



**Circular  
Bio-based  
Europe**  
Joint Undertaking

Annual accounts of the  
Circular Bio-based Europe  
Joint Undertaking

Financial year 2021

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## **CERTIFICATION OF THE ACCOUNTS**

I acknowledge my responsibility for the preparation and presentation of the annual accounts of the Circular Bio-based Europe Joint Undertaking in accordance with Article 52 of the Model Financial Regulation ('MFR')<sup>1</sup> and I hereby certify that the annual accounts of the Circular Bio-based Europe Joint Undertaking for the year 2021 have been prepared in accordance with Chapter 8 of the MFR and the accounting rules adopted by the Commission's Accounting Officer, as are to be applied by all the institutions and union bodies.

I have obtained from the Authorising Officer, who certified its reliability, all the information necessary for the production of the accounts that show the Circular Bio-based Europe Joint Undertaking's assets and liabilities and the budgetary implementation. Based on this information, and on such checks as I deemed necessary to sign off the accounts, I have a reasonable assurance that the accounts present fairly, in all material aspects, the financial position, the results of the operations and the cash-flow of the Circular Bio-based Europe Joint Undertaking.

Rosa ALDEA BUSQUETS

**Accounting Officer of the CBE JU**

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<sup>1</sup> COMMISSION DELEGATED REGULATION (EU) 2019/887 of 13 March 2019 on the model financial regulation for public-private partnership bodies referred to in Article 71 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council.

## BACKGROUND INFORMATION NOTE

### 1. General background on the entity

#### Establishment

Horizon Europe – the EU Framework Programme for Research and Innovation (2021-2027) – aims to increase the EU’s research and innovation impact by combining European partnership co-investment with additional private and public sector funds in areas where the scope and scale of the research and innovation resources can help achieve the EU’s Horizon Europe priorities notably, its Pillar II – Global challenges and European industrial competitiveness.

The setting up of the joint undertakings under Horizon Europe was regulated through Council Regulation (EU) 2021/2085 of 19 November 2021 and published in the Official Journal on 30 November 2021 (also known as the Single Basic Act).

Under the Single Basic Act (Article 174.3), the Circular Bio-based Europe Joint Undertaking (CBE JU) shall be the legal and universal successor in respect of all contracts, including employment contracts and grant agreements, liabilities and acquired property of the Bio-based Industries Joint Undertaking established by Council Regulation (EU) 2014/560 of 6 May 2014, which it shall replace and succeed. The Joint Undertaking is based in Brussels. The Bio-based Industries Joint Undertaking, known also as BBI JU, was a public-private partnership between the European Union (EU) and the Bio-based Industries Consortium (BIC). It aimed to bring together all relevant stakeholders and contributes to establishing Europe as a key player in the research, demonstration and deployment of advanced bio-based products and biofuels.

#### Mission

CBE JUs mission is to implement, under Horizon Europe rules, the Strategic Research and Innovation Agenda (SRIA) developed jointly by the industry and by the European Commission and adopted by CBE JU Governing Board, by organising calls for proposals to support research, demonstration and deployment activities enabling the collaboration between stakeholders along the entire value chains, covering primary production of biomass, processing industry and final use.

#### Main operational activities

CBE JU contributes to a more resource-efficient and sustainable low-carbon economy and to increasing economic growth and employment, in particular in rural areas, by developing sustainable and competitive bio-based industries in Europe. This is based on advanced bio refineries that source their biomass sustainably and in particular aims to:

- Accelerate the innovation process and development of the bio-based innovative solutions;
- Accelerate the market deployment of the existing mature innovative bio-based systems; and
- Ensure high level of environmental performance of bio-based industrial systems.

#### Governance

CBE JU is headed by an Executive Director, who is accountable to a Governing Board – the main decision-making body of the CBE JU. The Governing Board has overall responsibility for the strategic orientation and the operations of the CBE JU and supervises the implementation of its activities. It brings together the two groups of the JU’s Members:

- The EU, represented by the European Commission (the Commission);
- The Bio-based Industries Consortium Aisbl (the ‘BIC’), a non-profit organisation established under Belgium law, with its permanent office in Brussels, Belgium.

The Governing Board is made up of representatives from the Commission (5) and the Bio-based Industries Consortium (BIC) (5). The Governing Board holds its ordinary meetings at least twice a year.

