primary focus on operational delivery. It did not assess programme results or outcomes, which are subject to the periodic programme evaluations.

As part of the study, a cost-benefit analysis was conducted to determine whether the anticipated efficiency gains from delegating tasks to the agency, compared to in-house management, have materialised, as projected in the 2021 ex-ante analysis and related financial statements. This evaluation forms part of a broader assessment of the European Commission's six Executive Agencies.

The study employed a mixed-method, theory-based evaluation approach to address the defined evaluation questions. This methodology combined clearly structured questions and indicators with both quantitative and qualitative techniques to ensure a robust assessment of EISMEA.

Key research tools included a desk review, analysis of monitoring data, surveys targeting applicants, beneficiaries, and experts, as well as a cost-benefit analysis. To complement these, in-depth qualitative insights were gathered through a comprehensive interview programme involving EISMEA’s primary stakeholders.

Document review and analysis of monitoring data

As part of the evaluation, a systematic qualitative and quantitative review of materials related to EISMEA’s operations was carried out. The evaluation team consulted publicly available sources and worked closely with both DG RTD and EISMEA to obtain additional internal documents and data not accessible to the public. EISMEA contributed with a broad set of documents, delivered in several batches between February and June 2025.

In parallel, the project team developed a list of internal indicators relevant to the analysis, which was shared with EISMEA. This led to the provision of further supporting data. A comprehensive list of the documents reviewed for this evaluation is provided in an annex to this report.

Surveys

Two distinct online surveys were conducted as part of the EISMEA evaluation, one targeting beneficiaries and unsuccessful applicants, and the other aimed at external experts involved in supporting EISMEA’s activities. The questionnaires were designed during the inception phase and launched via EU Survey on April 8th, remaining open for one month. In total, 3,101 responses were received: 750 from beneficiaries, 792 from unsuccessful applicants, and 1,559 from external experts. Participation among unsuccessful applicants was notably lower than that of beneficiaries. The response rates were 20% for beneficiaries, 46% for experts, and just 6% for unsuccessful applicants. Insights from the surveys that inform the main findings are integrated into this report, while a comprehensive analysis of the survey data is presented separately in Annex 6.3.

Interviews

To gather qualitative insights into EISMEA’s performance and operational challenges, a targeted interview programme was conducted. Semi-structured interviews were held with a broad range of stakeholders, including European Commission officials (from DG RTD, DG GROW, DG JUST, DG REGIO, and DG CNECT), EISMEA staff, and external stakeholders such as beneficiaries, applicants, external experts, and National Contact Points. In total, 58 interviews have been conducted (Table 1).

Table 1: Interview programme

Stakeholder group	Target	Conducted
European Commission officials (DG)	10-15	13
EISMEA staff	15-28	24
Beneficiaries	10	10
Unsuccessful applicants	4	4
External experts	4	4
National Contact Points	3	3
All	46-64	58

Cost benefit analysis and workload assessment

The retrospective cost-benefit analysis (CBA) aims to evaluate the extent to which Executive Agency has realised the anticipated savings and productivity gains outlined in the ex-ante CBA for the period 2021-2024. To conduct this analysis, the study compares ex-ante estimates with actual data on full-time equivalents (FTEs), staff costs, and commitment appropriations, assessing the performance of EAs (“optimised scenario”) against both the in-house and the status quo scenario. In this context, the optimised scenario reflects the expected efficiency gains and resource savings resulting from delegating programme implementation tasks to Executive Agencies, while the status quo scenario represents the baseline situation in which such tasks would have continued to be managed directly by the European Commission. The actual numbers were taken from the Annual Work Programmes and the estimated from the Specific Financial Statement/ex-ante CBA. The detailed description of the methodology and the assumptions can be found in the annex.

Strengths and weaknesses of the evaluation approach

The evaluation of EISMEA was carried out in accordance with the European Commission’s Better Regulation Guidelines, applying a structured, theory-based methodology. It provides robust evidence on the effectiveness, efficiency, and coherence of the Agency’s operations, drawing on a combination of quantitative and qualitative data sources. These included desk research, monitoring data, stakeholder surveys, and in-depth interviews with key actors across the programme cycle. For each evaluation criterion, the team defined specific indicators, data sources, and analytical parameters, ensuring a consistent and triangulated approach to evidence collection. This enabled a comprehensive assessment of EISMEA’s processes, management practices, and operational performance.

While the evaluation is grounded in solid evidence, several challenges were encountered during the evaluation, which imposed certain limitations on its results. These include, for example:

- Although the survey ultimately received a significant number of responses for the analysis, during the initial launch of the survey, the EU Survey platform experienced overload, causing some participants to receive error messages when filling out the survey, which may have slightly reduced the overall response rate.
- Interview response rates varied across stakeholder groups; the majority of stakeholder groups were highly engaged, while some, like the unsuccessful applicants, had low or delayed responses and therefore a limited representativeness.

2. Background of the measure

The Framework Regulation for Executive Agencies¹ states that the purpose of entrusting the Executive Agencies with programme implementation tasks is to enable the Commission to focus on its core policy activities and functions which cannot be outsourced. Moreover, delegation enables the Commission to achieve the objectives of the delegated EU programmes more effectively. The 2021 cost-benefit analysis indicated that it was more cost-efficient to delegate certain programme tasks to the Agency than to perform them in house².

The cost-benefit analysis also pointed to the optimised allocation of programmes scenario, under which additional efficiency gains could be generated compared to the 2014-2020 baseline. Under this scenario, the optimised allocation of programmes should ensure a more effective implementation of EU programmes through a thematically coherent architecture of portfolios and more streamlined governance.

The European Innovation Council and SMEs Executive Agency (EISMEA) was established on 1 April 2021 through Commission Implementing Decision (EU) 2021/173, under Council Regulation (EC) No 58/2003, as part of the reorganisation of executive agencies accompanying the launch of the 2021–2027 Multiannual Financial Framework (MFF). EISMEA took over and consolidated part of the implementation tasks previously carried out by the Executive Agency for Small and Medium-sized Enterprises (EASME) and incorporated responsibility for the operational management of the newly launched European Innovation Council (EIC), in addition to other existing ones such as SMP Consumer and new instruments like I3, among others.

In 2023, EISMEA's mandate was amended, most notably with the transfer of the implementation of the equity component of the EIC Accelerator (EIC Fund), from EISMEA to the European Investment Bank as implementing partner under indirect management. This adjustment responded to strategic and legal considerations regarding the management of financial instruments and marked a significant change in the agency's scope, while preserving its core mission of supporting high-risk innovation and SME growth through grant-based instruments and programme implementation. The Agency manages a broad and diverse set of EU programmes and actions, covering both 2021–2027 instruments and legacy activities from the 2014–2020 period. Its main responsibilities include:

- Horizon Europe Pillar III, specifically the European Innovation Council (EIC), with the Pathfinder, Transition, and Accelerator schemes aimed at supporting breakthrough and disruptive innovations, the EIC Prizes and the European Innovation Ecosystems part of Horizon Europe.
- The European Innovation Ecosystems, aimed at strengthening links among national and regional actors, aligning innovation policies, and supporting SME scale-up across Europe.
- The Single Market Programme (SMP), including actions on SME support, standardisation, market surveillance, and consumer policy.
- The Interregional Innovation Investments (I3) Instrument under the ERDF, focused on scaling up interregional innovation initiatives.

¹ Commission Implementing Decision (EU) 2021/173 of 12 February 2021 establishing the European Climate, Infrastructure and Environment Executive Agency, the European Health and Digital Executive Agency, the European Research Executive Agency, the European Innovation Council and SMEs Executive Agency, the European Research Council Executive Agency, and the European Education and Culture Executive Agency and repealing Implementing Decisions 2013/801/EU, 2013/771/EU, 2013/778/EU, 2013/779/EU, 2013/776/EU and 2013/770/EU adopted under Council Regulation (EC) No 58/2003.

² Commission staff working document, 2021, Cost-benefit analysis for the delegation of the management of the 2021-2027 EU programmes to executive agencies. C(2021) 946 final.

- Legacy programmes such as COSME 2014–2020 and Horizon 2020, particularly in areas related to innovation ecosystems and SME competitiveness.
- Pilot projects and preparatory actions under the Digital Europe Programme and other delegated projects in tourism, intellectual property, and enterprise networks.

EISMEA is responsible for the full lifecycle of project and grant management, designing and launching calls for proposals, organising evaluations, signing grant agreements, managing project execution, and processing payments. The Agency also plays a role in providing operational feedback to parent DGs, ensuring alignment between programme implementation and evolving policy objectives. During the evaluation period, five parent Directorates-General supervised EISMEA:

- DG RTD – Directorate-General for Research and Innovation
- DG GROW – Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs
- DG JUST – Directorate-General for Justice and Consumers
- DG CNECT – Directorate-General for Communications Networks, Content and Technology
- DG REGIO – Directorate-General for Regional and Urban Policy

The intervention logic of EISMEA is provided below. When implementing the programmes delegated to it, EISMEA was responsible for:

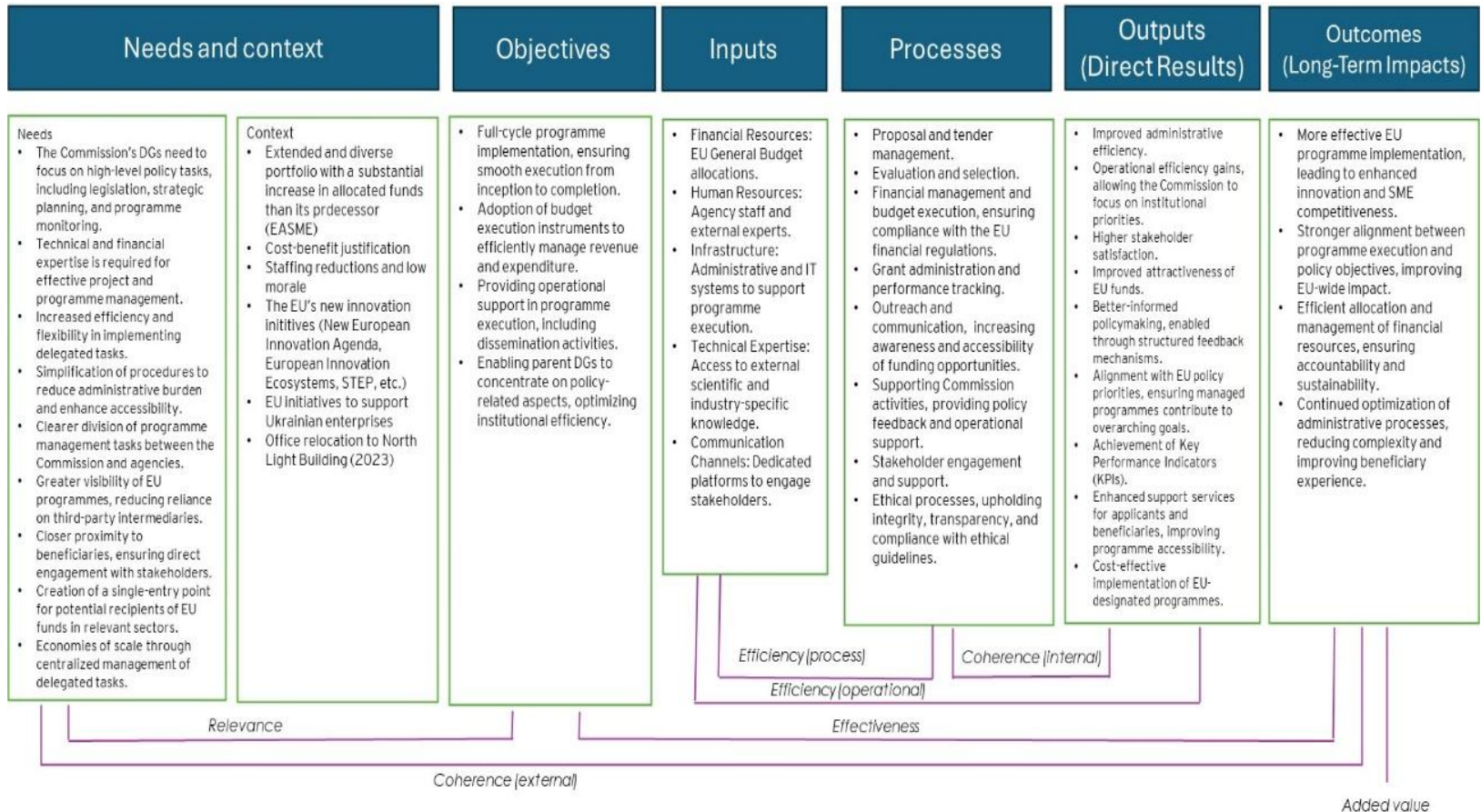
- Calls for Proposals and tenders launch after their approval by the Commission, evaluating proposals and tenders, selecting projects and tenderers to award contracts to be funded
- Signing grant agreements and contracts
- Monitoring the implementation of projects and contracts incl. performance tracking
- Ensuring the coordination between the grant and investment components of the HE EIC Accelerator scheme.
- Data gathering, in particular to support DG RTD in the preparation of the annual EIC Impact Report.
- Supporting the commercialisation and scaleup of EIC beneficiaries and Seal of Excellence companies, including through creating partnerships and maintaining relations with external partners like investors, corporates, ecosystem players, public and private buyers of innovation, trade fairs organisers, etc.
- Communication, outreach and support to applicants and their intermediaries (National Contact Points, National Agencies, and programme Desks)

Supporting its parent DGs by providing feedback to policy (F2P) including inputs for the preparation of work programmes, feedback on programme implementation, ad-hoc inputs for briefings and communication activities.

The key inputs underpinning EISMEA's operations include human and financial resources, IT tools, technical expertise and communication channels. The agency's core outputs reflect its ability to manage delegated programmes effectively and efficiently, ensuring the timely delivery and appropriate scope of supported actions. These outputs are monitored through a set of key performance indicators (KPIs), which encompass budgetary execution, financial management, programme management metrics (e.g. number of calls launched, proposals evaluated, grants signed, and projects managed), and communication reach. Feedback to policy outputs also play a critical role in informing upstream decision-making.

Outcomes are assessed in terms of the medium- to long-term results and impacts achieved during the evaluation period. To evaluate EISMEA's performance, the analysis draws on KPIs, financial management indicators, and lifecycle metrics across the proposal and project implementation phases. Communication indicators and stakeholder satisfaction, measured through surveys targeting beneficiaries, unsuccessful applicants, and experts, are also considered as performance outputs. Additionally, the evaluation incorporates the results of a quantitative cost-benefit analysis, comparing the executive agency model with alternative implementation scenarios.

Figure 1: Intervention logic of EISMEA



Source: Consortium

3. State of play

Since its establishment under Commission Implementing Decision (EU) 2021/173 of 12 February 2021, the European Innovation Council and SMEs Executive Agency (EISMEA) has experienced an evolution in scope, structure, and portfolio novelties. EISMEA was originally entrusted with the implementation of the following (parts of) Union programmes: (a) Horizon Europe, pillar III: the European Innovation Council (EIC) and European Innovation Ecosystems; (b) Interregional Innovation Investments Instrument; (c) Single Market Programme including Internal market and standardisation; Consumer protection pillar and the SME pillar. While this broad mandate has enabled valuable synergies, the delegated programmes did not always fit seamlessly together, given their differing objectives, target groups, and implementation approaches. This has occasionally posed challenges for ensuring full coherence and strategic alignment across the portfolio.

In addition, EISMEA was also entrusted with managing legacy programmes from the previous 2014-2020 MFF, notably residual actions under Horizon 2020 and the COSME and the Consumer Programmes and the Internal Market and support to Standardisation legacy activities, ensuring continuity and closure of earlier project portfolio.

In 2023, Commission Decision C(2023)4256 amended Decision C(2021)949 final regarding the delegation of tasks following the restructuring of the European Innovation Council (EIC) Fund and the clarification of tasks delegated in relation to financial instruments and support to the European Innovation Council Board. This adjustment refined EISMEA's responsibilities in line with the evolving governance framework of the EIC. Through the transition of the EIC Fund (the equity financing vehicle of the EIC Accelerator) from direct to indirect management, effective 1 January 2024, EISMEA ceased to be responsible for the following: performing the tasks related to the payments to the EIC Fund, monitoring the administrative budget of the EIC Fund and the performance of the EIC Fund's service providers and provide assistance to the EIC fund in the verification of the regularity of payments made by the EIC Fund. However, it continued to manage the company selection process and the management of the grant component. EISMEA became an EIC Fund actor alongside RTD, the European Investment Bank and external fund managers.

Through the adoption of the Strategic Technologies for Europe Platform Regulation, EISMEA's mandate was extended to encompass the implementation of investments in strategic technologies, including initial projects under the European Chips Act. This broadened portfolio brought an additional allocation of approximately €100 million in 2023 and further embedded the Agency within the European Union's industrial and innovation sovereignty strategy.

In parallel, the Agency underwent a transition to corporate IT tools and systems to align with Commission's digital governance framework. The migration of programmes, particularly under SMP and EIC, onto corporate platforms such as eGrants and the Funding & Tenders Portal brought process harmonisation but also brought transitional challenges.

The number of calls for proposals and tenders launched under EISMEA's remit has progressively increased since 2021, reflecting the full operationalization of its delegated programmes. Between 2021 and 2024, the Agency managed several dozen calls annually across its programmes. Among them are flagship instruments such as the EIC Accelerator (grant and equity-based support for deep-tech start-ups), the EIC Pathfinder and Transition, Interregional Innovation Investment (I3) Instrument calls. The Agency also managed calls under the SMP, including SME Pillar Internal Market, Standardisation and Consumers strands, as well as legacy programme (COSME,). In addition, it oversaw other innovation ecosystem actions such as the Innovative SMEs partnership and the EIC Prizes.

The Agency's implementation performance has been consistently strong in terms of budget execution, with implementation rates near or above 99% of available commitment and payment appropriations in each year since 2021³.

In terms of programme quality and compliance, the Agency has applied internal control standards aligned with the Commission's framework. In 2022, systemic issues related to the governance of the EIC Fund, identified by the European Court of Auditors and the Internal Audit Service, resulted in a qualified declaration of assurance. In response, a multi-actor action plan involving EISMEA, the Directorate-General for Research and Innovation (DG RTD), the Directorate-General for Communications Networks, Content and Technology (DG CNECT), was launched to clarify roles and improve the coherence of fund governance.

Moreover, an important internal development during 2021-2024 period was the 2023 staff survey, which highlighted concerns regarding workload, communication and strategic clarity. To address these issues, EISMEA launched a staff engagement and recovery plan focused on improving transparency, internal communication, and well-being, while reinforcing staff participation in decision-making and workload planning.

Internally, EISMEA has enhanced its organisational capacity through investments in digitalisation, internal control systems, and training. The Agency deployed the Commission-wide CENTRICS risk and control framework, improved data governance, and rolled out a revised anti-fraud strategy involving mandatory training and registration in the Rapid Alert Fraud System. Environmental sustainability measures were also introduced, including paperless procedures, building energy optimisation, and preparation for compliance with the Eco-Management and Audit Scheme (EMAS).

³ EISMEA Annual Activity Reports, 2021-2024.

4. Evaluation findings

This section represents a core component of the evaluation, examining the effectiveness, efficiency, and coherence of EISMEA's activities between 1 April 2021 and 31 March 2024. The sub-sections that follow are organised according to the evaluation criteria and questions set out in the Technical Specifications. Given the interconnected nature of many of the evaluation questions, and occasional overlaps, cross-references to related questions are provided where relevant to ensure clarity and coherence in the analysis.

4.1. Effectiveness

4.1.1. Objectives

EQ1: To what extent has the Agency achieved its objectives related to programme implementation, taking into account the interests of the participants and those of the EU?

Key findings: EISMEA has successfully delivered programmes under Horizon Europe, the Single Market Programme, and legacy actions from Horizon 2020 and COSME, maintaining high implementation and budget execution rates (~99%) from 2021 to 2024. Through initiatives like EIC Pathfinder, Transition, Accelerator, European Innovation Ecosystems, I3 Instrument, and SMP actions, EISMEA has significantly advanced EU goals on innovation, SME competitiveness, and industrial resilience, supporting thousands of innovative SMEs and start-ups. Despite strong overall performance, staffing shortages and IT system transitions temporarily slowed some processes. These were mitigated through task reprioritisation, coordination with parent DGs, and internal measures.

The European Innovation Council and SMEs Executive Agency is tasked with implementing parts of the EU's research and innovation programme (Horizon Europe), Single Market Programme (SMP) and European Regional Development Fund (ERDF), primarily focusing on supporting high-potential innovators, small and medium-sized enterprises, start-ups and consumers. Its mission is to provide high quality support to European innovators, researchers, businesses and consumers, reinforce the European Union's position as a global leader in Research and Innovation, strengthen its Single Market, open up opportunities for SMEs and maintain high standards of protection for its citizens towards a more competitive, digital, green and inclusive EU. EISMEA oversees instruments such as the EIC Pathfinder, Transition, Accelerator, European innovation Ecosystems (EIE), SME Pillar and Consumer Protection Pillar of the SMP, EU Standardisation and market surveillance and Interregional Innovation Investments (I3) Instrument. EISMEA supports innovation, industrial competitiveness, SME growth, and consumer protection across Europe. The Agency operates under the strategic oversight of several parent DGs, primarily DG RTD, DG GROW, DG CNECT, DG JUST, and DG REGIO, ensuring coherence across scientific excellence, industrial policy, digital transformation, and regional development. However, in practice, the delegated programmes did not always fit seamlessly together, given their differing legal bases, policy objectives, target audiences, and implementation approaches. This diversity occasionally created challenges for achieving full strategic and operational coherence across the portfolio.

EISMEA's work supports the strategic objectives of its five parent DGs, notably in areas such as research and innovation, consumer protection, industrial competitiveness and SME support, regional development and the digital transformation of the EU economy. Through these aims,

EISMEA contributes to the EU's overarching goals such as the European Green Deal, A Europe Fit for the Digital Age and An Economy that Works for People.

Between 2021 and 2024, EISMEA operated under a mandate defined with the delegation of programmes to the Agency in 2021. This mandate consolidated the agency's responsibilities, covering the implementation of parts of Horizon Europe, notably the European Innovation Council, as well as the Single Market Programme. New responsibilities included from its outset the Interregional Innovation Investments (I3) instrument, a programme which introduced regional development tasks and required coordination on financial and legal matters. Other actions were developed to facilitate additional services to beneficiaries, such as the EIC Scaling Club. The European Social Innovation Competition (ESIC) extended EISMEA's scope to include social and inclusive innovation. In response to Russia's war of aggression against Ukraine, EISMEA implemented support measures for Ukrainian SMEs under the HE and SMP, requiring adjustments to work planning, reallocation of resources and coordination with additional Commission services to ensure rapid implementation. Its role in policy support also grew through foresight activities and contributions to the EIC Forum Secretariat, and the publication of Emerging Technologies Report (EIC Tech Report). The expansion of Tech to Market (T2M) services increased EISMEA's involvement in helping innovators bring their solutions to market, also thanks to an EIC Initiative implemented particularly through a specific service contract and the Enterprise Europe Network.

Implementation of the delegated programmes

EISMEA aims to achieve its general objectives by concentrating on its operational goals related to programme implementation and KPIs. These KPIs include budget execution (commitment and payment appropriations implemented), time to grant, overall risk at closure, and time to pay⁴.

Beyond these KPIs, EISMEA's annual work programmes for 2021-2024 provide for specific objectives for programme execution and related metrics. These include project selection, ensuring the quality of call results, monitoring, verifying the quality of project outcomes, and communication efforts.

The evidence reviewed, indicates that EISMEA has been delivering on its core operational objectives related to programme implementation. The Agency has seen a significant shift in both the scale of activity and financial execution during the 2021-2024 period. As shown in Figure 2 below, while the average number of running projects declined from an average 2017-2020 3425 per year to 2443, a reduction of nearly 29%, the operational budget remained relatively stable. Payments made averaged 1.289 billion Euro annually between 2017-2020, and only slightly decreased to 1.232 billion Euro per year between 2021-2024⁵. This evolution suggests a strategic transition from a high-volume, lower-value project model to one focused on fewer but potentially more complex or higher-value initiatives. Despite the reduced number of projects, the Agency sustained strong budget absorption, with 2023 marking a peak in operational payments at over 1.6 billion Euro, surpassing any year in the previous MFF. The data reflects a consolidation of programme delivery, possibly in response to evolving policy priorities and administrative restructuring under the current MFF.

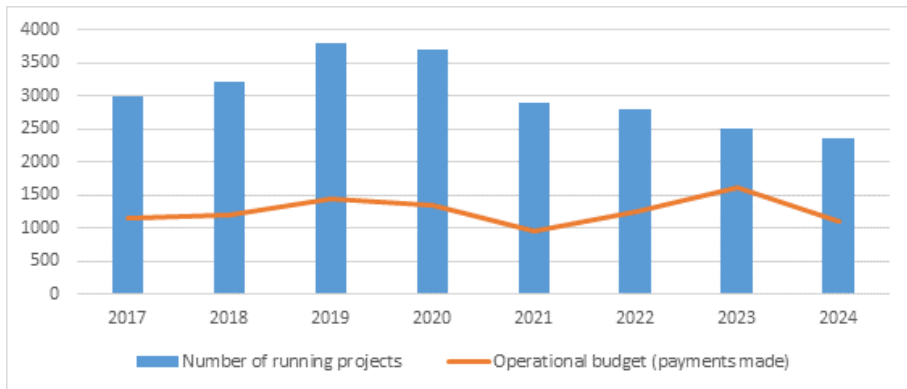
The number of proposals received annually shows a strong and sustained level of interest, rising from 4,580 in 2021 to a peak of 6,068 in 2022. Although there was a decline to 4,744 in 2023, the increase to 7729 proposals in 2024, suggests a stabilisation in participation levels since the

⁴ It is important to recognise that the results may be partially shaped by the practice in which lead parent DGs absorb unused or expiring commitments. This setup allows executive agencies to maintain strong performance indicators, since unexecuted commitments are not reported, while shifting the responsibility to lead parent DGs to reallocate or manage these funds to prevent budgetary losses.

⁵ Study supporting the evaluation of CHAFEA, EACEA, EASME, ERCEA, INEA & REA (2017/2018-2021), EASME final report, 2023

creation of the Agency in April 2021, with the exception of the EIC (both Pathfinder and Accelerator schemes) that have been facing massive oversubscription rates.

Figure 2: Operational budget overview and number of projects managed compared to previous triennial period

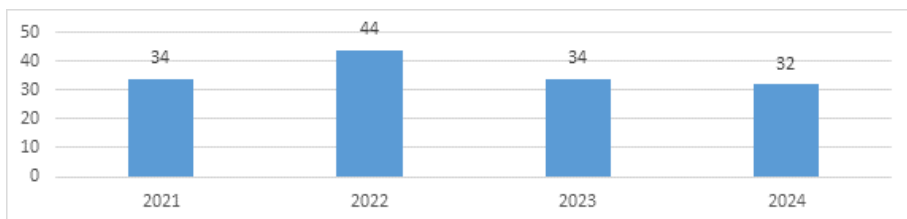


Source: Study supporting the evaluation of CHAFAEA, EACEA, EASME, ERCEA, INEA & REA (2017/2018-2021), EASME final report, 2023; EISMEA Annual Activity Reports 2021-2024

The number of grants signed mirrors shifts in funding capacity and programme focus. After a modest start with 245 grants signed in 2021⁶, the figure surged to 770 in 2022, reflecting a year of intensive funding activity. This was followed by a decline to 645 in 2023 and 436 in 2024, indicating a more selective or strategically targeted funding approach in subsequent years. The number of running projects increased steadily between 2021 and 2022, with 1128 and 2,080 ongoing projects respectively. However, 2023 marked a significant increase to 2,638 active projects, before falling to 2,252 in 2024. This peak in 2023 suggests an intensified project implementation phase, requiring heightened monitoring and administrative oversight.

Between 2021 and 2024, EISMEA's operational budget grew from €952 million in 2021 to €1.248 billion in 2022 and €1.621 billion in 2023 reflecting the establishment, the expanded mandate of the Agency and the full implementation of the programmes despite vacancy rates ranging between 11% and 18%. In 2024, the budget decreased to 1.1 billion due to the NGEU budget, a reduction of approximately 31.67% compared to 2023, reflecting the budget neutrality and stabilisation, following previous years of growth⁷.

Figure 3: Number of calls for proposals launched, 2021-2024

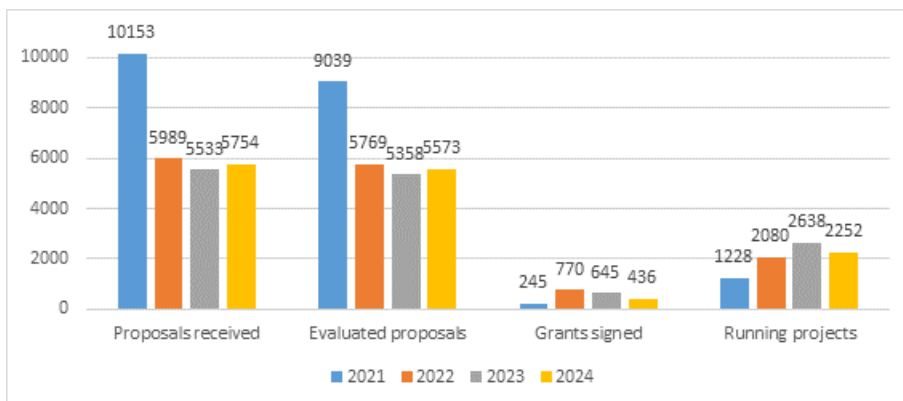


Source: Annual Activity Reports, 2021-2024

⁶ The relatively low number of signed grants in the initial phase is also linked to the timing of the first EIC Work Programme, adopted in March 2021, limited the execution window for grant agreements, with the start of the Agency's operations on 1 April 2021.

⁷ EISMEA Annual Activity Reports and their annexes, 2021-2024.

Figure 4: Number of proposals received, proposals evaluated, grant agreements signed, and running projects (2021-2024)



Source: Annual Activity Reports, 2021-2024

Execution of key performance indicators

Although EISMEA achieved full execution of commitment appropriations throughout 2021–2024, it fell slightly short of full execution for payment appropriations in 2021 and 2022, with rates of 99.8% and 99.98% respectively, which could be explained by the late adoption of certain work programmes, such as SMP - SME pillar and Horizon Europe, and the operational challenges faced during EISMEA’s inaugural year in 2021. The COVID-19 pandemic further complicated matters, particularly in terms of staff recruitment and onboarding. Additional delays stemmed from the complexity of grant preparation processes, especially within the EIC Accelerator scheme, where blended finance mechanisms introduced further intricacies. Other contributing factors included IT-related issues, notably delays in the migration to the grant management tools (such as eGrants, COMPASS and SYGMA). While the corporate Funding and Tenders Portal functions as an entry point for applicants rather than a grant-processing system, adjustments to the underlying tools and their alignment with the SEDIA environment temporarily affected data exchange and slowed the processing of certain Horizon Europe and Single Market Programme actions, alongside the need to resolve specific cases involving applicants from the UK and Switzerland, which added layers of complexity to grant management⁸.

Key performance indicators showed that the time-to-grant (TTG), which measures the share of grant agreement preparations finalised on time, ranged from 99.2% in 2021 to 99.98% in 2022, 99.7% in 2023 to 77% in 2024. The drop in TTG performance in 2024 can be linked to several operational challenges outlined in EISMEA’s AAR 2024. These include complexity of the action, human resources constraints, late signatures by consortia and unforeseen changes in consortia, the introduction of the use of lump sums (which triggered specific implementation adjustments), and the introduction of economic security measures (which required new procedures for certain applicants), as well as lengthy decision-making process for proposals that require a Commission Implementing Decision.

During the evaluation period, the time-to-pay performance indicator fluctuated only slightly: 99.2% in 2021, 99% in 2022, 99.6% in 2023 to return to 99.95% in 2024. These variations are minor in absolute terms, but reflect underlying shifts in workload, resource allocation and process optimisation. The slight dip in 2022 can be linked to the ramp-up of the Horizon Europe implementation, where delays in the deployment of IT tools, increased payment volumes and complexity temporarily affected processing speed. In contrast, 2023 saw a peak in performance possibly due to streamlined workflows and matured internal systems. Regarding budget

⁸ EISMEA AAR 2023

execution indicators⁹, EISMEA consistently achieved 100% for commitment appropriations and maintained an average of 99.7% for payment appropriations across all years.

EISMEA managed to keep the overall risk at closure minimal from 2021 to 2023. The estimated risk was 1.50% in 2021, 1.64% in 2022, and 1.45% in 2023, maintaining values within the target threshold of below 2%. However, in 2024, the error rate rose to 2.21%, exceeding the target. The increase in the error rate in 2024 was primarily due to a small number of isolated but high-impact errors identified through ex-post audits¹⁰.

Additionally, at programme level, some differences become evident. In certain programmes such as COSME¹¹ and Consumer Protection Programme pillar¹², the residual error rate slightly exceeded the target of 2% during some years of the evaluation period. This was primarily attributed to the inherited complexity and legacy issues of the programmes, as well as challenges in beneficiary compliance and documentation quality.

Moreover, between 2021 and 2024, several events impacted the agency's ability to pursue its objectives. Notably, the Commission decision to transfer partially the tasks of EISMEA Unit D.01, whose responsibilities included the strategic supervision of the EIC portfolio, to DG RTD, was a major structural change. The reorganisation, a result of the restructuring of the EIC fund, required redefinition of internal roles and adjustments in communication with stakeholders which were only partially effective. While such changes posed challenges, a timely implementation was expected to maintain operational continuity. Similarly, the Agency was required to swiftly adapt to the UK's re-entry as an associated country to Horizon Europe, which necessitated rapid updates to eligibility criteria, guidance materials, and legal assessments.

The table below presents an overview of EISMEA's KPIs for the period of the evaluation.

Table 2: Performance indicators¹³

Name	2021	2022	2023	2024
Time-to-grant (%)	99.2%	99.98%	99.7%	77%
Time-to-pay (%)	99.2%	99%	99.6%	99%
Budget execution (%), commitment appropriations	100%	100%	100%	100%
Budget execution (%), payment appropriations	99.8%	99.98%	100%	100%
Overall risk at closure (error rate)	1.5%	1.64%	1.45%	2.21%

Source: Annual Activity Reports, 2021-2024

Satisfaction of beneficiaries, unsuccessful applicants and experts with the quality of the services provided by the Agency

As further elaborated in Annex 6.3 of the report, the survey results confirm a consistently strong level of satisfaction with EISMEA's oversight and project management processes among

⁹ The budget execution rate mainly reflects grant implementation, while procurement contracts are comparatively minor and therefore do not drive these percentages. When procurements are delayed, their effect on total execution is marginal, typically well below one percentage point.

¹⁰ EISMEA Annual Activity Report 2024

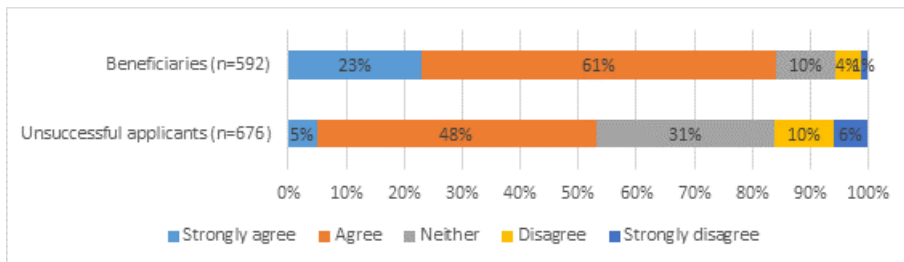
¹¹ 2.69% in 2022, 2.39% in 2023 and 2.18% in 2024

¹² 0.25% in 2022, 3.59% in 2023, 4.87% in 2024

¹³ Data compiled based on the available Annual Activity Reports of the agency.

beneficiaries. A combined 84% of respondents either agreed (61%) or strongly agreed (23%) with the overall services offered by EISMEA, as shown in Figure 5 below. In contrast, satisfaction was notably lower among the 676 unsuccessful applicants, with only 48% agreeing and just 5% strongly agreeing. Compared to the 2023 satisfaction survey conducted by EISMEA¹⁴, where the average satisfaction rate among beneficiaries was around 82%¹⁵ and among unsuccessful applicants around 66%, the 2025 results suggest that beneficiary satisfaction has remained consistently high, even registering a slight increase in satisfaction, while satisfaction among unsuccessful applicants has slightly declined, particularly in terms of strong endorsement. This points to a continued perception gap between those who receive funding and those who do not, highlighting the importance of improving communication and user experience for all applicants, regardless of outcome.

Figure 5: Overall satisfaction of beneficiaries and unsuccessful applicants with the quality of the services provided by EISMEA during the application period



Source: Survey of beneficiaries and unsuccessful applicants

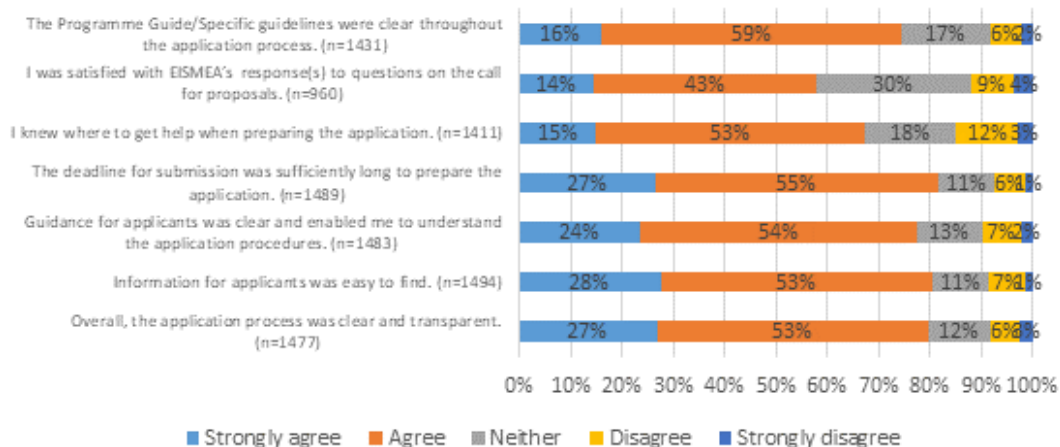
In terms of satisfaction with the application process managed by EISMEA, the data reveals consistently high levels of approval among beneficiaries and unsuccessful applicants. A substantial majority (80%) agreed or strongly agreed that the process was clear and transparent, with only 9% expressing disagreement. Similarly, 81% found the information for applicants easy to locate, while just 8% disagreed. These results suggest that the overall design and communication of the application procedures are effectively meeting user expectations.

Moreover, 77% of respondents agreed or strongly agreed that the guidance provided enabled them to understand the application steps, and 82% felt the submission deadlines were sufficiently long. These responses point to a well-structured process that accommodates applicants' needs in terms of timing and comprehension. However, some weaker points emerge regarding support during the application phase. Only 57% of respondents said they were satisfied with EISMEA's responses to questions on the call for proposals, while 30% were neutral and 13% expressed dissatisfaction. This indicates that while the general process is clear, the responsiveness or usefulness of direct applicant support may require attention. Similarly, while 75% agreed that programme-specific guidelines were clear throughout, 17% were neutral and 8% disagreed, showing that there is still room for improvement in how programme rules and expectations are communicated.

¹⁴ EISMEA satisfaction survey, 2023.

¹⁵ The figure represents an aggregate derived from the average satisfaction levels reported across the following programmes: EIC, EIE, I3, SMP, and the Women Leadership Programme.

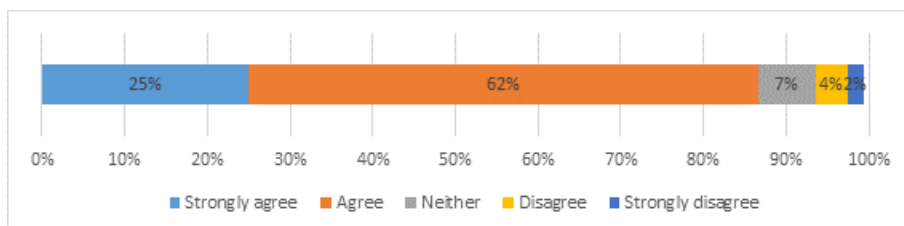
Figure 6: Applicants and beneficiaries' satisfaction with the application and submission process¹⁶



Source: Survey of beneficiaries and unsuccessful applicants

Observing the beneficiaries alone, 87% of the beneficiaries (25% strongly agreed and 62% agreed) were satisfied with the quality of programme management services provided during the entire application and grant/contract implementation period.

Figure 7: Overall satisfaction of beneficiaries with the quality of the programme management services provided by EISMEA during the whole application and grant / contract implementation period (n=676)



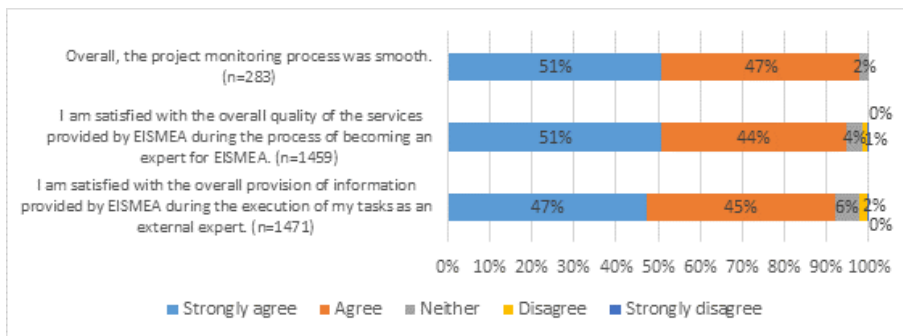
Source: Survey of beneficiaries

The feedback from external experts engaged by EISMEA also indicates a high level of satisfaction with their experience. Among the respondents, 92% agreed or strongly agreed that the information provided during the execution of their tasks was satisfactory. Similarly, 95% of the respondents were satisfied with the quality of services provided during the onboarding process, with negligible levels of disagreement. Satisfaction with project monitoring is equally strong, 98% of experts found the process smooth. In comparison to the survey conducted with external experts by EISMEA in 2023, the 2025 figures show a continued and even strengthened trend of beneficiary satisfaction. In 2023, the survey reported a remarkably consistent satisfaction rate, with 90% of respondents across all programmes¹⁷ indicating they were either satisfied or very satisfied with EISMEA's services. The 2025 data reaffirm the positive trajectory, with a modest increase in strong agreements levels.

¹⁶ Annex 6.3 containing the Synthesis report will present differentiating charts between the beneficiaries and unsuccessful applicants.

¹⁷ EISMEA satisfaction survey, 2023, page 45.

Figure 8: Satisfaction of external experts with the services provided by EISMEA



Source: Survey of external experts

Interview findings confirm that beneficiaries generally hold a positive view of the services provided by EISMEA. Many interviewees highlighted the clarity of the information shared, the smooth functioning of administrative procedures, the application process, and reporting requirements. The timeliness of communication with the Agency was also appreciated. However, some interviewees pointed to challenges, particularly regarding the administrative workload and the complexity of the financial reporting system.

Unsuccessful applicants expressed more mixed views, which is somehow logical bearing in mind the disproportion between the high level of applications and the available allocated budget and the high number of resubmissions¹⁸. Some raised concerns about the burdensome nature of the application process and the lack of clarity around evaluation criteria. Several interviewees suggested that clearer guidance or more personalised feedback could help improve the quality of future applications and enhance perceptions of fairness.

Overall, the survey and interview findings point to a generally positive view of EISMEA's service delivery, while also identifying opportunities for improvement in guidance, communication, and the support provided for applicants.

¹⁸ In EISMEA's most competitive calls, particularly under the EIC Pathfinder and EIC Accelerator, the success rate for applicants is typically below 5%, with many participants submitting multiple applications to the same programme. The high level of oversubscription, often involving over 500 proposals per call, presents operational challenges in providing detailed, personalised feedback to every applicant. As such, perceptions of limited feedback or procedural opacity should be considered in the context of the exceptional competition levels associated with these instruments.

EQ2: Which were the factors driving or hindering the achievement of the objectives?

The key findings in relation to this evaluation questions are as follows: During the evaluation period, the effectiveness of the Agency's operations was challenged by several internal and external factors such as the administrative complexity due to Brexit; the grant amendments signed due to the COVID-19 pandemic, the late adoption of certain programmes; or the intensive recruitment strategy. Despite these challenges, HaDEA's success was driven by highly motivated and skilled staff, strong engagement (73% in 2023), and constructive collaboration with parent DGs, enabling operational effectiveness under pressure.

Factors driving the achievement of the objectives

The achievement of EISMEA's objectives between 2021 and 2024 was shaped by a combination of internal capabilities and external constraints. Positive drivers of performance included EISMEA's operational consolidation and growing maturity as an executive agency. From the outset, EISMEA rapidly established functioning governance structures despite recruitment delays caused by COVID-19 pandemic, reaching 88% of its FTEs in place by the end of 2021¹⁹. Data from desk research and the interview programme showed that the programme implementation, was reported as progressing well. Internal coordination was strengthened through creation of different dashboards within EISMEA. Stakeholder satisfaction was consistently high. Beneficiaries and external experts reported 85–95% satisfaction across key service areas in 2025, confirming the quality of EISMEA's grant and contract management. At the same time, strategic engagement with parent DGs intensified, especially via the Programme Managers' Feedback to Policy workshops and participation in the oversight and administration of the EIC governance, which ensured that programme implementation remained closely linked to evolving EU priorities.

Moreover, EISMEA's communication and visibility efforts, through events such as the EIC Summit, SME Assembly, and Women Innovators Prize, as well as targeted actions under the SMP such as awareness campaigns, stakeholder outreach, and communication activities supporting SMEs and consumer protection reinforced its outreach and helped anchor programmes in the broader innovation ecosystem. The Agency also maintained strong financial and internal control performance. While the residual error rates for SMP Consumer Protection programme pillar increased slightly from 3.59% in 2023 to 4.18% in 2024, it remained within the European Commission's de minimis rules (2-5%), thus not requiring any reservations. For the legacy COSME programme, strengthened financial controls further improved performance, with the residual error rate decreasing, reaching 2.18% in 2024 below 3%²⁰.

Factors hindering the achievement of the objectives

Several hindering factors tempered the agency's capacity to fully achieve all its objectives. First, staffing constraints emerged as a major structural challenge. The planned FTE reduction (CBA-led) along with the high turnover and delays in recruitment created significant strain. Second, the process complexity and volume of applications, particularly under competitive instruments like the EIC Accelerator and WomenTechEU, stretched EISMEA's capacity to ensure timely evaluations and grant agreement processing. Success rates for some calls remained as low as 5%, reflecting high demand but also highlighting a need for clearer applicant guidance and expectation management.

¹⁹ EISMEA Annual Activity Report, 2021

Third, the complexity and procedural weight of administrative and procurement processes posed recurrent challenges. Multi-step validation, compliance, and ex-ante control requirements often prolonged procurement cycles for studies, communication contracts, and IT services, reducing EISMEA's flexibility to implement activities on schedule.

The transition to new IT tools and platforms, implemented progressively between 2021 and 2023, while overall beneficial, was not without difficulties. EISMEA migrated from legacy systems, in line with the corporate IT integration for all Horizon Europe, I3 and most of the Single Market Programme actions. During this period, the Agency faced technical bottlenecks and integration delays, particularly in the onboarding of SMP standardisation and EIC Accelerator projects, where some functionalities were not yet available. As noted in the 2022 and 2023 Annual Activity Reports, these temporary disruptions required EISMEA to process part of its grant documentation outside the electronic systems, including through paper-based workflows and manual data reconciliation. In addition, the AARs highlighted issues related to the compatibility between old and new IT environments, which led to occasional data transfer delays and additional quality checks, as well as slower adoption of corporate modules for financial reporting and monitoring. The deployment of the EIC Data Hub and the integration of digital reporting tools under Horizon Europe also experienced minor delays, affecting performance monitoring timelines in 2023. While these challenges were progressively resolved by 2024, the transition period temporarily increased staff workload and affected the timeliness of some operational and reporting processes before yielding long-term gains in standardisation, transparency, and data consistency across programmes.

Finally, communication with applicants, particularly unsuccessful ones, was identified in surveys and interviews as an area for improvement. Beneficiaries generally felt well-supported, but applicants who did not receive funding reported limited transparency and access to follow-up explanations. This suggests a need to strengthen feedback mechanisms and ensure more inclusive engagement across the full applicant spectrum.

EQ3: What could be done to render the Agency more effective in achieving its objectives?

Key findings: Transparency could be enhanced by improving feedback to unsuccessful applicants and ensuring consistent, timely communication across all programmes. Streamlining IT systems, particularly in onboarding programmes to eGrants, would reduce administrative burdens and operational delays experienced during the transition phase. Flexibility in resource allocation could be maximised and inter-service collaboration strengthened to better manage workload peaks and maintain performance across its portfolio.

Effectiveness could be enhanced by focusing on practical improvements, such as simplifying and streamlining internal procedures, for example for procurement processes, while also improving internal communication between services, technology and human resources, as emerged from desk research, interviews with internal and external stakeholders and surveys with external stakeholders.

A recurring challenge emerged is the strain placed on EISMEA's performance by persistent staffing shortfalls. Vacancy rates, as high as 11% in late 2023²¹, directly affecting the agency's ability to maintain service levels, particularly in peak periods for evaluations and grant preparation. These gaps were compounded by structural staff reductions²², which constrained

²² In 2022, EISMEA initiated a reduction exercise of FTEs, as specified in its Delegation Act and Specific Financial Statement. The exercise aimed to gradually reduce staffing from 423 FTEs to 317 by 2027, a target later

recruitment flexibility. To mitigate this, it may be beneficial for EISMEA to complement recruitment efforts with practical improvements in internal processes such as workload assessment, targeted resource allocation, and internal communication, strengthening workforce planning tools could support managers in monitoring team capacity and redistributing tasks more effectively. Additionally, fostering transparency through regular updates, consultations, and proactive communication may help reduce uncertainty and reinforce staff engagement.

It may also be beneficial for the Agency to maximise the flexibility provided under the Executive Agencies Framework and Guidelines (Commission Decision C(2021)949)²³, which allows the Director to reallocate resources internally. This includes the possibility of temporarily redeploying staff across departments or functions in response to shifting workload demands or programme priorities. Within this framework, EISMEA's Director could consider using internal mobility mechanisms, short-term assignments, and cross-unit task forces to support key functions, such as procurement, legal review, and financial verification. These approaches may also serve as continuity strategies for core programme delivery roles, including project, legal, and financial officers, helping to ensure that essential activities remain adequately staffed despite recruitment constraints. While digital systems like eGrants, the Funding & Tenders Portal, and SEP have underpinned many of EISMEA's operational improvements, both internal staff and stakeholders continue to report limitations in their adaptability and user-friendliness. Data from desk research and feedback from internal users have highlighted how programme-specific features, especially under complex schemes like the EIC Accelerator, are often not fully supported by the current suite of corporate IT tools. This mismatch between programme requirements and system capacity has resulted in administrative workarounds and growing operational friction.

This issue is not unique to EISMEA. As acknowledged in corporate IT discussions involving multiple agencies and as further elaborated in the case study focusing on IT integration, several agencies, including EISMEA, have faced difficulties to accommodate specific process needs in a timely manner in the corporate IT systems. The corporate tool eGrants currently supports over 40 programmes and is not aiming at offering customization to all particularities but aiming at harmonisation across programme management workflows. While this supports standardisation and efficiency, it does not accommodate innovative or atypical implementation modalities, especially when those are introduced late in the programme design cycle, leaving corporate IT little time to adapt²⁴.

Although EISMEA developed certain local IT solutions to cater for its specific operational needs, a more effective IT environment depends on closer alignment with the corporate harmonization framework led by CIC and DG DIGIT. The harmonisation of programme modalities and their support IT systems is a Commission-wide objective aimed at improving efficiency and ensuring consistent access for participants. However, this corporate standardisation could limit the ability to accommodate programme-specific requirements or innovative implementation modalities. EISMEA, like other executive agencies, therefore, operates at the intersection between policy-driven needs and corporate IT constraints, relying on the CIC to implement solutions that balance both. Strengthening early coordination between corporate IT planning cycles and programme design, through structured consultation with parent DGs and the CIC, would help anticipate emerging needs and ensure that new functionalities are integrated coherently within

revised to 312 following the European Commission's decision to review the 2021-2027 Multiannual Financial Framework. This reduction was primarily driven by budgetary considerations, intended to align staffing levels with financial allocations, ensuring budget neutrality while maintaining operational effectiveness. Rather than terminating contracts, EISMEA adopted a strategic approach by freezing vacant posts, which, however, resulted in an increased vacancy rate within the Agency.

²³ European Commission, Delegation Act of the European Innovation Council and SMEs Executive Agency (EISMEA), Commission Decision C(2021)94, Available at: [EUR-Lex - C\(2021\)949](#) For the overarching Executive Agencies Framework and Guidelines, see Commission Decision C(2022)9328, Available at: [C\(2022\) 9328](#)

²⁴ Further information is provided in the case study focusing on the IT integration across the six Executive agencies.

shared systems such as eGrants, while avoiding unnecessary duplication or fragmentation. Moreover, where justified, EISMEA could explore the ERCEA model²⁵, in which Agency staff are seconded to the CIC IT Department and embedded within development teams to create bespoke functionality directly within eGrants. While this approach has management and governance limitations given that EISMEA is reporting to multiple parent DGs unlike ERCEA which has one parent DG, it offers a way to develop targeted features (e.g. for EIC Accelerator actions) that may later benefit other agencies as well. Interviews with parent DGs indicated that the Agency could more consistently follow standard corporate IT processes for requesting IT tools, noting that in some cases the agency's internal processes diverge from the harmonised approach intended for shared systems. They also highlighted the importance of anticipating implementation needs such as specific technical and functional requirements necessary to deliver and manage programmes throughout their lifecycle.

The approach taken in 2021-2023 by the Agency to revert to extensive outsourcing of core business process development leading to some divergence from corporate governance and approach generated concerns. This is why EISMEA has reinternalised the development of the IT solutions by following closely the corporate guidance. However, inter-agency cooperation could be leveraged further to co-develop shared digital solutions for recurring needs, such as grant monitoring dashboards or simplified applicant interfaces, thus reducing redundancy and improving economies of scale.

Finally, according to the feedback from the external stakeholders, EISMEA could invest in more transparent and informative feedback mechanisms, such as personalised evaluation summaries or FAQs tailored to common rejection causes. It could also enhance the visibility and accessibility of its support services by expanding its helpdesk coverage, offering more webinars on proposal design and common pitfalls, and developing clearer step-by-step guidance tailored to first-time applicants. Additionally, consulted NCPs noted that while coordination with parent DGs was generally effective, interactions with EISMEA were less regular and structured, limiting their ability to assist applicants efficiently.

4.1.2. Legal Framework

EQ4: To what extent has the Agency been operating according to the legal framework?

Key findings: EISMEA has operated fully within the provisions of its establishing and delegation acts, ensuring alignment with the legal parameters set by the European Commission and its parent DGs. The Agency maintained regular coordination with the Commission's Legal Service and DG BUDG to ensure compliance in areas such as grant management, procurement, and financial control, addressing potential risks proactively. While no systemic non-compliance was identified, isolated legal and procedural challenges led to refinements in internal guidance, risk management, and reporting practices to reinforce institutional accountability.

In responding to this evaluation question, evidence was drawn from a combination of desk research and interviews with both European Commission staff and EISMEA staff. The desk research involved a systematic review of the key legal and governance documents defining EISMEA's mandate and operations, including the Commission Implementing Decision (EU) 2021/173, the Commission Decision (2021)949 delegating powers to the agency, and the Commission Decision (2023)4256 amending that delegation following the restructuring of the

²⁵ See ERCEA individual report and the cross-analysis report.

EIC Fund. In addition, the review covered the Memoranda of Understanding between EISMEA and its parent DGs, the Agency's Annual Activity Reports (2021–2024), mid-year reports, and internal control documentation. Interviews with Commission and Agency staff provided complementary qualitative insights into how these legal provisions are applied in practice, the extent to which they support or constrain the Agency's operations, and how recent changes, such as the transition of the EIC Fund to indirect management, have been implemented and interpreted institutionally.

The two main documents constituting the legal framework of EISMEA during the evaluation period are:

- Commission Implementing Decision (EU) 2021/173 of 12 February 2021 establishing the European Climate, Infrastructure and Environment Executive Agency, the European Health and Digital Executive Agency, the European Research Executive Agency, the European Innovation Council and SMEs Executive Agency, the European Research Council Executive Agency, and the European Education and Culture Executive Agency and repealing Implementing Decisions 2013/801/EU, 2013/771/EU, 2013/778/EU, 2013/779/EU, 2013/776/EU and 2013/770/EU.²⁶
- Commission Decision (2021)949 of 12.2.2021 delegating powers to the European Innovation Council and SMEs Executive Agency with a view to the performance of tasks linked to the implementation of Union programmes in the field of Innovative Europe, Single Market and Interregional Innovation Investments comprising, in particular, implementation of appropriations entered in the general budget of the Union and its amendment.²⁷

Furthermore, the operation of EISMEA is governed and supplemented by a general Memorandum of Understanding between the Agency and its parent DGs as set out in Article 7 of the Commission Decision 2021/949.

It was noted in the previous evaluation²⁸ that DG RTD perceived EISMEA to have a stronger mandate than its predecessor agency, EASME. As such, this led to responsibility questions, and the evaluation recommended a new MoU to be signed to further clarify roles and responsibilities. In 2022, a new MoU was signed between EISMEA and its parent DGs, replacing the earlier MoU signed in 2016. This update has been reflected in the EISMEA interviews where interviewees stated that responsibilities were initially blurred, but the introduction of the revised MoU clarified the roles and the division of tasks, leading to a significant improvement of the mutual understanding. In addition to the general MoU signed with the parent DGs, programme-specific MoUs, which detail the delegation of specific programmes and the Annual Work Programme of the agency, have been signed by the Agency and relevant parent DGs. No stakeholders raised any issues encountered or stemming from the details in these MoU.

²⁶ European Commission, Commission Implementing Decision (EU) 2021/173 of 12 February 2021 establishing the European Climate, Infrastructure and Environment Executive Agency, the European Health and Digital Executive Agency, the European Research Executive Agency, the European Innovation Council and SMEs Executive Agency, the European Research Council Executive Agency, and the European Education and Culture Executive Agency and repealing Implementing Decisions 2013/801/EU, 2013/771/EU, 2013/778/EU, 2013/779/EU, 2013/776/EU and 2013/770/EU [2021] OJ L50/9, available at: https://eur-lex.europa.eu/eli/dec_impl/2021/173/oj/eng

²⁷ European Commission, Commission Decision of 12.2.2021 delegating powers to the European Innovation Council and SMEs Executive Agency with a view to the performance of tasks linked to the implementation of Union programmes in the field of Innovative Europe, Single Market and Interregional Innovation Investments comprising, in particular, implementation of appropriations entered in the general budget of the Union, [https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=intcom:C\(2021\)949](https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=intcom:C(2021)949)

²⁸ European Commission: Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs and IDEA Consult, *Study supporting the evaluation of CHAFAEA, EACEA, EASME, ERCEA, INEA & REA (2017/2018-2021) – Final report – EASME*, Publications Office of the European Union, 2024, <https://data.europa.eu/doi/10.2873/437224>, p.27

A notable change during the evaluation period was the revision of EISMEA's mandate regarding its role in managing the EIC Fund. In 2023, the responsibility of the equity component of the EIC Accelerator, managed through the EIC Fund, was transferred to indirect management under DG RTD. This change was formalised through the Commission Decision of 29 June 2023, which amended the original delegation of powers established in the Commission Decision of 12 February 2021. It is important to note that this change applied exclusively to the EIC Fund, the investment arm of the EIC Accelerator, and not to the entire EIC programme.

Following this change in the structure of the EIC, EISMEA implemented a significant organisational adjustment including shifting 13 FTEs to the Commission. However, only part of the corresponding staff was actually transferred, and additional posts had to be identified and reduced within the Agency. This reduction came on top of the 15 FTEs already planned in the Agency's Specific Financial Statement (SFS)²⁹.

The transfer of EIC tasks was necessary to comply with the requirements set out in the Horizon Europe legal base, which stipulates that the investment component of the EIC must be implemented under indirect management. Given the EIC's significant share within EISMEA's overall portfolio, this adjustment marked a notable shift in the agency's operational scope.

Following the Decision, EISMEA experienced a shift in responsibilities. It remained in charge of selecting EIC Accelerator beneficiaries and performing technical due diligence with the support of external experts, took forward management of the grant component, and ensured coordination between the grant and investment components. However, interviewees reported that the transition occasionally led to reduced clarity on roles and responsibilities.

On 1 January 2024, the EIC Fund was restructured with the Commission's shareholding in the EIC Fund transferred on a temporary basis to the European Investment Bank. This has created a new role for the Agency to coordinate with the EIB on the grant and investment components of EIC support and necessitated coordination with RTD concerning the award decisions and RTD's role in the governance of the EIC Fund. Challenges that resulted as to data ownership and data accesses between EISMEA, EIB and DG RTD are being addressed. Furthermore, the coordination with the EIB has led to additional pressure for staff. There are a small minority of cases where the EIC Fund has rejected companies selected through the evaluation process managed by EISMEA and the reasons for this need further assessment.

EISMEA operates within the established legal framework, ensuring compliance through a well-trained legal team. Examining the activities set out in the Annual Work Plan and the Annual Activity Reports confirm that the activities of the Agency align with EISMEA's mandate. However, the Agency has faced some legal and compliance challenges that required corrective measures and institutional coordination.

Between 2021 and 2024 isolated legal risks were identified, primarily linked to specific cases rather than systemic issues. During this period, there were no formal complaints concerning procurement procedures, nor any evidence of systemic legal non-compliance. Only a single legal action, linked to a particular contractual case under Article 22 was recorded, unrelated to procedural complexity. While a few procurement procedures did not conclude with contract signatures, these were limited and not linked to legal shortcomings. Overall, the Agency's record remained strong, though the cases highlighted the value of early legal coordination and risk anticipation in managing complex files.

EISMEA was also subject to audits which identified some gaps in legal and procedural risk management. For instance, the ECA noted a case where a project funded by the EIC, Intellectual Property rights were transferred to a Third Country. EISMEA had to assess whether the transfer was consistent with the interests of EU competitiveness, with ethical principles and

²⁹ EISMEA SPECIFIC FINANCIAL STATEMENT Submitted to the Committee for Executive Agencies and the Budgetary authority in case of delegation to an Executive Agency of tasks related to the management of EU programmes.

security considerations. EISMEA did not object to the transfer, but the ECA found that the underlying assessment was not comprehensive and noted that EISMEA lacked in specific guidelines on assessing the objection criteria at that time.³⁰ The ECA identified weaknesses in the SME status assessments, the use of derogations, and data protection compliance, while IAS audits pointed weaknesses related to internal control processes. In response, the Agency strengthened its data protection compliance framework by clarifying internal roles and responsibilities, updating procedures for handling personal data, and reinforcing coordination with the Commission's Data Protection Officer. The Agency also introduced targeted staff training and integrated data protection checks into its internal control processes and risk management framework. Moreover, the Agency has taken steps to reinforce internal controls, including the deployment of a new risk management process and the creation of improved reporting dashboards.

More broadly, concerns about delegated legal responsibilities, particularly in complex instruments like the EIC Fund equity component, were flagged by parent DGs and the Steering Committee. These challenges prompted joint assessments and, in some instances, a redefinition of institutional roles. A key example is the transfer of EIC tasks and responsibilities from EISMEA Unit D.01 to DG RTD Unit A3. This shift aimed to better align legal oversight with the increasing complexity of upstream programme management.

The legal framework is flexible enough from a budgetary and financial perspective, allowing the Agency to manage its resources effectively. However, changes in workload and management modes have impacted the agency's operations, highlighting the need for a more streamlined approach to applying the legal framework to enhance operational efficiency. Finally, interviewees noted that the legal framework should be updated to better support the inherently risky nature of financing startups and scale-ups, while still respecting the provisions of the financial regulation.

4.1.3. Internal Control Framework

EQ5: To what extent was the agencies' internal control framework in line with the Commission's common control strategy and the programme-specific approaches, and to what extent did the Agency act in line with internal control principles, notably sound financial and human resources management?

Key findings: EISMEA has effectively aligned its internal control framework with the Commission's common control strategy and the Action Plan towards an Integrated Internal Control Framework, ensuring consistency with corporate standards. Audit observations from the Internal Audit Service prompted EISMEA to reinforce its internal control systems through targeted corrective measures, including clearer definition of responsibilities, enhanced monitoring of control effectiveness, and the implementation of new reporting and risk management tools. EISMEA enhanced financial oversight and HR planning by introducing additional control checks, increasing staff training on compliance, and refining resource allocation to support operational efficiency and accountability.

During the evaluation period, EISMEA's internal control framework has progressively aligned with the Commission's common control strategy, as outlined in the Commission's Action Plan

³⁰ ECA, *Special report 08/2024: EU Artificial intelligence ambition – Stronger governance and increased, more focused investment essential going forward, 2024, available at: <https://www.eca.europa.eu/en/publications?ref=sr-2024-08>*

towards an Integrated Internal Control Framework.³¹ The Agency has implemented the COSO Internal Control Framework internal control principles across its operations, including risk management, monitoring, and reporting.

The Agency's internal control framework is based on the COSO model³² and in accordance with the Commission's requirements include exception and non-compliance reporting, internal control self-assessment, and declaration of assurance. The implementation of internal controls is evaluated annually in an exercise to assess the framework's effectiveness, efficiency and compliance with applicable rules. Stakeholders indicated that regular assessments and awareness campaigns address exception and non-compliance reporting, and appropriate actions are taken when deviations arise. Risk assessment is defined by a bottom-up approach, identifying risks at unit, department, and Agency levels and include, among others, fraud, programme delivery, legal monitoring and audit responses. Significant risks are discussed with senior management and endorsed by the Steering Committee. Risks are encoded in the central register (CENTRICS) and reassessed mid-year according to the Commission's framework.

The internal control self-assessments during the evaluation period indicated that the Agency's internal control framework was generally effective, while also identifying areas requiring improvement. The 2022 assessment pointed to challenges relayed to the control environment and IT security, reflecting the need to further strengthen risk management practices, promote a stronger bottom-up approach and ensure adequate support and awareness across all levels of the organisation.

The identified weaknesses in 2022 were used as a source of information by EISMEA to further define the Internal Control Monitoring Criteria for the following years. For the years 2023 and 2024, the internal control self-assessment found that the agency's internal control framework was functioning overall effectively with only minor deficiencies identified and action plans were put forward to remedy these deficiencies.³³ This view was supported in the stakeholder interviews that highlighted that the internal control framework is effective for the purposes of the agency. Furthermore, stakeholders noted that the processes implemented ensure the continuous improvement of internal controls. EISMEA manages a large portfolio of programmes and contracts a high number of experts each year which is not only operationally demanding but also central to the agency's risk landscape and control strategy. Despite this, exception and non-compliance cases are few and well-managed, signalling that the internal controls are generally functioning well. In terms of financial management, desk research shows that the Agency acted in line with sound financial control practices, as outlined in the Financial Regulation. EISMEA implemented a structured financial circuit system underpinned by several core principles, including the division of tasks between initiating, verifying, authorising operations (as required by Article 74 of the Financial Regulation), as well as ex-ante and ex-post checks, and compliance procedures. However, there were gaps, particularly in SME status verification³⁴ and grant amendment procedures, that required enhanced documentation and updated internal workflows. Moreover, the ECA audited the Agency yearly and found the accounts of the Agency presented fairly, and the revenue and payments underlying the

³¹ Communication from the Commission to the Council, the European Parliament and the European Court of Auditors - Commission Action Plan towards an Integrated Internal Control Framework {SEC(2005) 49}, available at: [EUR-Lex - 52006DC0009 - EN - EUR-Lex](#)

³² The COSO model, developed by the Committee of Sponsoring Organizations of the Treadway Commission, provides a framework for designing and implementing internal control systems. It includes five key components: control environment, risk assessment, control activities, information and communication, and monitoring activities.

³³ Minor deficiency is defined as a minor impact on the presence and/or functioning of the Principle. The Principle is in place and functions well, only minor improvements are needed according to EISMEA, Report on the 2022 Internal Control Assessment Results and Actions to Take in 2023.

³⁴ The issues with SME status verification primarily stemmed from inconsistencies and procedural weaknesses in how companies' SME eligibility was addressed.

accounts were legal and regular for 2021,³⁵ 2022³⁶ and 2023.^{37,38} The ECA did not raise any recommendations concerning human resources. A few observations were noted, offering opportunities to further enhance procurement procedures, contract management, and certain internal control practices. The Agency took documented follow-up actions to address these issues. However, issues remain in terms of simplifying and streamlining internal processes and procedures, and keeping staff informed and knowledgeable. This came out prominently in the 2023 staff satisfaction survey results, where low scores in the related questions show that there is a lot of scope for improvement. The agency put in place a recovery plan to address these issues among many others, and actions targeting simplification of processes were proposed as a result. On human resources management, challenges remained high throughout the evaluation period. While HR policies were formally compliant and aligned with Commission standards, practical difficulties persisted due to staff shortages, recruitment delays, and fragmented workload distribution across units. These issues were partly linked to the agency's rapid build-up phase following its establishment in 2021 and the expansion of its delegated tasks, but not only. The agency was ill-prepared to respond to these challenges, and there was no structured approach to anticipate and plan workload peaks, additional workload and high turnover. According to the Annual Activity Reports, EISMEA's vacancy rates remained above 10% during 2021 and 2024 (11.9% in 2021, 11% in 2022, 18.96% in 2023 and 13.26% in 2024), and turnover rose among key administrative and financial profiles, affecting workload balance and business continuity. The 2023 staff satisfaction survey confirmed these difficulties, and had sharp declining results compared with 2021 but also to the other services of the Commission, particularly regarding workload, communication, and perceived fairness in career development opportunities. Less than half of respondents considered workload distribution to be adequate, and satisfaction with internal communication fell below the average for executive agencies. Staff also expressed a need for clearer guidance from management and stronger support mechanisms to address work-related stress and well-being.

In response, EISMEA launched a recovery plan in late 2023 to address these challenges and strengthen organisational resilience. The plan proposed actions linked to assessing workload and resource planning, actions that if put in place would allow managers to better match staffing levels with needs and reduce bottlenecks in high-intensity units. The agency enhanced HR planning tools and recruitment coordination with the Commission to accelerate the filling of vacancies and improve workforce forecasting. To support long-term sustainability, the plan prioritised professional development and career progression, with targeted training opportunities and mentoring schemes aimed at retaining expertise. In parallel, EISMEA reinforced internal communication and feedback channels, creating new forums for staff engagement and regular dialogue with management. These measures collectively aimed to rebuild staff confidence, improve well-being, and ensure that human resources management became a central element of the Agency's internal control and risk prevention framework.

³⁵ ECA. *Annual report on EU agencies for the financial year 2021, 2022*, available at: <https://www.eca.europa.eu/en/publications?did=62271>

³⁶ ECA. *Annual report on EU agencies for the financial year 2022, 2023*, available at: <https://www.eca.europa.eu/en/publications/SAR-AGENCIES-2022>

³⁷ ECA. *Annual report on EU agencies for the financial year 2023, 2024*, available at: <https://www.eca.europa.eu/en/publications?ref=SAR-AGENCIES-2023>

³⁸ The 2024 Annual report of the ECA is not yet available.

4.1.4. Communication

EQ6: To what extent did the Agency's communication support the mission of the Agency and contribute to the visibility of the EU as promoter of the programmes entrusted to it?

Key findings: EISMEA's communication activities effectively promoted the EU's support for innovation and SMEs, ensuring consistent visibility of EU funding instruments such as Horizon Europe, the EIC, and the Single Market Programme. The Agency maintained close coordination with parent DGs to ensure alignment of messages and branding with the EU's overarching communication strategy. The Agency significantly expanded its communication reach through online campaigns, targeted newsletters, and high-profile events such as the EIC Summit and the SME Assembly, which served as flagship platforms to engage innovators, entrepreneurs, and policymakers across Member States. These actions contributed to stronger stakeholder engagement and wider recognition of EU-funded initiatives.

The main priorities for EISMEA's external communication strategy during the evaluation period have been to:

- Promote EU support for innovation and SMEs.
- Improve visibility of programmes implemented by EISMEA.
- Maintain consistent programmes branding.
- Provide guidance to applicants and beneficiaries; and
- Collect and share success stories.³⁹

The communication activities during the evaluation period were structured around a set of external outreach tools and events aimed at disseminating programme results, engaging stakeholders, and reinforcing the EU's role in innovation, SME support, and market development. EISMEA's communication strategy and annual work plan is approved by its parent DGs, after consultation on the programme specific parts.⁴⁰ Whereas for the EIC, the communication strategy is fully co-created between DG RTD and EISMEA, for the other programmes the parent DGs are responsible for defining the communication strategy, with EISMEA supporting their implementation. The annual communication work plans include a comprehensive plan for various communication activities, such as info days, social media, events, webinars, and maintaining well-organised web pages. Moreover, the Agency and parent DGs work together on communication efforts, such as prizes and Regional Innovation Valleys initiative. According to desk research, a Communication Workplan, including specific work plans for each of the Programmes implemented by the agency, has been put in place and is adopted by the Steering Committee annually. The implementation of the communication⁴¹ activities including social media, media requests and events is managed by the External and Internal Communication sector within unit C.02 (Workplace, IT and Communication).

³⁹ See further this study's case study on Communication Activities

⁴⁰ As stated in Interviews.

⁴¹ EISMEA, *Internal control framework 2024, 2025*.

Table 3: Overview of EISMEA's communication priorities, activities and main audience

Communication priorities	External communication activities	Main audience
Promoting EU support for innovation and SMEs	Own events	Applicants and beneficiaries
Improving visibility of smaller programmes	Third party events	Experts evaluators and monitors
Maintaining consistent programme branding	Participation in high-profile EC events	SMEs and start-ups
Providing guidance to applicants and beneficiaries	Social media	Entrepreneurs
Collecting and sharing success stories	Web presence	Regional and local innovation actors
	Media outreach	Investors
	Tools and guidance for beneficiaries	Policymakers
		Consumers' organisations
		Civil society organisations
		Standardisation bodies
		Innovation ecosystem stakeholders

Source: Case study on communication activities across the Executive Agencies

According to EISMEA's communication strategies, the communication budget is composed of two main sources: the administrative budget and operational budget. The administrative budget is used primarily for horizontal communication activities that support the entire agency, including corporate branding, website maintenance, training for staff as programme ambassadors, media monitoring, and the development of promotional tools. These activities are largely funded from the subsidy envelope assigned to the Agency by the European Commission. In contrast, programme specific communication efforts, mostly notably those related to EIC, are funded through the EIC operational budget. This includes targeted campaigns, organisation of high-profile events like the EIC Summit and prize ceremonies, as well as strategic promotion of success stories, business acceleration services and funding opportunities. For example, in 2024 4.5 million Euros of the total 5.5 million Euros communication budget is derived from the EIC operational budget, underscoring the weight placed on promoting innovation-related programmes.

Between 2021 and 2024, EISMEA significantly increased its communication budget (Operational and Administrative budget combined around 2.2 million Euro in 2022, 3.2 million Euro in 2023 to 5.5 million Euro in 2024 – the 2024 budget includes a 2 million Euro provision for EIC presence at 3rd party event for the years 2024 and 2025)⁴² to strengthen its outreach through social media, particularly X and LinkedIn. The growth of this budget is a result of an increasing operational Budget funded through the EIC work programme, based on increased ambitions expressed by the EIC Board. This includes targeted campaigns, organisation of high-profile events like the EIC Summit and prize ceremonies, as well as strategic promotion of success stories. The budget for the implementation of communication activities for the other programmes, and horizontal communication activities that support the entire agency, including corporate branding, website maintenance, communication training for staff, media monitoring, and the development of promotional tools is financed by the EISMEA administrative budget and

⁴² EISMEA Annual Communication plans, 2023-2024
EISMEA Communication Strategy 2022.

has remained stable at just over 1 million EUR. This growing investment aimed to enhance the agency's visibility, stakeholder engagement, and promotion of EU programmes under its remit.

Communication outreach (own channels)

As outlined in EISMEA's annual communication work plan, KPIs are used to monitor the effectiveness of the agency's communication efforts across its main channels, which include the EISMEA website, social media platforms (LinkedIn and X), newsletters, press releases, multimedia content (such as videos and podcasts), and events. The KPIs track a range of metrics, such as the number of website visits and page views, growth in followers and engagement rates on social media, and click-through and open rates of newsletters. For events, the Agency monitors the number of participants and participant satisfaction scores, while for audiovisual content, it tracks video views, watch time, and podcast downloads or subscriptions. These indicators enable EISMEA to evaluate the reach and impact of its communication activities, adapt strategies where needed, and demonstrate how its outreach supports the visibility of EU programmes and policy priorities.

However, while EISMEA defines a clear set of communication KPIs in its annual communication strategies, covering metrics such as website traffic, social media engagement, event participation, and multimedia reach, the Agency does not consistently report to its parent DGs on whether these targets have been achieved. The communication work plans set detailed quantitative targets, particularly for social media and event-based indicators.

The Agency's social media channels are X and LinkedIn, both of which have shown steady growth between 2021 and 2024 as shown in the table below. On X, the number of followers rose from 23,000 to 27,000, an increase of approximately 16.6%, though annual growth consistently fell short of the 15% target. In contrast, LinkedIn experienced significantly stronger performance, with followers increasing from 38,000 to 89,000, representing a 133.5% rise. On the other hand, the Agency's outreach strategy on X was less effective, perhaps due to platform-specific limitations and the platform becoming less relevant for professional use. The much faster growth on LinkedIn suggests that the agency's communication efforts may be more effective or better received on LinkedIn, which is consistent with the platform's professional audience, aligning well with EISMEA's external stakeholders and expert community.

Table 4: Overview of social media channels managed by the Agency and number of followers⁴³

Year	X Number of followers	Target (%)	Increase (%)	LinkedIn Number of followers	Target (%)	Increase (%)
2021 ⁴⁴	23.219	+13%	19.77%	38.374	+23%	52.35%
2022	25.250	+10%	8.74%	54.240	+20%	41.34%
2023	26.495	+15%	4.93%	69.882	+15%	28.83%
2024	27.076	+15%	2.19%	89.510	+15%	28.08%

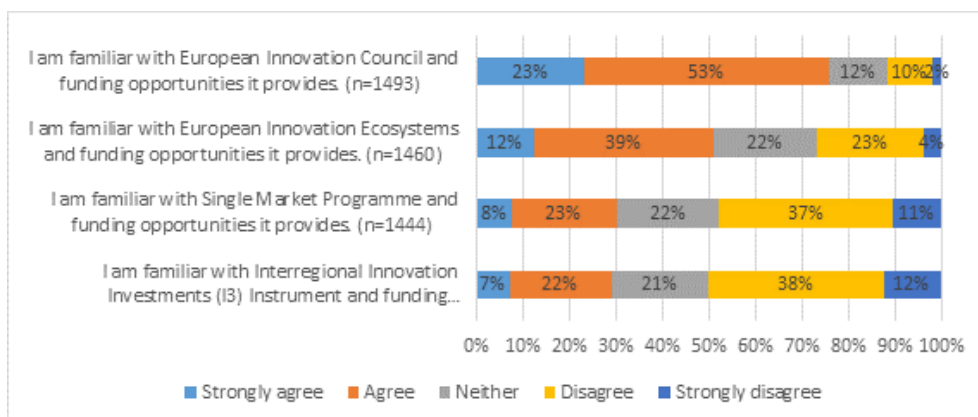
⁴³ The Agency officially commenced operations in April 2021, no formal communication plan was adopted for that year.

⁴⁴ The data provided in May 2025 does not align with the figures presented for 2021 in the 2022 Communication Strategy.

Information and communication support to external stakeholders

EISMEA has a broad portfolio of programmes, which necessitates tailoring communication and messaging to specific funding calls and diverse stakeholder groups. For example, EIC is well promoted and well known among stakeholder groups. This view is confirmed by the survey, where 75.8% of applicants agreed they were aware of the EIC. However, awareness declines for the other programmes implemented by the agency. Especially for the I3 Instrument and the Single Market Programme as shown in Figure 9 below. The regression analysis showed that, particularly among unsuccessful applicants, awareness of the Agency's Programmes, especially those other than EIC, was significantly lower. The general lack of awareness of the smaller programmes is confirmed in the interviews, where interviewees commented on the imbalance in terms of how the agency's communication efforts are perceived externally. Interviews indicated that the Agency's communication efforts were more extensive for larger programmes, particularly Horizon Europe and the EIC, while smaller programmes such as the SMP and I3 received comparatively less visibility. This imbalance appears inconsistent with one of the Agency's key objectives, to ensure adequate visibility across its full portfolio. Despite human resource constraints, the gap in outreach cannot be explained solely by staffing limitations. With approximately €1 million allocated to communication for other programmes (in addition to €4.5 million for the EIC), there remains scope to strengthen promotion of smaller programmes. Future annual communication plans could benefit from clearer differentiation between EIC and non-EIC communication activities and from the introduction of more balanced and measurable KPIs to prevent overshadowing of smaller programmes.

Figure 9: Beneficiaries and unsuccessful applicants' awareness of Specific Programmes⁴⁵



Source: Survey of beneficiaries and unsuccessful applicants

The Agency is proactive in utilising social media channels, including LinkedIn and X (formerly Twitter) accounts to reach diverse audiences. Interviewees put forward LinkedIn as a cost-effective and relevant tool to inform stakeholders about funding opportunities and programme impacts. The Agency also engaged in paid ads on the platform for specific campaigns to, for instance, widening countries. In 2023, the EIC communication campaign resulted in the increase in applications and EIC website visits for the targeted countries.⁴⁶ Similarly, in 2022, the Agency reported exceptionally high views of its website generating a 25% increase of page views during

⁴⁵ Separate differentiating figures between the beneficiaries and unsuccessful applicants will be included in Annex 6.3 of the report.

⁴⁶ EISMEA, *Annual Activity Report 2023, 2024*, https://eisma.ec.europa.eu/document/download/b925b855-76bf-4e0b-9177-30022d00e562_en?filename=EISMEA_AAR_2023_final.pdf

a two-week period following a targeted paid campaign.⁴⁷ However, based on desk research, social media and event performance data is only available in relation to the EIC, as the EIC is the only programme managed by EISMEA with a dedicated X account (an EIC LinkedIn showcase page was established in 2025). Furthermore, this data is only available for the Annual Activity Reports in 2023 and 2024 (Annex 2). Moreover, the survey with beneficiaries and unsuccessful applicants showed that only 0.13% of respondents among beneficiaries and unsuccessful applicants first heard about the funding opportunity through social media. In contrast, the most frequently mentioned sources were: prior experience with European Commission grant funding (either as a beneficiary or unsuccessful applicant), the EU Funding & Tenders Portal or direct communication from the European Commission, and recommendations from colleagues or superiors within their organisation or professional network.

Stakeholders interviewed mentioned that it is difficult to capture communication efforts and impact through KPIs and the focus should be on creating interest and positive perceptions within stakeholders. Finally, in relation to social media, it was suggested in the interviews that EISMEA staff could act as EISMEA ambassadors and communicate about their activities on LinkedIn to increase engagement.

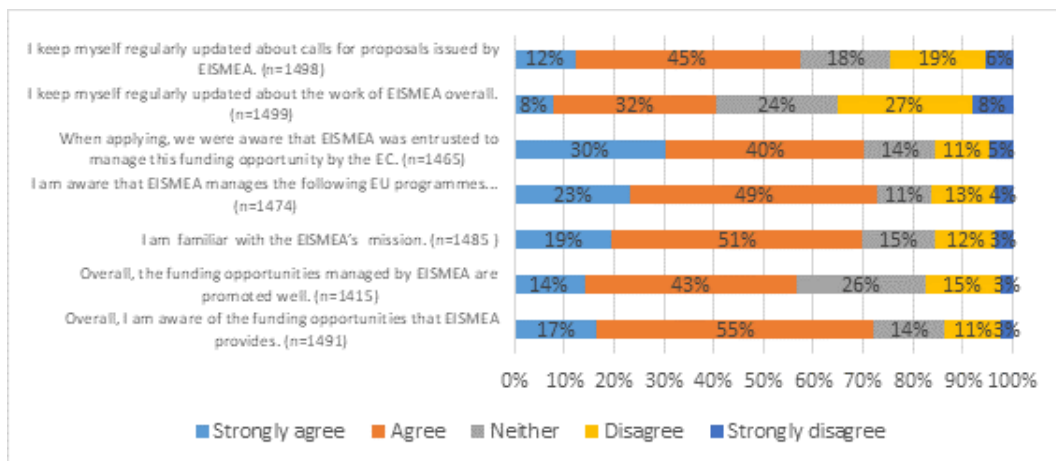
The agency's communication sector is responsible for the organisation of an annual major event, the EIC Summit, which brings together innovators, investors, and policymakers. This high-profile event, as well as others in which the Agency is involved in directly or indirectly, showcase EU-funded projects and are explicitly designed to promote the EU's strategic role in innovation ecosystems. In addition, EISMEA contributed to visibility through stakeholder engagement activities for all programmes it implements. Other events such as info days, webinars, trainings and participation in third-party deep-tech events such as Hello Tomorrow, Sifted, Slush and Web Summit to provide information and showcase supported projects, were another important channel of communication utilised by the agency. The third-party events also included the presentation of related Commission policy initiatives, relevant to the audience.⁴⁸

As part of its communication efforts, the Agency has developed communication toolkits and guidelines for beneficiaries, ensuring consistent EU branding and acknowledgement of EU support across funded projects. The survey with beneficiaries and unsuccessful applicants showed that there is a high level of awareness of the EU's role as the ultimate funder of EISMEA's programmes among target audiences. 94.8% of the beneficiaries and unsuccessful applicants were aware that the EU is the funder of the opportunity. Similarly, the survey showed that the vast majority of experts (88.53%) are aware that EISMEA manages programmes on behalf of the European Commission, and 91% of experts are aware that the EU is the funder behind EISMEA's delegated programmes.

⁴⁷ EISMEA, *Annual Activity Report 2023: Annex 2*, 2024, https://eismea.ec.europa.eu/document/download/8c224357-423f-4e65-a54e-84bb20d5c5ea_en?filename=EISMEA_AAR_2023_annexes_final.pdf

⁴⁸ EISMEA, *Work Programme 2023*, 2023, available at: https://eismea.ec.europa.eu/document/download/09754bed-267f-46dc-9582-088d2768616f_en?filename=C_2023_7614_F1_ANNEX_EN_V3_P1_3039550.PDF

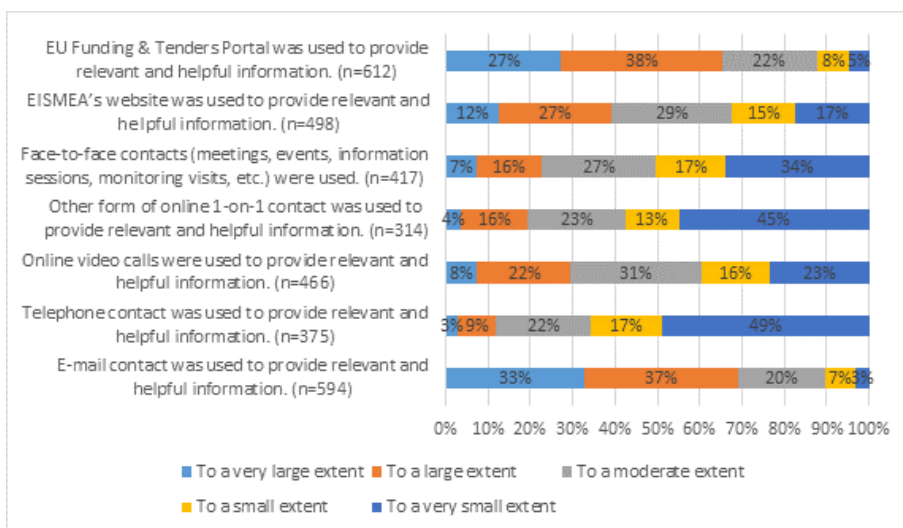
Figure 10: Beneficiaries and unsuccessful applicants' familiarity and awareness of EISMEA's mission and the EU's role as the ultimate funder⁴⁹



Source: Survey of beneficiaries and unsuccessful applicants

EISMEA also actively communicated with applicants during the application process. According to survey results, applicants found that email contact and the EU Funding & Tenders Portal were the most used channels of communication and support. Least relevant were telephone contacts, other online one-to-one contacts and other face-to-face contacts. Close to 40% of beneficiaries and unsuccessful applicants stated that they used the EISMEA website to a very large or large extent. However, the EISMEA website received mixed reviews with qualitative feedback indicating that the website's user-friendliness is a significant issue.

Figure 11: Communication channels and support during the application process⁵⁰



Source: Survey of beneficiaries and unsuccessful applicants

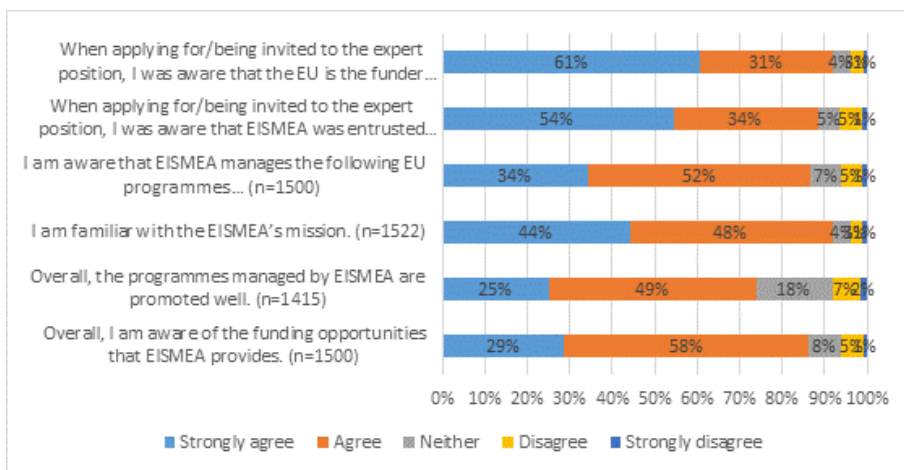
⁴⁹ Separate differentiating figures between the beneficiaries and unsuccessful applicants will be included in Annex 6.3 of the report.

⁵⁰ Separate differentiating figures between the beneficiaries and unsuccessful applicants will be included in Annex 6.3 of the report.

Similarly, there is a generally high level of awareness and familiarity with EISMEA among external experts. 87% of the respondents were aware of the funding opportunities that EISMEA provided, while 74% responded that the programmes managed by the Agency are promoted well. Moreover, 92% were familiar with EISMEA’s mission and 86% were aware that EISMEA managed parts of specific EU programmes. However, the awareness is siloed, survey data showing that familiarity with programmes outside an expert’s direct area of work (e.g., Single Market Programme, I3 Instrument) is significantly lower.

Additionally, 88% of the respondents knew that EISMEA was entrusted by the European Commission to manage these programmes and 92% were aware that the EU was the funder and promoter of all programmes delegated to EISMEA. While the high-level relationship between the EU, the Commission, and EISMEA was understood, a notable portion of experts lacked clarity on the specific division of responsibilities.

Figure 12: External experts' familiarity and awareness of EISMEA's mission and the EU's role as the ultimate funder



Source: Survey of external experts

As further detailed in the subsection on the division of responsibilities between the Agency and parent DGs, communication around role delineation remains insufficient for external stakeholders. Survey results show that only 31% of unsuccessful applicants and 48% of beneficiaries agreed or strongly agreed that the division of responsibilities between EISMEA and the European Commission is clear. While 65% of external experts responded positively, indicating that the complexity of institutional roles is not being communicated effectively to end users.

Overall, the agency's external communication efforts are generally effective. Beneficiaries and external stakeholders consulted stated that the Agency is close to final beneficiaries and their networks, which enhances its ability to communicate opportunities and procedures effectively. Moreover, the Agency actively implements targeted communication campaigns directed to key audiences such as women innovators, start-ups, investors, and researchers in widening countries.⁵¹

⁵¹ EISMEA, *Work Programme 2024, 2024*, available at: https://eismea.ec.europa.eu/document/download/4756b0f7-c3d1-40e2-9443-76fa69aac045_en?filename=C_2024_3501_F1_ANNEX_EN_V3_P1_3411155.PDF

Communication capability, collaboration with parent DGs and project results

When it comes to communication and collaboration between EISMEA and its parent DGs, there is a somewhat mixed picture. Interviewees from parent DGs noted that coordination was most effective with parent DGs that oversee the majority of programme activities, such as DG RTD, where established processes, more frequent exchanges and strengthened cooperation in recent years contributed to smoother collaboration.

Over time, communication has improved through greater coherence in visual identity and stronger alignment of communication activities with programme milestones. While the Agency's external communication efforts have made progress, there remains considerable potential for further enhancement in terms of impact and reach of those efforts. Some further improvements include strengthening the monitoring and reporting of KPIs for communication activities, in line with the standard DG COMM framework. In particular, efforts could focus on enhancing visibility through more strategic and data-driven communication planning. This could include the use of targeted storytelling, infographics and short video content to better showcase programme results and reach a broader audience. Most importantly, the Agency launched in the period of the evaluation the systematic collection and dissemination of success stories, for example under EIE. Although this process only reached full maturity after the evaluation period, these stories served as valuable feedback to policy processes and contributed to greater recognition and visibility of EU-funded programmes.

4.1.5. Reporting to parent DGs

EQ7: To what extent is the Agency reporting to its parent Directorates-General reflecting the operations of its activities, and is it in line with the supervision requirements provided in the applicable legal basis and the MoU?

Key findings: EISMEA's reporting to its parent DGs has been consistent with the provisions outlined in the MoUs and the applicable legal framework. The Agency regularly provided both quantitative and qualitative data through Annual Work Programmes, Annual Activity Reports, and implementation reporting, demonstrating a high level of procedural compliance. Reporting has benefited from the use of corporate IT systems, notably the eGrants and Funding & Tenders Portal platforms, which facilitated structured data collection and real-time monitoring of programme implementation. These systems have improved transparency and traceability of information flows between EISMEA and its parent DGs.

While formal reporting requirements were fully met, there is evidence indicating a need to further strengthen analytical reporting, particularly in translating operational data into strategic insights for feedback to policy. Enhancing this two-way communication would ensure stronger alignment between programme delivery and policy objectives.

EISMEA's reporting to its parent Directorates-General, namely DG RTD, JUST, CNECT, GROW, and REGIO, is governed by the provisions set out in the delegation act.. The annual planning and reporting cycle forms the basis of the monitoring of the Agency's activities, notably through the Agency's annual work programme, annual activity report and interim reporting - the content, format and frequency of which is defined in the Memorandum of Understanding. Operationally, reporting primarily occurs through structured mechanisms, primarily the Steering Committee meetings held regularly (4 times per year). These meetings feature presentations by EISMEA's management of progress on programme implementation, financial execution, as well as horizontal aspects such as HR matters, risk management and compliance issues.

Evidence indicates that the available reporting provides a detailed and transparent overview of programme delivery including funding calls, project selections, etc. Operational challenges such as delays (e.g., in investment decisions), challenging IT migration, or long staff recruitments were reported by both EISMEA staff and some parent DGs as recurring topics in exchanges between the Agency and the Commission, supporting informed supervision.

The Agency reports on KPIs on budget absorption, time-to-pay, time-to-grant, residual error rates, and internal control issues, in line with the delegation instrument provisions. While the formal reporting framework is firmly established, certain parent DG stakeholders have observed that updates are not always delivered promptly or with sufficient detail. In response, EISMEA has taken measures to improve the timeliness and quality of reporting by leveraging innovative IT tools, such as Power BI dashboards, which began to be used more consistently from 2023 onwards. Furthermore, regular engagement through meetings with EIC programme managers and project advisors, covering Horizon Europe, the Single Market Programme, and I3, has proven invaluable for parent DGs, often providing immediate and actionable insights complementing the formal reports.

Nevertheless, several persistent challenges impact the Agency's reporting and operational effectiveness. Initial delays in the conclusion of MoUs, particularly for Horizon Europe, have created temporary bottlenecks in supervisory processes such as data flows between the Agency and certain parent DGs. While some delay with the I3 specific MoU conclusion happened, it did not affect supervisory clarity, seamless collaboration and programme implementation. Concerns have been raised regarding the adequacy of staffing levels and expertise within EISMEA, which may constrain the Agency's capacity to fully meet the demands of comprehensive reporting and operational delivery, potentially affecting the quality of oversight.

The Agency has already made important strides in strengthening its reporting and operational effectiveness. Looking ahead, timely and more detailed conclusion of MoU, particularly for Horizon Europe and I3 programmes, will further streamline processes, reinforce supervisory clarity, and enhance collaboration. Likewise, continued focus on aligning staffing levels and expertise within EISMEA is expected to further strengthen the agency's ability to meet the evolving demands of reporting and operational delivery, ensuring the sustained quality and effectiveness of oversight. With these efforts, the Agency would be well positioned to build on its progress and deliver greater impact. Despite progress, ongoing IT challenges remained significant. The onboarding of certain programmes into digital platforms like eGrants and the SEP, replacing the initial external IT solution, has necessitated temporary manual processing, increased administrative burdens and reduced efficiency. Additionally, limited interoperability among diverse IT systems restricted the ability to provide integrated data analytics and comprehensive reporting. Both Agency and parent DG representatives acknowledge that formal reporting processes are often protracted and complex, which can impede the timely incorporation of feedback into programme management and strategic decision-making. The formal nature of Steering Committee meetings can sometimes limit opportunities for in-depth dialogue on the state of the Agency, with much of the substantive cooperation having to be more structured at operational level.

Interviewees from parent DGs acknowledged that EISMEA's reporting has generally met supervisory requirements, while some have highlighted deficiencies in the timeliness, depth, and strategic relevance of reports, particularly regarding the integration of beneficiary feedback and the articulation of policy implications beyond operational metrics.

EQ8: What could be done to make the reporting to parent Directorates-General more effective and efficient?

Key findings: There is a clear need to simplify and harmonise reporting formats to reduce duplication across formal and informal reports, ensuring outputs are proportionate to their purpose and easier to use for both EISMEA and its parent DGs. Reports could go beyond descriptive data to include stronger analytical insights and clearer links between programme performance and policy objectives, improving their utility for strategic decision-making.

Establishing more regular, structured feedback exchanges between EISMEA and parent DGs would foster mutual understanding, ensure reports meet supervisory needs, and enhance the timeliness and clarity of follow-up actions.

EISMEA's reporting framework has generally been consistent with the supervision requirements set out in its establishing act and the Memoranda of Understanding (MoUs), providing timely and structured information to support oversight. Interviewees, however, noted opportunities to enhance the analytical clarity and strategic focus of reports. Future refinements could aim to make reporting outputs more accessible and policy-relevant, for example, by summarising key developments, risks, and programme-level insights in a concise format supported by visual dashboards to facilitate quicker analysis and decision-making. Interviewees from the Agency noted that the current volume and detail of formal reports can be overwhelming, potentially obscuring the most critical information. Reflecting this, Steering Committee members proposed a shift toward more succinct, targeted reports that distil key strategic developments, risk exposures, and operational highlights. For example, rather than extensive quarterly operational data batches, a focused executive summary supplemented by dashboards could better serve decision-makers, enabling quicker assimilation and action.

Moreover, reports could be significantly improved by incorporating forward-looking analysis and contextual insights. Rather than limiting themselves to descriptive updates, they should also highlight emerging risks, implementation challenges, and opportunities identified during programme delivery, as emerged from the interviews with parent DGs and the documents consulted. For instance, parent DG staff expressed the value of integrating beneficiary feedback and thematic trends to help align programme execution with evolving EU policy priorities, such as green and digital transitions. This approach was highlighted during Steering Committee debates as critical to transforming reporting from a compliance exercise into a strategic tool.

A recurring recommendation was the call for enhanced digital tools to support reporting. Interviews with the agency staff revealed frustrations with the IT platforms and manual data processing, which slow down reporting cycles. At the same time, parent DGs praised the introduction of dashboards as a positive step but urged accelerated development of integrated, user-friendly interfaces that allow them to access real-time, customisable programme data independently. Such tools could, for example, enable DGs to monitor grant status, budget execution, or audit follow-up without awaiting formal report releases, fostering more agile oversight.

While the formal Steering Committee meetings remain the cornerstone of supervisory dialogue, more frequent informal exchanges would be beneficial. Bilateral meetings between EIC programme managers and DG focal points were frequently cited as efficient channels to clarify issues, exchange timely information, and resolve operational bottlenecks. For example, several parent DG representatives noted that these informal contacts often provide richer, more immediate insights than formal reports, underscoring the importance of maintaining these communication avenues alongside structured reporting.

The MoUs play a crucial role in establishing consistent and transparent reporting frameworks between EISMEA and its parent DGs. They help clarify supervisory expectations, ensure proportional and relevant reporting obligations, and facilitate efficient information exchange. The process of finalising the MoUs, however, proved challenging, as both the parent DGs and the Agency needed to agree on detailed working arrangements. Diverging views on these modalities contributed to delays in reaching consensus. Interview feedback echoed this sentiment, with stakeholders calling for regular reviews of MoUs to ensure that reporting obligations remain proportionate, relevant, and aligned with evolving programme scopes and supervisory needs.

Ensuring sufficient human and technical resources for reporting and data management remains a requirement for effective performance in these areas. Interviewees from the Agency frequently cited staffing shortages and high vacancy rates as constraints limiting the agency's ability to deliver comprehensive and timely reports.

Interviewees noted that providing clear, up-to-date information on risk exposures and corrective measures enhances parent DGs' confidence in the agency's internal controls, pointing out that such transparency could be a regular feature of reporting, enabling more proactive supervision and mitigating reputational or financial risks.

4.2. Efficiency

4.2.1. Programme Management

EQ9: How efficient and flexible was the management of the delegated programmes and respectively execution of services, including the actual performance and productivity increase against the elements estimated in the ex-ante cost-benefit analysis of 2021, the actual costs (including cost of coordination and monitoring) and as compared to the alternative option of in-house scenario?

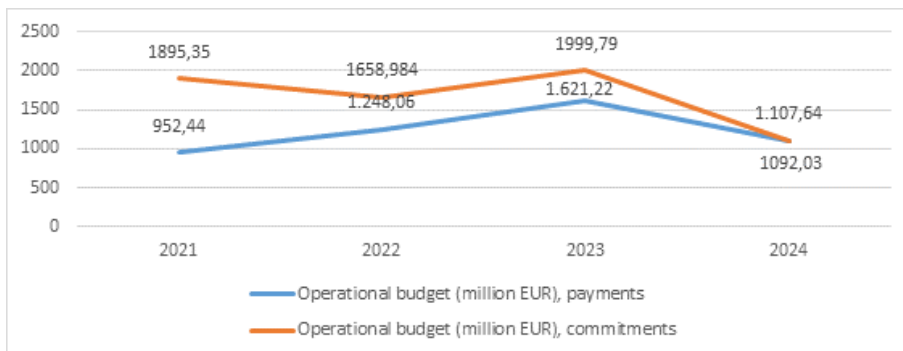
Key findings: EISMEA's management of delegated programmes has demonstrated satisfactory efficiency and flexibility, successfully maintaining service delivery despite staff constraints and external challenges, including the transition of new programmes and budget fluctuations. The Agency has effectively adjusted internal processes and resource allocation to evolving programme needs, ensuring continuity of grant management and stakeholder services across diverse funding strands. The gradual integration of digital tools and platforms, such as eGrants and Power BI dashboards, has enhanced process efficiency, monitoring accuracy, and responsiveness, though full benefits depend on the continued harmonisation of IT systems.

EISMEA's management of delegated programmes has demonstrated a satisfactory degree of efficiency and flexibility, enabling the Agency to adapt to evolving programme requirements and external challenges, such as a planned staff cuts based on initial CBA. Evidence stemming from desk research and stakeholders' consultation activities highlights that the Agency has successfully handled a growing portfolio of complex programmes such as Horizon Europe, the Single Market Programme and several pilot actions, often exceeding initial planning in terms of programme scope and budget absorption. Additionally, the Agency implemented digital tools like Power BI dashboards to enhance monitoring and reporting, which improved operational transparency and responsiveness. Such tools allowed quicker identification of bottlenecks and informed decision-making, contributing positively to productivity gains anticipated in the ex-ante analysis.

However, it also emerged that notable constraints impacted the full realisation of efficiency and flexibility goals. Staff shortages and turnover, highlighted by a marked decline in overall job satisfaction from 82% in 2021 to 63% in 2023, coupled with decreasing engagement and satisfaction with workload, have strained the agency's capacity to maintain optimal performance. These human resource challenges, combined with IT platform migrations and manual workarounds, introduced delays and increased administrative burdens that somewhat limited productivity enhancements projected in the original cost-benefit framework. Interviewees frequently noted that while delegated management brought agility compared to implementation in the Commission, the agency's ability to scale rapidly and manage complex delegated tasks was hampered by resource and system limitations. At the same time, planning and delivery of IT solutions has often been challenging given the evolving business requirements and the gradual establishment of governance frameworks throughout the period.

The annual activity reports corroborate these observations by indicating steady but measured progress in programme execution and budget absorption, often achieving targets but sometimes delayed by operational complexities such as onboarding new programmes and adapting to legal or IT changes. For example, the gradual integration of the I3 Instrument and delays in migrating certain Single Market Programme activities to fully digital platforms have constrained the agency's flexibility in responding to shifting demands swiftly.

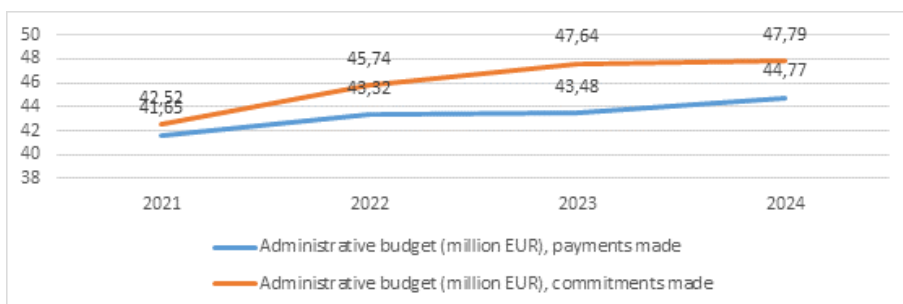
Figure 13: Operational budget overview, 2021-2024



Source: EISMEA Annual Activity Reports, 2021-2024

Data from the Annual Activity Reports reveals a fluctuating trend in EISMEA's operational budget execution, as previously noted in the effectiveness section, reflecting a period of expansion in the Agency's activities. In terms of administrative budget, it increased from €41.65 million in 2021 to €47.79 million in 2024.

Figure 14: Administrative budget overview, 2021-2024



Source: EISMEA Annual Activity Reports, 2021-2024

Between 2021 and 2024, the Agency managed the projects with fluctuating workforce. Moreover, since 2022 EISMEA has been involved in supporting Ukrainian business and innovation ecosystems. Building on the data from desk research, the majority of the stakeholders interviewed stated that the Agency established efficient processes to meet targets at all stages of programme implementation while reducing the residual risk.

Interviews with the Agency staff highlighted EISMEA's notable programme management capacity, particularly in handling exceptionally high demand for funding, with success rates below 5% in some programmes due to limited budget. To manage this pressure the Agency has developed a structured system for engaging external experts, which is a core element of its operational model. For example, each year, EISMEA identifies and contacts around 16,000 potential experts, shortlists approximately 5,000, and ultimately contracts between 2,000 and 3,000. This expert engagement process represents a substantial and recurring component of the Agency's operational workload and requires extensive logistical coordination within its programme management framework, including managing contracts, processing payments, maintaining correspondence, and ensuring systematic follow-up across a large portfolio of projects.

As previously elaborated under the factors hindering the effectiveness of the Agency, between 2021 and 2024, EISMEA faced several operational challenges that had a direct impact on programme management, despite the Agency's continued efforts to meet its performance

targets and KPIs. Stakeholders from both the Agency and parent DGs noted that the cost-benefit analysis conducted in 2021 underestimated the actual workload, under the grant management but also particularly in relation to procurement actions, leading to resource and capacity mismatches. They also noted that, in parallel, EISMEA’s mandate expanded beyond its original scope to include, as previously mentioned, new responsibilities and additional procurement calls and pilot projects, which was not matched by an allocation of additional resources. Additionally, the relocation to a new building in 2023 required substantial logistical and IT adjustments, including the reconfiguration of workspace arrangements, temporary disruptions in access to IT systems and meeting facilities, and the reorganisation of on-site and hybrid working modalities. These operational transitions, combined with the reduction in FTE allocation overtime, increased the workload for staff.

Table 5: Indicators of EISMEA's efficiency

Name	2021	2022	2023	2024
Amount of the operational budget to be delegated (M EUR)	952.44	1,248.06	1,621.22	1,020.16
Human resources at the level of the Agency	370	388	346	353
The administrative budget of the Agency (M EUR)	41.65	43.32	43.48	47.79
Number of projects	2335	2000	2600	2250

Source: EISMEA AARs, 2021-2024

4.2.2. Fit for Purpose

EQ10: To what extent is the Agency fit for purpose?

Key findings: EISMEA’s organisational setup and internal processes are, in principle, appropriate to deliver on its mandate efficiently. High staff turnover and vacancy rates, combined with the addition of new actions and priorities (e.g. under the SMP-Consumers) placed significant pressure on resources and workload management. While the Agency maintained strong operational performance, the potential flexibility in resource allocation was not fully leveraged, limiting its ability to optimise distribution and sustain cost-efficiency gains.

EISMEA is, in principle, appropriately structured to fulfil its objectives. The Agency has established internal processes for workforce planning and programme management, particularly in relation to its initiatives supporting Ukrainian SMEs (SMP-SME Pillar) and SMP Consumer Protection Pillar (SMP - Consumers). Adaptation of new actions and related calls (e.g. EIC Ukraine calls, pre- Accelerator) to respond to political priorities impacted workload and put additional pressure on staff. In terms of structure and size of the Agency, challenges such as high turnover and high vacancy rates were noted. Planned staffing as reported in the Annual Work Programme (AWP) gradually decreases from a peak of 436 in 2022 to 407 positions in 2024, aligning with the CBA staff reduction. However, the actual staffing consistently remained below these planned figures, reflecting persistent recruitment and retention challenges.

Table 6: Staff overview and vacancy rates

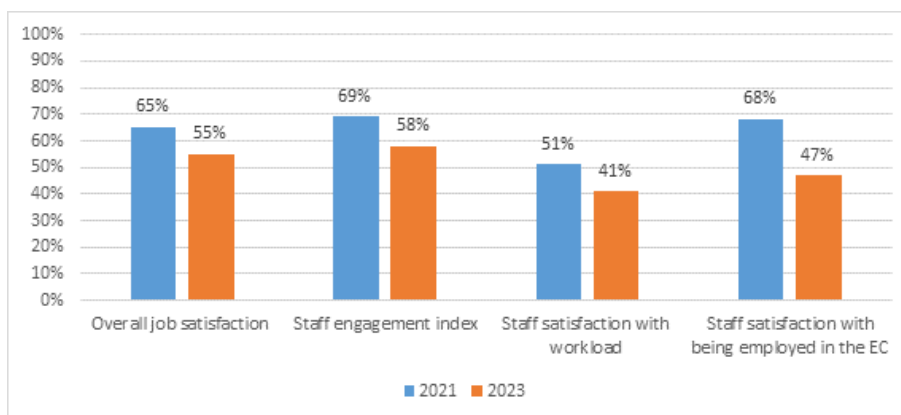
	2021	2022	2023	2024
Staffing in the AWP (planned)	420	436	427	407
Staff in place year end (actuals)	370	388	346	353
Vacancy rate	11.9%	11%	18.96%	13.26%

Source: Authors' elaboration, based on data provided by EISMEA

Staff perceptions

The data in Figure 15 indicate a general decline in staff engagement and satisfaction between 2021 and 2023. Overall job satisfaction decreased from 65% to 55%, while the staff engagement index fell from 69% to 58%, pointing to lower motivation and alignment within the agency. Satisfaction with workload also dropped significantly (from 51% to 41%), suggesting increased pressure or workload perception among employees. Similarly, satisfaction with being employed in the European Commission declined from 68% to 47%, which may reflect reduced morale or confidence in institutional conditions. These results highlight a need for strengthened leadership communication, workload management, and staff engagement initiatives to maintain motivation and organisational cohesion.⁵²

Figure 15: Staff engagement index and job satisfaction



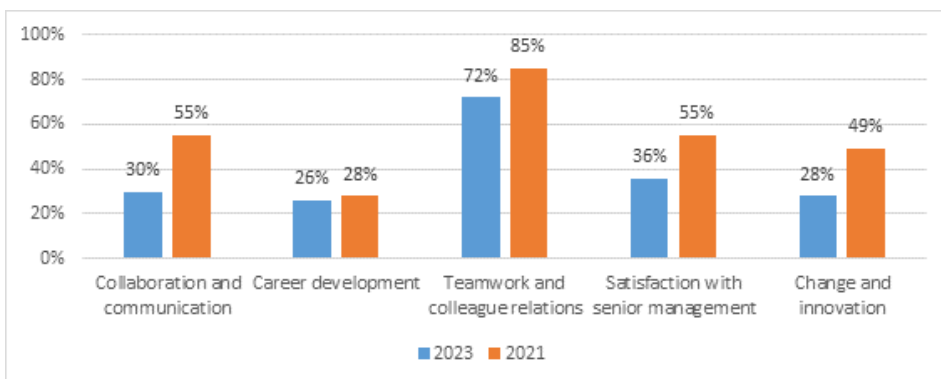
Source: EC staff satisfaction survey 2021, 2023

Certain areas such as collaboration and communication (down from 55% in 2021 to 30% positive in 2023) and change and innovation (down from 49% to 28% positive) also revealed concerning trends. These sharp declines suggest significant dissatisfaction among staff regarding organisational culture and openness to staff input. Moreover, perceptions related to professional future and career development remained consistently low (26% positive in 2023, almost unchanged from 28% in 2021), indicating persistent structural shortcomings in talent management and career planning.

Despite these challenges, certain areas remain relatively robust. Teamwork and colleague relations stayed positive at 72% in 2023 (down from 77% in 2021), and staff continued to feel adequately resourced in terms of digital skills and tools (62% positive in 2023).

⁵² EISMEA staff satisfaction survey, 2021, 2023

Figure 16: Comparison of staff survey results, 2021 – 2023



Source: EISMEA staff survey results, 2021, 2023

To address these findings from the 2023 staff survey, EISMEA developed a targeted Recovery Plan aimed at improving internal management practices, staff engagement and organisational communication⁵³.

EISMEA's staffing structure, partially in line with the standard composition of executive agencies⁵⁴, and a management team seconded from the Commission, presents certain challenges. Stakeholders from both parent DG and the Agency highlighted in interviews issues such as high turnover and limited professional development opportunities, which are not appealing to staff or new recruits. This in turn can result in the loss of institutional memory and may create a disconnect between policy and implementation roles.

Internal simplification measures

EISMEA has pursued a series of internal simplification measures, particularly in grant management, over the evaluation period to improve operational efficiency, manage increasing portfolio complexity, and reduce administrative burden on staff.

One area of simplification focused on streamlining programme management processes. According to the 2023 AAR, the Agency worked to harmonise monitoring and reporting procedures across programmes, particularly where similar implementation requirements applied under different legal bases (e.g. SMP, I3). This included updates to templates, and guidance notes, further highlighting efforts to simplify reporting lines and improve coordination between the units working with different programmes or their parts, aiming to reduce duplication and clarify roles within multi-actor projects.

In terms of digitalisation for simplification, the AARs from 2022 and 2023 report the roll-out of Power BI dashboards, which enabled real-time tracking of project and programme-level performance indicators. These tools helped replace fragmented manual reporting with a more coherent and transparent data environment. EISMEA reported the simplification of call planning for the EIC Accelerator, including better alignment of internal timelines and advance identification of external evaluators. These measures were taken in direct response to a dip in TTG performance and feedback about pressure on evaluators and applicants. Moreover, the sequencing of evaluation steps, particularly interviews and expert assessments, was adjusted to reduce bottlenecks and ensure smoother coordination with corporate systems like eGrants.

⁵³ EISMEA Recovery Plan

⁵⁴ 25% Temporary Agents, 75% Contract Agents since 2025 (only) + see Cross cutting report- section on organisational structure

EQ11: What were the factors driving or hindering the efficiency of the Agency?

Key findings: EISMEA has strengthened its internal coordination and digitalisation efforts, which supported operational efficiency. The introduction of structured internal processes, the use of Power BI dashboards, and the simplification of reporting and call management procedures improved workflow integration and responsiveness across programmes. Collaboration with stakeholders and adaptability to changing contexts (e.g. COVID-19, Ukraine crisis) have enhanced EISMEA's flexibility and resilience. Strong engagement with parent DGs and external actors facilitated knowledge sharing and feedback to policy interactions that contributed to efficient delivery. Operational bottlenecks continue to hinder efficiency, including staffing constraints, and reliance on actual cost reporting, which impose high administrative burdens. Centralised financial management and limited IT system flexibility have further constrained process optimisation.

The Agency implemented several practices that supported internal coordination to drive operational efficiency. Despite EISMEA's efforts to streamline operations, however, there are also factors hindering efficiency. Below, we outline some of the factors that have been driving and hindering EISMEA's efficiency so far:

Factors driving efficiency:

- **Established internal processes:** The Agency has developed internal processes such as for programme management, which facilitate the implementation of new funding instruments and structural changes. These processes help streamline operations and improve coordination among stakeholders.
- **Collaboration with stakeholders:** EISMEA's collaboration with various stakeholders, including government entities and consumer organisations, enhances its ability to deliver effective programmes and also under the provision of feedback to policy to parent DGs. This collaborative approach fosters knowledge sharing and resource optimisation, contributing to increased impact and overall efficiency.
- **Support from Parent Directorate-Generals:** EISMEA benefits from strong support and collaboration with its parent Directorate-Generals.
- **Adaptability to changing circumstances:** The Agency's ability to adapt to changing circumstances, such as the Russia's war of aggression against Ukraine or COVID, demonstrates its resilience and capacity to respond effectively to emerging challenges. This adaptability can enhance efficiency by allowing the Agency to pivot resources where they are most needed.
- **Use of digital tools:** Increasing reliance on digital platforms (e.g. SEP for evaluations, eGrants onboarding) has been enhancing operational processes.

Factors hindering the efficiency:

- **Workforce allocation:** Staffing constraints have resulted in increased workloads for remaining staff and the Agency does not have a reallocation policy in place supported by a workload assessment methodology. This makes it challenging to implement programmes effectively as the staff is not allocated in function of workload peaks.
- **Internal processes:** The actual-cost payment models, integral to the design of many programmes, continued to impose significant administrative complexity and limited the scope for operational streamlining during the period.

- **Communication challenges:** Ineffective communication between EISMEA's services and coordination among stakeholders, particularly the occasional uncertainty around guidance and responsibilities, can lead to confusion and misunderstandings.
- **Parallel information requests:** As further elaborated under F2P subheading, the need to prepare tailored updates or respond to parallel information requests, which added to the administrative burden. In addition, the limited harmonisation in supervision practices prompted the Agency to invest additional effort in internal coordination to ensure consistency and manage expectations.
- **Onboarding of some programmes:** For example, EIC faced delays due to legal and business-related challenges, which in turn slowed down the development and deployment of related IT tools, affecting the scheduling of calls and information days.

EQ12: To what extent the measures envisaged in the ex-ante cost-benefit analysis of 2021 contributed to a proven increased productivity of the Agency?

Key findings: The efficiency measures outlined in the 2021 ex-ante cost-benefit analysis have largely materialised, resulting in measurable productivity gains. The retrospective CBA confirmed that actual savings under the optimised EA scenario exceeded estimates by 3%, with productivity levels measured as commitment appropriations per FTE, also about 3% higher than forecast, validating the Commission's delegation approach. Structural and procedural improvements, such as streamlined programme portfolios, digitalisation, and feedback to policy processes, have enhanced operational performance, though the full impact of IT investments and simplification measures is still unfolding. Manual workarounds and reliance on actual cost reimbursement continued to limit the realisation of efficiency gains during the evaluation period. Human resource and workload management constraints have tempered potential productivity increases. Despite lean staffing and a coherent governance setup, staff shortages, and delays in deploying IT systems reduced the scope for efficiency improvements envisaged in the ex-ante CBA.

This EQ examines the extent to which the efficiency measures outlined in the 2021 ex-ante CBA have effectively contributed to increased productivity within the Agency. The CBA aimed not only to generate scale effects, through larger budgets and programme groupings, but also to enhance productivity through structural and procedural improvements.

Based on the ex-ante CBA, the Executive Agencies should implement a number of measures to become more efficient by:

- Organising more efficiently and effectively the necessary feedback to policy;
- Relying on new or improved IT tools;
- Implementing additional simplification measures made possible by the latest revision of Financial Regulation, like broader use of lump sums;
- Increasing the average grant size where possible, keeping in mind delivery of policy objectives;
- Organising calls and procurement in a less resource intensive way;
- Reassessing the reporting requirements;
- Increasing the flexibility in the allocation of staff between the various programmes implemented by an Agency, allowing to better reply to the variation in the workload in the different programmes of the Agency.

Based on the interviews conducted with stakeholders at EISMEA, it appears that the measures outlined in the ex-ante cost-benefit analysis (CBA) of 2021 have had varying degrees of materialisation and impact on the Agency's productivity:

Table 7: Efficiency measures and implementation by the Agency

Measure	Implementation
Efficient feedback to policy	EISMEA provided feedback to policy through regular bilateral exchanges with parent DGs, informal input on programme and project implementation, identified trends and lessons learned, the use of monitoring tools to share performance data, participation in interservice coordination meetings, and ad hoc reporting, measures which appear to have effectively supported strategic and, where relevant, legislative discussions.
New or improved IT tools	EISMEA has been working on implementing new IT solutions; however, not all particularities of the EIC rules could be easily translated in IT tools which has led to reliance on manual processes, indicating that there is potential for improvement.
Simplification measures	While there have been discussions around simplification, particularly regarding the use of lump sums, the actual implementation has been limited until 2024, and the reliance on actual costs remains prevalent (e.g. since many of these grants remain to be signed in 2025, i.e. outside the evaluation period).
Increasing average grant size	While the Agency took steps to adapt, resource constraints made it challenging for to respond effectively.
Less resource-intensive calls and procurement	Efforts to streamline calls and procurement processes have been made, but the inherent complexity of procurement procedures (mostly high-value) and the strict regulatory and requirements continue to demand significant resources.
Reassessing reporting requirements	Current reporting practices still impose a high administrative burden on both the Agency and beneficiaries.
Flexibility in staff allocation	The Agency could further maximise the flexibility to reallocate staff between programmes during high workload periods.

Source: Authors' elaboration

The Agency has made strides in areas such as streamlining calls and procurements procedures and implementing new IT tools, but challenges remain in fully realising the intended efficiencies. The reliance on actual costs, the complexity of programmes, and staffing constraints continue to hinder productivity improvements. Addressing these challenges will be essential for EISMEA to enhance its operational efficiency and achieve its objectives effectively.

4.2.3. Environmental impact

EQ13: How did the Agency reduce its environmental impact during the period and to what extent could it be further minimised?

Key findings: EISMEA aligned with the European Green Deal and Greening the Commission targets, contributing to the 2030 climate neutrality goal. Actions under the EMAS framework improved energy efficiency, reduced travel emissions, and promoted waste reduction. Staff engagement, remote recruitment and sustainable procurement supported environmental responsibility.

The actions implemented by EISMEA between 2021 and 2024 support several of the overarching objectives of the European Green Deal and the Commission's "GREENING THE COMMISSION" Communication (Directorate-General Human Resources and Security, 05/04/2022)⁵⁵. The 'GREENING THE COMMISSION' Communication outlines the EU's pathway to climate neutrality by 2030, setting a target to reduce greenhouse gas emissions by 60% compared to 2005 levels, with remaining emissions to be offset through carbon removal. It identifies key areas of environmental performance, ranging from buildings and travel to IT and staff engagement, each accompanied by specific actions and targets designed to support this ambition⁵⁶. Measures such as default double-sided printing, reducing single-use plastics in the workplace, and promoting public transport and cycling for commuting were also introduced.

As shown in the Annual Activity reports, by 2024, EISMEA continued to align its actions with the Green Deal objectives, emphasising energy efficiency through the summer closure of the SB34 building. The establishment of a working group for a green workplace programme together with other Executive Agencies and increased use of advanced VC meeting rooms further highlighted the Agency's sustainability efforts. Moreover, waste management was addressed by implementing EC guidelines for sustainable meetings and events, achieving 100% compliance. Green public procurement was promoted through staff awareness actions and ensuring that 100% of office supplies ordered were "green" items⁵⁷. Moreover, the Agency's high EMAS score, awarded under the EU's Eco-Management and Audit Scheme to recognise environmental performance, confirms the Agency's engagement in environmental action.

⁵⁵ European Commission, COMMUNICATION TO THE COMMISSION, GREENING THE COMMISSION, Directorate General Human Resources and Security, 05/04/2022, Available at: [c 2022 2230 2 en act part1 v11.pdf](#). The Communication charts the course toward achieving climate neutrality within the Commission by 2030, identifying key areas for improving environmental performance. Among its targets is a 60% reduction in greenhouse gas (GHG) emissions by 2030 compared to 2005 levels, with remaining emissions to be offset through carbon removal measures. The commitment to reach corporate climate neutrality by 2030 is a distinct pledge made by the Commission under the Green Deal, separate from the broader EU-wide targets set for the same year.

⁵⁶ The GREENING THE COMMISSION Communication identifies seven key areas of environmental performance to be monitored and improved in support of the EU's climate neutrality objective by 2030. These include: (1) *Buildings and working space* – improving energy efficiency and reducing consumption; (2) *Business travel* – minimising emissions through videoconferencing and sustainable transport; (3) *Commuting* – promoting low-carbon commuting options such as public transport and cycling; (4) *Commission vehicles* – increasing the use of electric or hybrid vehicles; (5) *IT operations and assets* – optimising digital infrastructure to reduce energy use; (6) *Procurement and waste management* – implementing sustainable purchasing practices and reducing waste; (7) *Staff participation and engagement* – fostering environmentally responsible behaviours through training and awareness initiatives.

⁵⁷ EISMEA, Annual activity reports 2021-2024, available at: [About EISMEA - European Commission](#)

In alignment with these goals, EISMEA implemented a range of measures between 2021 and 2024:

- Buildings and working space: EISMEA actively participated in and supported corporate energy-savings campaigns such as the Buildings Energy Savings Together (BEST) Winter Actions – Winter/Summer⁵⁸ and maintained reduced building temperatures as part of its commitment to energy efficiency and climate neutrality.
- Business travel: The Agency modernised its meeting infrastructure, expanding videoconferencing capabilities and embedding hybrid work practices. These efforts significantly reduced the need for travel, supporting the Commission’s objective to lower transport-related emissions.
- Commuting: EISMEA encouraged sustainable commuting through awareness campaigns and staff briefings, promoting cycling, walking, and public transport. Internal surveys indicated growing uptake of low-carbon commuting options.
- Commission vehicles: Although EISMEA’s direct use of Commission vehicles is limited, it aligned with the broader institutional shift toward low-emission fleets. Staff were encouraged to prioritise shared or low-carbon transport for official travel.
- IT operations and assets: The Agency advanced digital workflows, including electronic signatures and archiving, which reduced paper consumption and printing volumes. These efforts also lowered energy use in IT operations, in line with the Commission’s sustainability goals.
- Procurement and waste management: EISMEA achieved full compliance with the Commission’s sustainable meeting guidelines. All office supplies were procured under environmentally friendly criteria, and waste reduction initiatives, such as default double-sided printing, limiting single-use plastics, and improving recycling, led to a steady decline in residual waste between 2021 and 2023.
- Staff participation and engagement: Staff engagement was central to EISMEA’s greening efforts. Training sessions, awareness campaigns, and targeted initiatives embedded sustainability into daily routines. The Agency’s active involvement in the EU’s Eco-Management and Audit Scheme (EMAS)⁵⁹, along with its high EMAS score, awarded in recognition of strong environmental performance, provides clear external validation of its commitment to environmental action.

EISMEA’s environmental performance showed steady improvement between 2021-2023, driven by increased efficiency, digitalisation, and changes in working practices. While part of this progress reflects deliberate efforts to reduce resource use, some trends, particularly those linked to office presence, are also attributable to the lasting impact of the COVID-19 pandemic and the continued use of hybrid work models. Moreover, the Agency conducted remote recruitment procedures, thereby avoiding travel by plane or train and reducing the associated environmental impact.

Although EISMEA undertook meaningful steps to reduce its environmental impact, these actions were not previously presented in a way that made their alignment with the Commission’s wider Greening Strategy fully visible. In practice, however, the Agency operates under the EMAS registration, which provides a structured and rigorous methodology for monitoring, collecting and reporting environmental data and actions. These are consolidated annually in the EMAS environmental statement, which includes specific indicators and targets to reduce environmental impact and is subject to regular audits. This broader framework was further reinforced in

⁵⁸ This initiative involves the planned closure of buildings during periods of low office occupancy, thereby contributing to reduced energy consumption and lower maintenance costs.

⁵⁹ Eco-Management and Audit Scheme (EMAS), Available at: [Eco-Management and Audit Scheme \(EMAS\)](#)

November 2024, when EISMEA adopted its Greening Strategy 2025–2028, introducing continued practical actions aligned with the European Green Deal and the Commission’s objective of climate neutrality by 2030. The strategy lays out a series of continued practical actions aligned with the European Green Deal and the European Commission’s goal of reaching climate neutrality by 2030. As part of the Agency’s awareness-raising on the Greening Strategy, staff were reminded in particular of the new missions’ guidance and the importance of making greener travel choices. Transparency and accountability could be enhanced by improving reporting on key environmental indicators and progress against targets, ensuring consistent visibility of sustainability performance alongside other corporate objectives.

4.2.4. Digitalisation

EQ14: What did the Agency do to digitalise its activities?

Key findings: EISMEA implemented a structured and phased digital transformation strategy, progressively integrating corporate IT platforms such as SEP and eGrants to digitalise grant submission, evaluation, and monitoring. This replaced earlier manual procedures and established a unified digital workflow across delegated programmes. The Agency enhanced data management and transparency through the deployment of digital tools, notably Power BI dashboards, which enabled real-time monitoring of performance and financial data. These tools strengthened reporting to parent DGs and supported more agile and informed decision-making

In 2021, EISMEA adopted corporate digital tools provided by the European Commission and its parents DGs, which enabled greater efficiency in managing grant management, improving data reporting and facilitating stakeholder access.

Building on this, the Agency progressively implemented the advanced corporate digital platforms of the Commission to support programme management and grant administration. A key milestone was the adoption and ongoing rollout of the corporate SEP and the eGrants system. These platforms enable digital submission, evaluation, and monitoring of funding applications across multiple delegated programmes, replacing earlier paper-based or manual procedures. Steering Committee discussions frequently acknowledged the complexities of migrating/onboarding programmes such as the Single Market Programme and I3 to these platforms, underscoring EISMEA’s commitment to integrated digital workflows despite operational challenges. Nevertheless, major difficulties were encountered in adapting procedures initially designed for Horizon Europe grant processes to the specific needs of some of the programme e.g the EIC Accelerator and its blended finance and equity components, which required new operational approaches and expertise.

To further improve data visibility and reporting, EISMEA introduced Power BI dashboards as part of its digital transformation. These interactive dashboards provide real-time, visual access to key performance indicators, financial data, and programme progress to Agency staff and parent DGs alike. This innovation has significantly increased transparency and enabled more agile decision-making, allowing stakeholders to track developments and identify issues promptly.

In parallel, the Agency invested in upgrading its IT infrastructure and enhancing interoperability between diverse systems. Efforts included developing interfaces linking grant management platforms with financial and control systems to streamline data flows and reduce duplication. While interviewees noted ongoing challenges with legacy systems and manual interventions during transition phases, these initiatives represented critical steps toward comprehensive end-to-end digitalisation. By 2022, EISMEA had expanded its efforts by enhancing digital platforms

for application processing, improving data management practices to comply with regulations, and providing training to stakeholders to ensure effective system use. The Agency developed its own internal tools to complete the corporate solutions and further improve efficiency.

Additionally, EISMEA aligned with corporate initiatives for digital transition by promoting a “digital frugality” strategy, which sought to limit unnecessary IT expansion while improving the usability and sustainability of existing systems. This demonstrated a pragmatic and sustainable approach to digital transformation. Beyond internal processes, the Agency extended its digitalisation efforts to stakeholder engagement by enhancing online communication channels and launching digital portals to facilitate smoother interactions with beneficiaries, experts, and partners, thereby improving accessibility and responsiveness.

Technology

EISMEA has been working to implement effective IT solutions to streamline its operations. However, Agency staff has raised concerns that the current corporate tools in use do not fully meet the needs of the Agency yet, particularly in managing the complexities associated with procurement and grant processes, as the degree of customization of corporate IT tools is rather limited.

From a structural and functional perspective, EISMEA is capable of fulfilling its core responsibilities and integrating new procedural elements into its processes. While the Agency demonstrates a strong commitment to operational efficiency and prioritises the needs of beneficiaries, there are notable challenges that must be addressed. The complexities introduced by the actual cost funding structure, combined with the reliance on manual processes and extensive compliance requirements, indicate areas for improvement. By addressing staffing needs, streamlining processes, and leveraging technology, EISMEA can enhance its operational efficiency and better fulfil its objectives across all programmes.

EQ15: To what extent could more have been done to make the Agency more digitally efficient?

Key findings: EISMEA has made notable strides in digitalising its operations, though further progress was constrained by persistent challenges. Limited staffing in IT and programme management affected the pace of platform deployment, maintenance, and integration. The reliance on legacy systems and the complexity of system migrations slowed the full realisation of digital efficiencies. Both internal and external stakeholders noted that the current IT landscape, characterised by disconnected platforms, manual processes, and limited interoperability between grant, financial, and audit systems, impacted productivity. Users also found the Funding & Tenders Portal difficult to navigate, highlighting the need for more intuitive interfaces and harmonised digital workflows. Investing in automation, AI-driven reporting tools, and a dedicated recruitment management system could significantly boost efficiency. Additionally, tailored digital support and training, especially for SMEs and smaller beneficiaries, would enhance inclusiveness and ease of use.

Despite notable progress in digitalising its operations, EISMEA’s digital transformation could have been further strengthened through additional measures. Persistent challenges, such as limited staffing in IT and programme management, constrained the agency’s ability to accelerate platform deployment and maintenance. The complexity of migrating multiple programmes onto unified platforms, combined with legacy system constraints, slowed down digital progress and necessitated manual workarounds, tempering productivity gains.

The survey findings reinforced these points, revealing that many stakeholders found the existing digital portals, particularly the EU Funding & Tenders Portal, to be cumbersome and not sufficiently user-friendly. A strong majority advocated for simplification and harmonisation of

administrative and reporting requirements, which would ease digital workflows and reduce bureaucratic friction. Enhanced IT support and training were also widely requested to help users navigate digital systems more effectively.

Furthermore, the lack of seamless data interoperability emerged as a significant barrier to efficiency, with both internal stakeholders from parent DGs and external stakeholders, namely survey respondents, called for accelerated integration efforts to unify grant management, financial, and audit platforms. This would reduce duplication, improve data accuracy, and facilitate more comprehensive and strategic reporting.

Additionally, smaller beneficiaries such as SMEs and startups reported more difficulties with digital tools and administrative complexity, suggesting that digitalisation efforts need to be more tailored to their specific needs. Moreover, the absence of a dedicated recruitment system has led to manual handling of recruitment processes using Excel. The transition to generic platforms (SyGMA, Compass), intended to support multiple programmes, has negatively impacted flexibility and productivity. Leveraging Artificial Intelligence, particularly to enable more accurate and timely reporting, could represent an opportunity to strengthen both communication and analytical functions.

4.3. Coherence

4.3.1. Coherence of the Programme Portfolio

EQ16: To what extent have there been overlaps, gaps, inconsistencies, complementarities within the programme portfolio managed by the Agency and how are these addressed?

Key findings: EISMEA has largely succeeded in addressing overlaps, gaps, and inconsistencies within its delegated programme portfolio, ensuring effective coordination and complementarity across instruments and initiatives. Through joint governance structures, shared communication tools, and cross-service collaboration, the Agency has enhanced synergies between Horizon Europe, SMP, and other funding strands. While overall coherence has improved, further streamlining of coordination mechanisms and clearer delineation of programme responsibilities could strengthen integration and reduce administrative complexity.

EISMEA has largely succeeded in overcoming overlaps, gaps, and inconsistencies within its delegated programme portfolio. It has also effectively identified and capitalised on complementarities across various funding instruments and initiatives.

Based on the Annual Activity Reports, EISMEA has consistently implemented coordination mechanisms to ensure coherent programme delivery across its diverse portfolio, which includes the EIC, the EIE, the I3 Instrument, the SMP, and others. Internal coordination structures, such as inter-unit working groups and regular alignment with parent DGs, helped to prevent duplication of work and promote complementarities between initiatives. According to the 2023 Annual Activity Report, these structures enabled the Agency to respond effectively to evolving priorities without compromising programme integrity. While this broad mandate has enabled valuable synergies, the delegated programmes did not always fit seamlessly together, given their differing objectives, target groups, and implementation approaches. This has occasionally posed challenges for ensuring full coherence and strategic alignment across the portfolio.

According to the documents consulted, EISMEA conducted internal mapping and analysis exercises to monitor alignment across its programmes, ensuring there were no structural inefficiencies or unaddressed overlaps. These efforts were further supported by reporting practices under the single programming document and reinforced through the adoption of common KPIs and unified reporting formats.

Interviews conducted with EISMEA staff and parent DGs confirmed that, while the breadth of EISMEA's mandate posed some risk of fragmentation, especially between innovation and SMP-SME, the Agency actively addressed these challenges by streamlining procedures and enhancing inter-service cooperation, particularly for grant procedures. For instance, the partial transfer of tasks of EISMEA Unit D.01 to DG RTD in 2023 clarified institutional responsibilities.

Mitigation actions have also been taken where thematic or procedural overlaps were detected. For example, a key thematic overlap emerged between the EIC Accelerator and SME support actions under the Single Market Programme, both targeting SMEs but with different objectives. To mitigate this, EISMEA improved guidance and communication tools to clearly distinguish the scope and eligibility criteria of each funding stream. Procedural overlaps were noted in the evaluation and grant management processes across Horizon Europe and SMP, where differences in templates and timelines led to administrative inefficiencies. These were addressed through the introduction of shared evaluation panels and the harmonisation of procedures and documentation. As highlighted in the 2023 and 2024 Mid-Year Reports, these

adjustments contributed to improved programme coherence, reduced duplication, and sustained time-to-grant performance across funding lines.

Moreover, in 2023, the average TTG was kept within target ranges across programmes (245 days for Horizon Europe, 275 for SMP, and 275 for ERDF), demonstrating efficient cross-programme processing and absence of fragmentation-related delays. The MYR 2021 report also highlights early consolidation efforts to manage legacy programmes.

Additionally, inconsistencies in how tender specifications are drafted across units, both within and across programmes, have contributed to operational inefficiencies. There is also a need for improved IT tools to support progress tracking across project phases and to harmonise programme implementation. Despite these challenges, efforts have been made to foster synergies, for example, by linking the SME pillar with standardisation initiatives.

4.3.2. Division of Tasks between the Agency and the Parent DGs

EQ17: To what extent is there a clear and appropriate delimitation of responsibilities and tasks between the Agency and the parent Directorates-General?

Key findings: The division of tasks between EISMEA and its parent DGs is generally well-defined through formal agreements, structured governance frameworks, and consistent reporting arrangements. Despite this clarity at a strategic level, challenges persist in translating these frameworks into day-to-day operations, particularly regarding feedback to policy processes, communication flows, and the coordination of policy input. Continued refinement of operational interfaces and clearer guidance on shared responsibilities could help enhance efficiency and coherence across delegated activities.

There is a generally clear and appropriate delimitation of responsibilities between EISMEA and its parent DGs, underpinned by formal agreements, structured governance, and consistent reporting lines. However, challenges persist in translating these frameworks into day-to-day operational clarity, particularly at staff level.

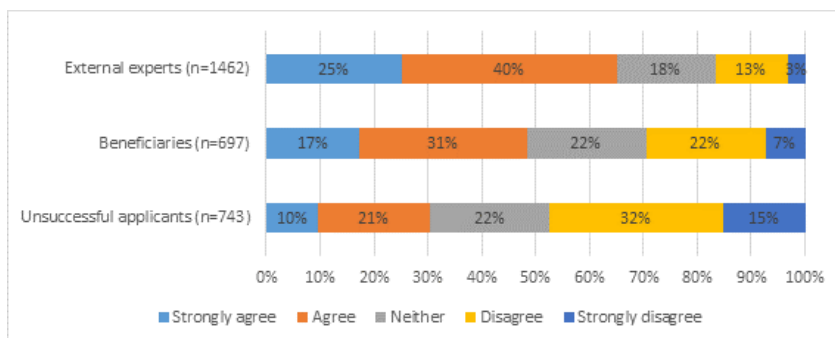
The division of responsibilities is defined through a framework of Memoranda of Understanding and Service-Level Agreements, covering programme management, financial responsibilities, and strategic oversight. These documents define the division of labour across operational, financial, and strategic oversight functions. Organisational charts and decision pathways are regularly updated and reviewed. Senior management from both EISMEA and the parent DGs view these arrangements as effective and adequate for maintaining institutional alignment.

Despite this, operational issues have occasionally emerged. For example, two situations regarding role delimitation arose in 2022, one concerning the interpretation of implementation responsibilities under the Single Market Programme, and another related to the review process of strategic programming documents. Both were resolved within six weeks using established coordination and escalation channels, without significant disruption to programme execution. This reflects the institutional maturity of the existing governance mechanisms and their ability to contain and resolve disagreements efficiently.

Externally, there appears to be less clarity regarding the division of roles. Only 31% of the unsuccessful applicants and 48% of beneficiaries agreed or strongly agreed that the delineation of responsibilities between EISMEA and the European Commission is clear to them. Among external experts, clarity was higher, with 65% responding positively, yet still leaving over one-third neutral or dissatisfied. Across all groups, a significant proportion reported uncertainty

(18%-22%) or disagreement (20-47%), suggesting that the complexity of institutional roles is not always effectively communicated to end users.

Figure 17: External stakeholders' perception of role clarity between EISMEA and the European Commission



Source: Survey with beneficiaries and unsuccessful applicants, survey with external experts

4.3.3. Feedback to Policy

EQ18: How effective are the Feedback to Policy channels, means and methods and to what extent do they ensure an adequate information flow between the Agency and the Commission services, notably on the content of the projects and their results? To what extent did the Agency identify and inform parent Directorates-General on the projects with the most relevant results for policy? To what extent the Feedback to Policy activities are monitored? What are the areas for improvement, if any?

Key findings: EISMEA has strengthened its feedback to policy channels compared to its predecessor, with more systematic exchanges and the introduction of structured processes such as the Feedback to Policy workshops. Despite progress, the Agency's policy insights are still not consistently incorporated into high-level strategic discussions with parent DGs, and monitoring of feedback outcomes remains limited. Strengthening analytical resources and ensuring a more formalised and regular flow of policy-relevant information would enhance EISMEA's contribution to evidence-based policymaking.

Building on insights from the 2018 evaluation of EISMEA's predecessor, EASME (Executive Agency for Small and Medium-sized Enterprises), the feedback to policy function has significantly improved and matured. The EASME evaluation concluded that while the Agency had strong operational performance, its contribution to policymaking was limited by the absence of structured feedback mechanisms, weak analytical capacity, and informal, often ad hoc interactions with the parent DGs. EASME's policy insights were typically not integrated into strategic discussions, and there was no systematic tracking of how implementation experience informed broader policy development.

In contrast, EISMEA has progressively established more structured and diversified feedback to policy mechanisms. These efforts aimed to ensure an adequate two-way flow of information between the Agency and its parent DGs, particularly on project content, results, and broader programme-level insights while driven by specific policy and programming needs.

As also noted in the F2P case study covering the six Executive Agencies⁶⁰, EISMEA stands out for adopting a partially decentralised organisational model at the beginning of its activity and efforts were made to have a higher-level coordination at department levels over 2022-2023, and a centralised communication approach. Unlike other agencies that opted for centralised or hybrid structures, EISMEA delegated partial responsibility for feedback to policy to individual programme units, allowing them to manage their own feedback processes independently while implementing annual F2P plan. This was enabled by the designation of F2P contact points and informal mirror-unit exchanges with parent DGs, supported through collaborative platforms (e.g. Teams and SharePoint). While this structure allowed for greater agility in responding to evolving policy needs, it also led to different quantity and quality of F2P deliverables and it also demanded stronger coordination across various teams to ensure coherence and alignment.

The Agency's feedback to policy framework is articulated around four main activity streams: feedback on programme implementation, contributions to strategic programming, inputs for broader policymaking, and ad hoc support e.g. input to briefing requests. Through the introduction of annual F2P plans, dedicated coordination networks, and dedicated dashboards (2023- 2024), EISMEA has strengthened the flow of information with its parent DGs, particularly in relation to the programme-level intelligence, and content, outcomes, and insights generated by funded projects.

The most visible and effective application of these mechanisms can be found in the context of European Innovation Council part of Horizon Europe. Within this programme, feedback to policy has matured into a well-established practice, with the Agency collecting all relevant data to regularly produce Tech and Impact Reports (EIC), briefing notes, and thematic mappings that inform policy priorities. The EIC has also developed its own taxonomy, and all the projects since its pilot phase have been classified accordingly. These inputs have been used by parent DGs, most notably DG RTD and DG CNECT, in preparing the 10th EU Framework Programme for Research and Innovation (FP10), which is the next long-term EU funding programme for R&I set to follow Horizon Europe (2028–2034). FP10 will shape strategic directions in fields such as deep tech, green transition, digital innovation, and EU competitiveness, making timely and targeted feedback from the implementation side essential. The European Innovation Ecosystems part of Horizon Europe could benefit more for publication and dissemination of the success stories. Moreover, an important aspect linked to feedback to policy relates to the distinctive feature of EISMEA compared to other Executive Agencies in the presence of EIC Programme Managers, who play a unique and strategic role in bridging programme implementation with policy development. These highly qualified experts, drawn from scientific, technological, and industrial backgrounds, provide thematic leadership within EIC. Integrating the EIC Programme Managers into the Agency's operational structures presented challenges, as their strategic, challenge-driven approach did not always align easily with the existing administrative and procedural workflows designed for standard grant management. Their role, intended to steer portfolios dynamically and engage with beneficiaries in a hands-on manner, required a degree of flexibility that proved difficult to reconcile with the Agency's regulatory and financial control obligations.

Their work involves overseeing project portfolios in emerging technology areas, mentoring beneficiaries, and identifying breakthrough innovations with potential strategic relevance for the EU. Beyond their operational responsibilities, EIC Programme Managers contribute significantly to feedback-to-policy processes. Through their close interaction with innovators, start-ups, and research actors, they generate valuable intelligence on technology trends, market barriers, and innovation ecosystems. This bottom-up insight is channelled to parent DGs, particularly DG RTD and DG GROW, helping inform policy priorities and future programme design. In doing so, Programme Managers act as a vital interface between the implementation and policy levels, translating lessons from project delivery into evidence-based recommendations.

⁶⁰ For additional details, refer to the case study examining F2P mechanisms across the six Executive Agencies.

Their contribution has been instrumental in reinforcing policy relevance and adaptability of EIC interventions. Continued integration of their analytical outputs into strategic discussions and policymaking cycles could further enhance the overall effectiveness of EISMEA's feedback-to-policy function and strengthen the EU's innovation policy architecture.

This growing maturity is backed by formal expectations outlined in the Memorandum of Understanding on Horizon Europe, which requires EISMEA to provide structured insights on project implementation, highlight success stories, and identify policy-relevant results to inform programming and policy debates. Similarly, under the Interregional Innovation Investments instrument, the MoU with DG REGIO sets out precise responsibilities for EISMEA to provide information on implementation trends and stakeholder engagement, information which DG REGIO confirmed supports its ongoing programme adjustments. In the case of the Single Market Programme, the special provisions agreed with DG GROW and DG JUST emphasise the agency's role in monitoring outcomes and feeding into strategic planning, though interviews suggest the operationalisation of this is more variable.

Coordination platforms have been institutionalised to support these activities. Formal F2P networks, managed by EISMEA's horizontal services (e.g. Department I office for EIE, I3 Instrument and SMP and E.CA team for EIC), ensure regular interaction with the policy units of DG RTD, DG GROW, DG CNECT, and DG REGIO. These are complemented by tools, which facilitate structured data requests, project tagging, and real-time updates. The use of internal briefings, success story collections, and policy notes has improved. For example, EISMEA provided policy briefs on SME access to finance under the Single Market Programme, and tailored inputs on standardisation and market surveillance, albeit with mixed feedback on their specificity and timeliness.

However, the effectiveness of these mechanisms varies across programmes. As highlighted in interviews with parent DGs and documents reviewed, Horizon Europe components (notably EIC and EIE) have benefited from clearer processes, while other areas, such as the Enterprise Europe Network or Erasmus for Young Entrepreneurs under SMP, mostly rely on informal channels and could benefit from more systematic reporting structures. Several stakeholders from parent DGs noted that while they receive project information, the depth and policy relevance of insights vary significantly and was not always received early enough to feed into strategic policy cycles.

EISMEA staff recognised the growing maturity, importance and quality of feedback to policy efforts and appreciated the clearer governance lines especially under Horizon Europe. However, many reported that there is limited feedback from parent DGs on whether or how the information provided was used creating uncertainty among staff about the actual impact and added value of the F2P activities. Some staff felt that expectations around feedback varied by DG, and there was a need for more structured and predictable demand for insights, to replace the current reliance on one-off or last-minute ad-hoc requests characterised by a less efficient use of the Agency resources dedicated to F2P activities. Staff also highlighted that fragmented responsibilities across programmes, combined with the absence of more strategic planning and anticipation of F2P needs including preparation of dedicated project reporting templates at work programme and call levels, clearly defined collaboration mechanisms, and active engagement on DGs side made it difficult to identify and monitor emerging results and relay them effectively to inform Commission policy. Staff also described instances where different units within the same parent DG issued diverging requests, for example, one unit asked for detailed success stories from a specific programme strand, while another requested thematic synthesis using different timeframes and formats. Such inconsistencies have made it challenging for the Agency to tailor its inputs effectively.

Another issue noted was the lack of formal monitoring of feedback to policy activities. While the Feedback to Policy Plans⁶¹ include annual priorities and reporting templates, there are no clear

⁶¹EIC-EIE Feedback to Policy Plans, 2024

KPIs or systematic tools to track whether the feedback has been used, how it influenced decisions, what follow-up actions were taken. This gap was also raised in Steering Committee meetings discussions and echoed in interviews, where several DGs stated they would welcome a feedback mechanism, such as a summary dashboard, how project results are being taken up in policy.

In terms of resources, EISMEA is expected to allocate 3% of its operational budget to F2P activities, in line with Commission guidance. While this figure appears to be met on paper, Steering Committee meetings discussions and the parent DGs interviewed questioned whether this level of funding is sufficient, especially considering the growing volume and thematic breadth of EISMEA's portfolio. Staff echoed this concern, noting that while 3% covers standard reporting and briefing outputs, it does not enable more strategic activities such as foresight and portfolio analyses, multi-programme synthesis and thematic synergies' papers, or proactive project monitoring for policy relevance.

EQ19: To what extent did the Agency provide effective Feedback to Policy to the policy-making Directorates-General?

Key findings: Between 2021 and 2024, EISMEA enhanced the visibility and organisation of its feedback to policy activities through structured reporting, synthesis notes, and targeted briefings for parent DGs. Despite progress, feedback efforts remain largely descriptive, with limited analytical depth or systematic tracking of how insights influence policymaking and programme adaptation.

As previously elaborated, the Agency's feedback to policy activities have become more visible, structured, impactful and policy-oriented between 2021-2024. Evidence from desk research and interview programme highlighted concrete examples of added value, including EISMEA's contributions to the New European Innovation Agenda, FP10 preparations, and policy briefings that surfaced insights from high-impact projects via the EIC Tech and Impact Reports and targeted mappings. However, the EIC Tech Report has not yet reached the form of an impactful report.

This marks significant progress from the legacy of EASME, where feedback to policy was described as largely operational and reactive. The formalised F2P approach at EISMEA, comprising partially decentralised responsibilities, annual programme-specific plans, and informal mirror-unit exchanges, has allowed the Agency to tailor content to policy needs and proactively identify relevant results. Particularly in the part of Horizon Europe, this model has proven effective, with DGs receiving timely, thematically aligned intelligence to inform both programming and long-term strategy. Moreover, a drawback of the decentralized approach is its relative opacity, especially for other programmes and actions. Enhancing cross-programme synergies through the F2P annual plans therefore remains a challenge for EISMEA.

However, the extent of effectiveness remains uneven across the portfolio. The case study confirms that while feedback was demand-driven and occasionally foresight-oriented under Horizon Europe and I3, it was less targeted and actionable in the SMP. In these areas, parent DGs often found feedback too general or operational, requiring additional interpretation or even separate data analysis to support strategic policymaking. In some instances, feedback lacked the synthesis necessary to draw cross-cutting policy insights or elevate project-level findings to programme-level recommendations.

In terms of the information flow, the Agency has successfully ensured structured, multi-directional exchanges with parent DGs, particularly through channels defined in the MoUs. The

Horizon Europe MoU⁶², for example, mandates regular information sharing on implementation, success stories, and emerging policy-relevant trends. The I3 MoU⁶³ similarly sets expectations for ongoing data exchanges and thematic information to support DG REGIO's programming policy making. These provisions have laid a solid foundation for cooperation, yet their implementation still relies on informal communication and the strength of interpersonal networks, which can vary across units and parent DGs.

From a resource perspective, the Agency does adhere to the Commission recommendation of allocating 3% of its staff to feedback to policy activities. However, multiple stakeholders, including several parent DGs and Agency staff, consider this threshold insufficient to support the actual analytical ambition. While it covers coordination, briefings, and basic reporting, it falls short of enabling strategic foresight work, longitudinal analysis, or cross-programme synthesis, and success stories especially outside Horizon Europe. Additionally, several Agency staff indicated in interviews that F2P tasks are occasionally deprioritized during periods of high operational workload. In these peak periods, F2P activities are treated as secondary or postponed, particularly when no specific request is pending from a parent DG. This reprioritisation reflects the constraints and contributes to inconsistency, limiting the Agency's ability to develop proactive, anticipatory feedback.

⁶² Memorandum OF Understanding between EISMEA and DG RTD, DG CNNECT, Specific Provisions for the implementation of HORIZON EUROPE and HORIZON 2020

⁶³ Memorandum OF Understanding between EISMEA and DG REGIO

4.4. Retrospective Cost-benefit analysis

4.4.1. Introduction and methodology

Objective and scope

The objective of the retrospective cost-benefit analysis (CBA) was to determine to what extent the executive agencies have achieved the expected savings and productivity gains outlined in the 2021 ex-ante assessment. It examines whether delegating programme management to the executive agencies (EAs) was justified.

The CBA compared ex-ante estimates and actuals regarding full-time equivalents (FTEs) and staff costs (incl. Title I, staff expenditure and Title II, expenditure for building and infrastructure) at the levels of EA and Directorate Generals (DG) for contract agents (CA) and temporary agents (TA), as well as commitment appropriations (in million EUR) at programme/pillar level for the years 2021-2024.⁶⁴

The CBA only includes those programmes / pillars which were delegated to the EAs in the current Multi-Annual Financial Framework (MFF) through the respective Specific Financial Statement (SFS).⁶⁵

This ensures the comparability of the initial CBA and commitments in the SFS with the actuals estimated for the different scenarios.

It is also important to note that the CBA does not cover third country contributions.

Why does it not cover third country contributions?

The 2021 ex-ante CBA specifically focuses on and is limited to the analysis of programmes implementing actions primarily tied to EU policies. Therefore, it covers programmes financed from EU budget (including Next Generation EU (NGEU)).

Third-country contributions are, therefore, not considered in the retrospective CBA as they (1) pertain to different funding frameworks and governance structures; and (2) would jeopardise the comparability with the ex-ante estimates and the actuals (i.e. C1 credits with EU budget and non-C1 credits against NGEU).

Thus, the CBA covers and has excluded the following programmes from the analysis:

Covered

- Single Market Programme
- Consumers
- COSME / SME Pillar
- Internal Market and support to standardisation
- Interregional investment initiative
- Interregional innovation projects
- Horizon Europe

⁶⁴ Please note that the evaluation assesses the operations of the Agency in 2021 from 1 April to 31 December, i.e. 9 months, in line with the tender specification. In the CBA, 2021 was a full year with 12 months.

⁶⁵ This approach was agreed with the Commission to ensure comparability with the initial CBA.

- European Innovation Council and European Innovation Ecosystems
- European Innovation Council and European Innovation Ecosystems (NGEU)

Excluded

- Pilot projects, preparatory actions, prerogatives and other actions
- Preparatory action - Operationality of the Tourism of Tomorrow Lab (To of To Lab)
- Pilot project - Building Capacity for Tourism Ecosystem - Accessing EU Funding
- Pilot project - European network of gender-conscious investors
- Preparatory action -Creation of the European Capital of Small Retail (ECSR)
- Preparatory action -Upskilling and reskilling the Tourism Ecosystem I Tourism Knowledge hub and Tourism Data Space
- Pilot project - European entrepreneurial E-learning platform helping SMEs to adapt to the current context
- Pilot project - Establish new common methodologies, including metrics and statistics
- Horizon Europe
- Widening Participation and Spreading Excellence
- Completion of previous programmes and activities
- ERDF
- Horizon Europe - Contribution from the ERDF

It is, therefore, important to mention that the comparison of the estimated and actual productivity (i.e. the ratio of commitment appropriations in million Euro per full-time equivalent of staff (FTE)) does not include legacy and additional programmes that were managed by EAs with available FTEs. Therefore, the analysis below does not represent the entirety of EAs' actual workload and productivity.

Approach and methodology

The CBA analyses the actual programme implementation by the EA ("optimised scenario") in comparison to an in-house scenario and the status quo scenario, by using the same assumptions of the ex-ante CBA for the FTEs and replacing the estimated average costs assumptions with the actual average cost assumptions.

The three scenarios of the ex-ante CBA were the following⁶⁶:

- **In-house scenario**, which is a theoretical re-internalisation of all EU programmes in the Commission;
- **Status quo scenario**, in which the delegated budgets change in line with the new financial framework but the allocation of (sub)programmes in the agencies is unchanged compared to the current situation;

⁶⁶ See Cost-benefit analysis for the delegation of the management of the 2021-2027 EU programmes to executive agencies (European Commission, 2021, p.3).

- **Optimised allocation** of programmes scenario, which is based on the initial orientations provided by the Communication of 29 April 2020 and a further adaptation due to recent political developments.

The average staff costs at EA level were calculated based on the Title I (staff expenditure) and Title II, which include expenditure for building and infrastructure.

Cost equation for the average staff costs at agencies:

$$\text{Average staff costs by category} = \text{average staff expenditure (Title I) by category (CA/TA)} + \text{average other costs (Title II) per FTE}$$

The costs related to Title III, the costs related to management of programmes are not included in the calculations, as these are the same between the different scenarios considered and would not help to identify the most efficient scenario. Staff financed from third party contributions was not included in the analysis.

Data and assumptions

The assumptions follow the original CBA assumptions. It was not feasible in the context of this evaluation to consider real 'in-house' data for the few programmes still being implemented by the Commission and extrapolate to a whole in-house scenario while ensuring full comparability with the agencies' scenario in terms of overheads.

Several data sources were used to conduct the CBA which are highlighted in the following table.

Table 8: Data sources used in the retrospective CBA

Data point	Estimated	Actuals
FTEs and commitment appropriations	SFS / ex-ante CBA ⁶⁷	1. FTEs: Annual Work Programmes ⁶⁸ 2. Commitment appropriations: Annual Activity Reports (AARs), Inputs concerning actual commitment appropriations received from EAs directly for programmes / pillars not reported <i>en detail</i> in the AARs.
	C1 credits	EU Budget
	Non-C1 credits	Next Generation EU Budget (NGEU)
Average cost per FTE	SFS / ex-ante CBA	Final annual accounts of the EAs on Title I & II

Source: Authors elaboration.

The following table summarises the main assumptions made in the retrospective CBA in order to perform the comparison between actual and estimated numbers and between the three scenarios.

The assumptions for the staffing mix and the number of staff shown in the table below are the same as in the 2021 ex-ante CBA.

⁶⁷ Including the Excel file on the CBA model received from DG BUDG and the Staff working document of the CBA.

⁶⁸ The data concerning FTEs includes the number of Seconded National Experts (SNEs) was included in the numbers for the Full-Time Equivalents (FTEs). This data is available in the AWP.

Table 9: Main assumptions of the retrospective CBA

Context	Assumption
Staffing mix (same assumption as in ex ante CBA)	<p>DGs</p> <ul style="list-style-type: none"> • Temporary Agents (TA)/ Establishment plan posts: 70% • Contract agents (CA)/ External personnel: 30% <p>EAs</p> <ul style="list-style-type: none"> • TA: 25% • CA: 75%
Number of staff (same assumption as in ex ante CBA)	<p>Optimised scenario</p> <ul style="list-style-type: none"> • Actual total FTE DG: 2.4% of actual total FTE EA <p>In-house scenario</p> <ul style="list-style-type: none"> • Actual total FTE DG: +10 % of actual total FTE EA in optimal scenario <p>Status quo scenario</p> <ul style="list-style-type: none"> • Actual total FTE DG: 2.4% of actual total FTE EA • Actual total FTE EA: - For split programmes: +5% of actual total FTE EA in optimised scenario - For all other programmes: Same as actual total FTE EA in optimised scenario
Average staff costs (other assumption as in ex ante CBA)	<p>Optimised scenario</p> <ul style="list-style-type: none"> • Actual average cost per FTE at EA = Average Title I per FTE + Average Title II per FTE⁶⁹ (): - Average cost per FTE (Title I) = Title I / FTE TA and FTE CA - Average cost per FTE (Title II) = Title II / Total FTE • Actual DG cost of coordination: Actual average costs per FTE at DG per TA and CA⁷⁰ <p>In-house scenario</p> <p>Actual average costs per FTE at DG per TA and CA</p> <p>Status quo scenario</p> <ul style="list-style-type: none"> • Actual average cost per FTE at EA - For BBA (Brussel Based Agencies): same as for optimised scenario

⁶⁹ Note that the numbers for Title I and Title II are based on the financial accounts – initial adopted budget. See also the Table below for the exact numbers.

⁷⁰ The data was provided by the Commission.

- For LBA (Luxembourg Based Agencies): Same ratio as in the estimated costs was applied i.e. +23% of average cost per FTE CA of BBA CA; +17% of average cost per FTE TA of BBA TA
 - Actual DG cost of coordination: Actual average costs per FTE at DG per TA and CA received from DG RTD

Source: Authors elaboration.

A more detailed description of the underlying assumptions for the CBA is provided in the Annex (section 1.2.1), including (1) the average cost calculation for the actual average FTE costs in the optimised scenario; (2) the cost assumptions for average cost per FTE⁷¹ by scenario.

Structure of this CBA chapter

The following section comprises the core data analysed as part of this CBA:

- Full-time equivalents;
- Staff costs and savings; and
- Productivity.

In relation to each of these aspects, we present estimated data (from the previous CBA / SFS) and actuals based on the EAs' AARs for each of the three scenarios (optimised, status quo, inhouse) and for each of the years 2021-2024.

The data is presented in a graphic format in order to visualise the overall results of the CBA as the bottom line for the EA as a whole. More granular data at the level of the programmes and pillars is provided in the Annex (see section 1.2.4).

The sections afterwards elaborate on the EA's workload assessment methodology.

4.4.2. Key findings from the retrospective Cost-Benefit-Analysis

The following analysis presents the main findings of the retrospective CBA which was carried out to examine the efficiency in comparison to initial expectations and alternative scenarios. Methodologically, it compares the assumptions of the ex-ante CBA with the developed during the period 2021-2024.⁷² The methodology and assumptions are provided in section 1.2.1 in the Annex. Please note that when we compare the scenarios, the actual in-house scenario is a hypothetical model and does not reflect actual figures.

⁷¹ Average staff cost for: DG TA (Directorate General Temporary agents), DG CA (Directorate General Contract agents), FTE EA CA (Full-Time Equivalents at Executive Agencies Contract Agents), FTE EA TA (Full-Time Equivalents at Executive Agencies Temporary Agents), BBA CA (Brussel Based Agencies Contract Agents), BBA TA (Brussel Based Agencies Temporary Agents); DG cost of coordination (sum of total DG cost at TA and CA level for overseeing EAs).

⁷² Methodology: The retrospective CBA analysis aims to evaluate the extent to which Executive Agency has realised the anticipated savings and productivity gains outlined in the ex-ante CBA for the period 2021-2024. To conduct this analysis, the study compares ex-ante estimates with actual data on full-time equivalents (FTEs), staff costs, and commitment appropriations, assessing the performance of the EA ("optimised scenario") against both the in-house and the status quo scenario. As agreed upon with DG RTD, the actual FTE numbers were taken from the AWP and the estimated from the SFS/ex-ante CBA.

Main findings of the cost-benefits analysis

The findings of the retrospective cost-benefit analysis justify the Commission's decision to outsource the work to EISMEA as the expected savings of the optimised scenario (EA scenario) have been exceeded compared to the in-house scenario. More specifically, the actual savings of the optimised scenario compared to the in-house scenario (77 million EUR) were 3% higher than the estimated savings (75 million EUR).

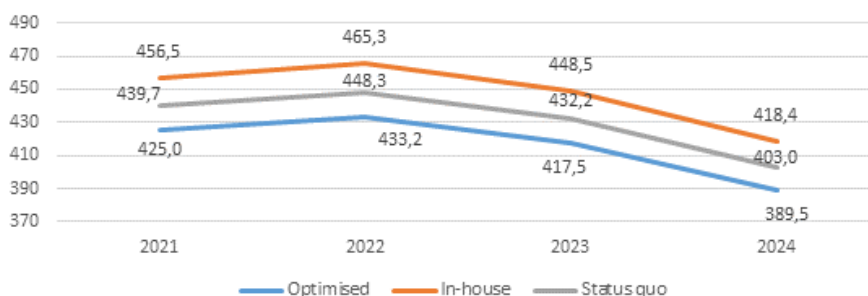
This conclusion is supported by its leaner staffing model, consistently lower costs, and relatively stable alignment between estimated and actual FTEs and staff costs over the period examined. However, deviations in actual data compared to estimates, particularly in 2024, highlight challenges in maintaining resource levels and cost control across all scenarios. For instance, actual full-time equivalents (FTEs) in the optimised scenario closely aligned with estimates from 2021 to 2023 but were lower than estimated by 3% in 2024. Similarly, while the optimised scenario consistently incurred lower costs, the variance between estimated and actual costs increased over time, with notable overspends in 2023 and 2024.

In detail, the optimised scenario demonstrated a narrowing gap in FTE and cost differences when compared to the status quo and in-house scenarios, particularly in 2024. Despite this, it maintained a significant advantage in overall cost efficiency, with the difference in actual costs between the optimised and in-house scenarios remaining substantial, albeit stabilising in later years.

Full-time equivalents

As part of the cost-benefit analysis, the study team examined the number of FTEs of EISMEA across the scenarios under discussion (i.e. optimised, in-house, and status quo) and over the period from 2021 to 2024. The figure below illustrates the total actual number of FTEs across the three scenarios over the years 2021 to 2024. The figure reflects the staff cut that EISMEA has faced over the evaluation period. While the gaps between the scenarios remained constant, a general small increase in FTE in 2022 and a steady decline in later years was evident. Overall, the actual number of FTEs required under the optimised scenario was lower than the number of FTEs under the other two scenarios.

Figure 18: Actual total FTEs under the three scenarios

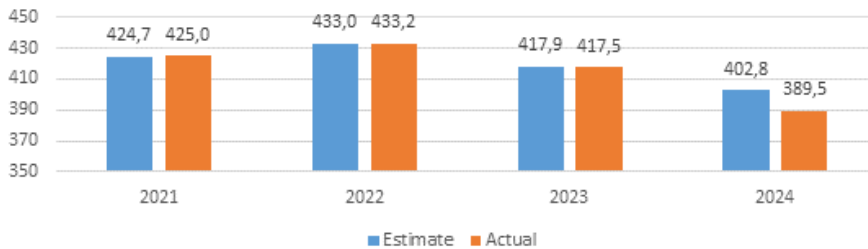


Source: Authors' elaboration based on SFS, ex-ante CBA and AWP.

With a focus on the optimised scenario, figure 16 depicts the differences between estimated and actual FTEs by year. The yearly comparison between values highlights minor variations between estimated and actual FTEs across the years. While estimates were marginally lower than actual values in 2021 and 2022 (0.3 and 0.2 FTE, respectively), estimates in 2023 and

2024 were higher than actual values with a significant gap in 2024 (0.4 and 13.3 FTE, respectively).

Figure 19: Estimated vs. actual number of FTEs in optimised scenario



Source: Authors' elaboration based on SFS, ex-ante CBA and AWP.

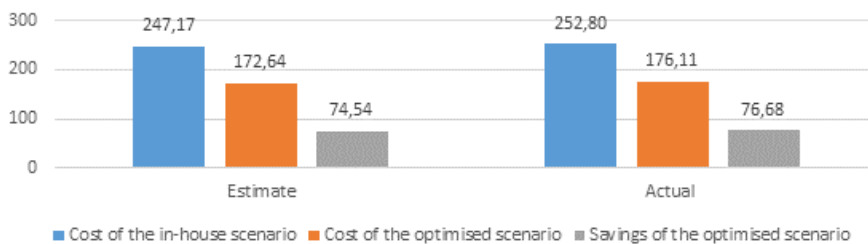
Further data and analysis are provided in the Annex in section 1.2.2 to 1.2.4.

Staff costs and savings

The cost-benefit analysis considered the comparison of the Agency's staff costs across the two scenarios. Figure 20 below highlights the reliability of the optimised scenario in achieving cost savings, with actual results closely aligning with or slightly exceeding estimates. This visualisation of the data underscores the cost-effectiveness of the optimised approach over the in-house scenario.

In detail, the actual costs for both the in-house and optimised scenarios were slightly higher than their respective estimates. Most notably, the actual savings of the optimised scenario compared to the in-house scenario (76.68 million EUR) were 3% higher than the estimated savings (74.54 million EUR), indicating that expectations of cost-savings have been exceeded.

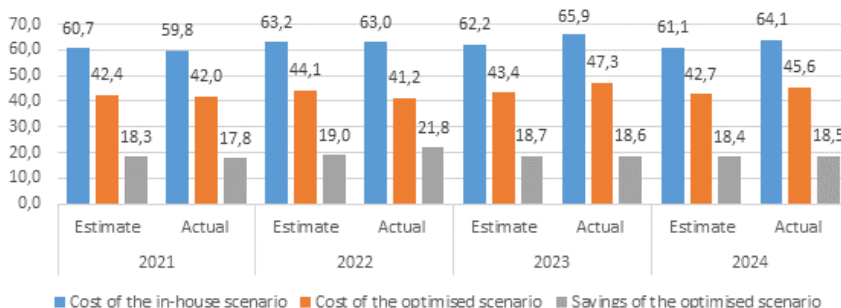
Figure 20: Estimated and actual costs and savings of the executive Agency scenario in 2021-2024, million EUR



Source: Authors' elaboration based on SFS, ex-ante CBA and AWP.

The analysis of annual actual vs. estimated costs and savings from 2021 to 2024 reveals a clear distinction between the in-house and optimised scenarios, underscoring the superior efficiency of the latter. The increase of actual costs of both the in-house and the optimised scenario over the evaluation period is rooted in the increase in actual average staff costs in later years, 2023 and 2024. The analysis of the cost drivers indicated that the increase in average costs is driven more by Title I than Title II. However, it is noteworthy that the average staff cost attributed to Title II increases from 2022 to 2023 but remains almost unchanged from 2023 to 2024. Overall, average staff cost rise more sharply for TA than for CA, which reflects that average administrative cost per staff member has increased, due to salary progression and the high inflation figures during the period.

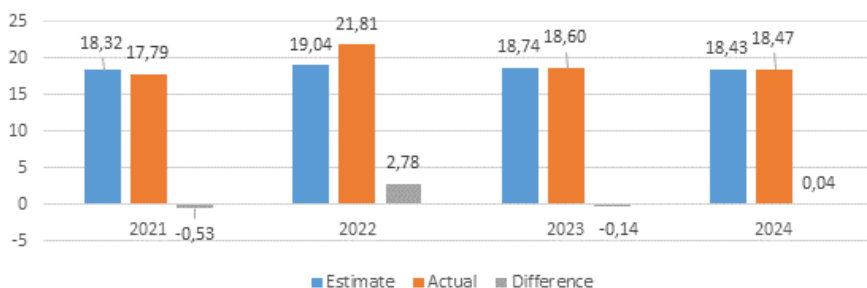
Figure 21: Estimated vs. actual costs and savings of the executive Agency scenario per year for 2021-2024, million EUR



Source: Authors' elaboration based on SFS, ex-ante CBA and AWP.

Examining the annual savings of the optimised vs. the in-house scenario (i.e. looking only at the grey bars from the figure above but now comparing estimated and actual savings, as shown in the figure below) indicates that the optimised scenario, in comparison to the in-house scenario, delivered higher-than-estimated savings. The most significant deviation between the estimated and actual values occurred in 2022, where actual savings exceeded estimates by 2.78. For the other years (2021, 2023, and 2024), the differences were minimal, ranging from -0.53 to +0.04.

Figure 22: Estimated vs. actual savings of the optimised vs. the in-house scenario for 2021-2024, million EUR



Source: Authors' elaboration based on SFS, ex-ante CBA and AWP.

Further data and analysis are provided in the Annex in section 1.2.2 to 1.2.4.

Productivity

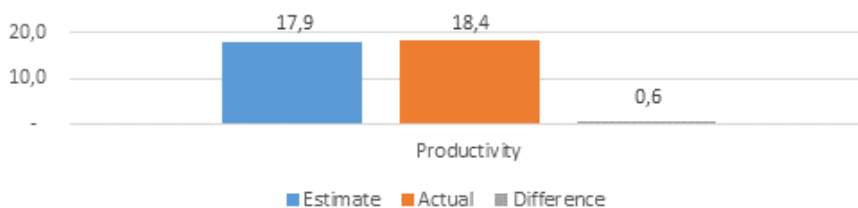
The productivity of the EA is calculated by dividing the commitment appropriations (in million Euro) by the number of FTE managing them. This means that the higher the budget managed per FTE, the more productive the EA overall is.

$$\text{Productivity} = \text{Commitment appropriations (in million EUR)} / \text{FTEs}$$

The actual productivity indicator exceeds the estimate (+1.7).⁷³

⁷³ In agreement with the Commission, no productivity indicators are provided on an annual basis as this would improperly reflect the nature of programme management. For some programmes, the workload was frontloaded by the EA, whereas for others the workload was delayed. However, in both cases over the entire evaluation period, the productivity would be remaining the same.

Figure 23: Estimated vs. actual productivity of the optimised scenario for 2021-2024



Source: Authors' elaboration based on SFS, ex-ante CBA and AAR.

As can be seen in the Table 7 in the Annex 1.2.2, the actual commitment appropriations in the evaluation period (2021-2024) under the optimised scenario were almost identical, while the actual FTE numbers decreased by 3%. As a result, the productivity indicator, measured as commitment appropriations per FTE, rose by 3% - In fact, a lower number of actual staff has implemented the same amount of commitments. The Agency has thus been more productive than estimated ex-ante.

The Annex, section 1.2.2 presents the analysis of the productivity indicator in the estimated optimised scenario and the actual optimised scenario as well as for the estimated vs. hypothetical actual in-house scenario.

4.4.3. Workload assessment methodology

EISMEA has recently developed its workload assessment methodology exercise to address challenges in personnel management and organisational processes.

In the course of 2025, EISMEA created a Microsoft Power BI-based tool for data visualization.⁷⁴ The tool enhances interpretation with interactive visuals and connects directly to corporate databases for updating datasets in real time related to grants, experts' contracts, and HR. Still certain data requires manual input (i.e. public procurement contracts, grant-equity coordination under EIC Accelerator, budget details of HE STEP Scale Up calls, etc.) as not available in IT corporate tools.

The tool uses a set of quantitative measures which represent the Agency's complex work reality and translates it into a series of easily interpretable metrics.

The key indicators used to assess operational and HR metrics for programme management are the following:

Operational Metrics:

- **Number of Calls for Proposals:** Provides insights into the workload associated with programme funding opportunities, focusing on initiation and conclusion based on topics and strands.
- **Number of Proposals:** Indicates the call evaluation workload reflective of stakeholders' interest in funding.
- **Grants Signed:** Represents ongoing projects that have successfully navigated the grant application process.
- **Public Procurement Contracts and Experts Contracts:** Reflect the number of ongoing contracts.

⁷⁴ Please note that these are recent developments that were presented to the Steering Committee on 02/10/2025.

These indicators consider various dimensions to capture unique programme attributes and complexities in action management.

HR Metrics:

- **Staff Availability Ratio:** Measures the total working hours employees are operational, accounting for absences and scheduled hours.
- **Recuperation Days:** Insights into overtime recovery, reflecting workload sustainability and adaptability.
- **Annual Leave Carryover:** Indicates leave utilization patterns, highlighting workload pressures and leave management practices, crucial for analysing work-life balance and planning staffing.

These HR metrics collectively provide data for aligning workforce capacity with operational demands, though they involve subjective inputs and varied practices.

The methodology's development was prompted by structural challenges, including a 20% staff reduction while facing increased workloads. EISMEA initially sought external expertise but ultimately developed the methodology internally, using CINEA's model as a reference. A prototype of the workload assessment tool was completed in early 2025, moving away from subjective estimates to a more objective approach. The final methodology is expected to be introduced in autumn 2025, marking a shift towards data-driven resource planning.

5. Conclusions and lessons learned

This section provides the main conclusions and recommendations of the present evaluation of EISMEA's operation in the period from April 2021 to March 2024. These conclusions and recommendations are based on the analysis and triangulation of a broad range of data and information sources (including desk research, stakeholder interviews, surveys and a CBA). These recommendations summarise the key findings for each evaluation task (EA mission and governance, effectiveness, efficiency, coherence and CBA), addressing the specific evaluation questions set out in the technical specifications for this study.

Conclusions

Effectiveness

The Agency's strategic objectives were largely achieved, particularly regarding programme delivery and alignment with EU policy priorities on innovation, SME competitiveness, and sustainability. EISMEA contributed to flagship policy frameworks such as the New European Innovation Agenda and the Industrial Strategy, reinforcing its role in translating EU priorities into operational outcomes. However, strategic coherence across programmes remains an area for continued improvement, especially in ensuring visibility and coordination among smaller initiatives such as SMP and I3.

EISMEA operated in full compliance with its founding Decision (C(2021) 949 and the MoUs established with parent DGs. Occasional governance challenges, such as overlapping supervisory expectations or the need to clarify reporting modalities, were resolved through continued dialogue and formalisation of processes. The legal framework was overall adequate but could benefit from further simplification to reduce administrative burden.

The internal control framework was robust, with all key components in place and functioning effectively. Audit results and self-assessments confirmed that control mechanisms ensured the legality and regularity of transactions. EISMEA responded promptly to audit observations and maintained a continuous improvement approach. Further automation of risk monitoring could enhance responsiveness and reduce manual workload in the medium term.

Internal communication improved over time, supported by management initiatives and enhanced staff engagement. Nonetheless, initial challenges related to change management and the agency's rapid expansion occasionally limited information flow and clarity. Externally, communication with beneficiaries and stakeholders has been professional and consistent, though opportunities exist to make applicant feedback mechanisms more transparent and interactive.

EISMEA's reporting has been regular and compliant with MoU provisions. Progress reports, dashboards, and annual activity reports provide parent DGs with structured and timely information. However, both DG and Agency staff recognised that the volume and complexity of reporting could be streamlined to focus more on strategic content and policy implications, reducing duplication across different reporting streams.

Efficiency

EISMEA achieved notable efficiency gains compared to the in-house scenario through lean management structures, digitalisation, and shared corporate services. While the Agency managed an expanding portfolio with limited staffing increases, efficiency was at times constrained by workload pressures, particularly in IT and programme management units.

Operational processes were harmonised across programmes, improving timeliness and standardisation. EISMEA maintained performance within or near targets for time-to-grant and time-to-pay indicators, demonstrating operational maturity. Persistent workload peaks, notably

for EIC and SMP, revealed the need for better workload forecasting and a maximisation of the flexibility of resource allocation.

The Agency's structure, systems, and governance proved largely fit for purpose, though rapid expansion in the early operational years strained certain functions. Continuous investments in staff training and management systems improved adaptability.

EISMEA has made tangible progress in integrating environmental sustainability into its operations. Initiatives such as remote working practices, virtual meetings, and reductions in business travel supported lower carbon emissions. Future steps include the implementation of EISMEA's Greening Strategy, adopted in 2024, which aims to further reduce the Agency's environmental footprint through strengthened sustainability measures such as enhanced energy efficiency, greener operational practices and full preparation for EMAS certification.

Digitalisation was a major driver of efficiency gains. The integration into the eGrants and Funding & Tenders Portal improved transparency and standardisation, though system occasionally limited responsiveness to programme-specific needs. Progress in digital transformation could have been accelerated further with additional IT staffing and harmonisation of legacy systems.

Coherence

EISMEA's activities were coherent with its founding objectives and the policy mandates of its parent DGs. The clustering of related programmes under one entity fostered synergies between innovation, SME support, and market access initiatives.

The combination of research, innovation, and SME-related programmes under EISMEA has proven beneficial, allowing for cross-fertilisation and shared learning. However, awareness and accessibility across programmes could be improved, as smaller initiatives remain less visible to potential applicants.

Roles and responsibilities between EISMEA and parent DGs were clearly defined but occasionally subject to differing interpretations, particularly in supervisory reporting and strategic feedback. Continued refinement of MoUs and early consultation mechanisms has strengthened this cooperation, and recent updates to reporting frameworks have improved clarity.

EISMEA's contribution to feedback to policy has become increasingly systematic and visible. The Agency produced analytical inputs, mappings, and impact assessments feeding into strategic initiatives such as the New European Innovation Agenda and FP10 preparations. Notably, EIC Programme Managers, a function unique to EISMEA, have played a critical role in translating insights from cutting-edge projects into policy-relevant knowledge. Their direct engagement with high-risk innovators provides granular evidence that enriches Commission policymaking.

Lessons learned

While the overall evaluation results are positive, the assessment identified a number of factors that have influenced the effectiveness, efficiency, and coherence of EISMEA's operations during the 2021–2024 period. Many of these issues are already being addressed through management actions and ongoing organisational improvements, while others represent areas for further development in the next programming cycle. The main lessons learned from the evaluation period are as follows:

- The initial years of EISMEA's operation highlighted the need for clearer and more predictable coordination mechanisms between the Agency and its parent DGs. Developing a more structured framework for supervisory exchanges, including defined reporting calendars, streamlined templates, and differentiated levels of reporting

(operational versus strategic), would improve coherence, reduce duplication, and reinforce mutual understanding of oversight roles. Regular strategic dialogues could also strengthen policy alignment and facilitate joint prioritisation of horizontal issues.

- The Agency's capacity to deliver effectively has at times been constrained by staff shortages and uneven workload distribution, particularly in specialised functions such as IT, procurement, and programme management. Strengthening workforce planning, ensuring greater flexibility in recruitment, and expanding opportunities for internal mobility would help balance resources and sustain performance. Building a forward-looking HR strategy, aligned with programme evolution and emerging policy priorities, would enhance organisational resilience.
- EISMEA has made important progress in digitalising its operations and integrating into corporate platforms such as eGrants and the Funding & Tenders Portal. However, technical limitations and rigidity of corporate systems have sometimes reduced the possibility to adapt those to programme-specific needs. Enhanced coordination with corporate IT services (e.g. DIGIT) and investment in dedicated IT capacity within the Agency would help accelerate digital integration, data analytics, and automation of reporting processes.
- The process of establishing EISMEA and integrating multiple predecessor structures created challenges for internal communication and team cohesion. Continued investment in internal dialogue, regular staff engagement initiatives, and transparent decision-making would support a shared sense of purpose and reinforce collective ownership of the Agency's objectives. A stronger emphasis on leadership communication and horizontal exchanges could further enhance collaboration across units.
- EISMEA has developed a more structured and visible approach to feedback to policy, contributing to EU-level initiatives such as the New European Innovation Agenda and FP10 preparations. The EIC Programme Managers, unique to EISMEA, play a central role in providing technical expertise and insight from frontier innovation projects. Building on this foundation, by enhancing the systematic use of programme-level evidence, including from EIC Tech and Impact Reports, would strengthen the relevance, timeliness, and policy impact of its analytical outputs.
- While beneficiary satisfaction levels are high, feedback to unsuccessful applicants remains an area for improvement. Providing clearer and more informative feedback, complemented by thematic webinars or guidance materials, would help applicants better understand evaluation criteria, thereby increasing transparency and trust in the process.
- EISMEA has made measurable progress in reducing its environmental footprint through teleworking and digital workflows. Establishing a more formalised environmental management framework, including specific targets, monitoring indicators, and steps towards EMAS registration, would consolidate these achievements and align the Agency with broader Commission sustainability goals.
- The evaluation found that EISMEA's communication activities have supported awareness of EU programmes, though visibility could be further strengthened through more targeted outreach and high-profile public events. Building on successful practices under the EIC and SMP, would leverage its communication channels and social media presence to highlight programme results and promote EU innovation and SME support values more widely.

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According to Article 25 of Council Regulation (EC) No 58/2003, which lays down the statute for executive agencies, an external evaluation on the operation of each agency must be carried out every three years. This report presents the findings of the external evaluation of the European Innovation Council and SMEs Executive Agency (EISMEA) covering the period 1 April 2021 to 31 March 2024. The evaluation, conducted in line with the Better Regulation Guidelines and Article 25 of Regulation (EC) No 58/2003, assesses the Agency's effectiveness, efficiency, and coherence in implementing a diverse portfolio of EU programmes delegated by five parent Directorates-General. Using a mixed-method, theory-based approach, the study draws on document review, monitoring data, stakeholder surveys, interviews, and a retrospective cost-benefit analysis.

The evaluation finds that EISMEA effectively ensured operational continuity, achieving consistently high budget execution rates and strong performance across core KPIs. Beneficiary and expert satisfaction was high, and programme delivery under Horizon Europe, the Single Market Programme and I3 was generally smooth. Efficiency gains materialised, supported by digitalisation and streamlined processes, although staffing shortages, recruitment delays and IT transitions created operational pressures. The Agency largely operated coherently within its mandate, though evolving governance, particularly regarding the EIC Fund, required continuous role clarification. Coordination with parent DGs improved, yet internal communication and feedback to unsuccessful applicants remain areas for further strengthening. Overall, EISMEA demonstrated strong performance in managing its programme portfolio.

Studies and reports