Other bodies of CBE JU are:

- The Scientific Committee, which is composed of a balanced representation of worldwide recognised experts from academia, industry, SMEs, non-governmental organisations and regulatory bodies; and
- The States Representatives Group, which is composed of one representative of each Member State and of each country associated to Horizon Europe.
- The Stakeholders' or Deployment Groups

### **Sources of financing**

CBE JU is jointly funded by the EU and the "Members other than the Union" (BIC) through financial contributions paid in instalments and in kind contributions consisting of the costs incurred by them in implementing indirect actions that are not reimbursed by the CBE JU. The resources of the CBE JU entered to its budget are composed of:

- Members' financial contributions to the administrative costs;
- Members' financial contributions to the operational costs;
- Any revenue generated by the JU;
- Any other financial contributions, resources and revenues.

## **2. Annual accounts**

### **Basis for preparation**

The legal framework and the deadlines for the preparation of the annual accounts are set by the Model Financial Regulation (MFR)<sup>2</sup>. As per this regulation, the annual accounts are prepared in accordance with the rules adopted by the Accounting Officer of the Commission (EU Accounting Rules, EAR), which are based on internationally accepted accounting standards for the public sector (IPSAS).

### **Accounting Officer**

In accordance with the MFR, the Governing Board of the entity appoints the Accounting Officer who is, amongst other tasks, responsible for preparation of the annual accounts.

Following the decision of the BBI JU's Governing Board of 9 December 2014 (BBI-GB-D-03/14), the Accounting Officer of the Commission shall act as the Accounting Officer of CBE JU<sup>3</sup>.

### **Composition of the annual accounts**

The annual accounts cover the period from 1 January to 31 December and comprise the financial statements and the reports on the implementation of the budget. While the financial statements and the complementary notes are prepared on an accrual accounting basis, the budget implementation reports are primarily based on movements of cash.

### **Process from provisional accounts to discharge**

The provisional annual accounts prepared by the Accounting Officer are transmitted, by 1 March of the following year, to the European Court of Auditors (ECA) and to the audit company selected by the entity. Following the audit, the Accounting Officer prepares the final annual accounts and submits them to the Governing Board for opinion.

The final annual accounts, together with the opinion of the Governing board, are sent to the Accounting Officer of the Commission, the Court of Auditors, the European Parliament and the Council by 1 July of the

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<sup>2</sup> A Commission Delegated Regulation (EU) 2019/887 of 13 March 2019 on the model financial regulation for public-private partnership bodies referred to in Article 71 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council, OJEU L 142, 29.5.2019.

<sup>3</sup> <sup>3</sup> In force on the basis of the CBE JU Governing Board decision 2/21 of 16 December 2021, approving the list of decisions adopted by the Bio-based Industries Joint Undertaking that shall continue to apply for the Circular Bio-based Europe Joint Undertaking.

following financial year. The ECA scrutinises the final annual accounts and includes any findings in the annual report for the European Parliament and the Council.

It falls to the Council to recommend, and then to the European Parliament to decide, whether to grant discharge to the Director in respect of the implementation of the budget for a given financial year. Amongst other elements, this decision is also based on a review of the accounts and the annual report of the ECA.

### **3. Operational highlights**

#### **Achievements of the year**

The most important achievements of 2021 were that BBI JU accomplished its major annual objectives as well as the successful transition towards the new Circular Bio-based Europe Joint Undertaking, despite challenging conditions due to the COVID-19 crisis, necessitating the implementation of, inter alia, the following measures:

- The COVID pandemic continued to impact the day-to-day activities of the JU. BBI JU continued to advocate teleworking for most of the year, allowing only a limited presence of staff in the office, while respecting strict precautionary measures to prevent the spread of the virus and to maintain business continuity. The promotion of the vaccination campaign, the improvements to the IT tools and support to the home working environment all contributed to establishing an effective framework to ensure the continuation of the core activities of the Joint Undertaking.
- A large portion of the work of the Programme Office in 2021 was to prepare and implement the transition to the new Joint Undertaking - Circular Bio-based Europe - which is BBI JU's successor and which entered into force on the 30<sup>th</sup> of November 2021. The thorough and high-quality preparation – acknowledged by both the Commission and the Bio-based Industries Consortium - enabled a smooth transition with only minor interruptions in business continuity. The first Governing Board of CBE JU took place on the 16<sup>th</sup> of December ensuring the legal and financial grounds for the JU to continue its activities under the new programme.
- Also, throughout 2021 meetings of corporate bodies such as the Governing Board, the Scientific Committee and the States Representatives Group took place “virtually”. The high-level experience of staff and the sound support infrastructure ensured full efficiency and all events were successfully implemented.
- In 2021 BBI JU did not carry out any call evaluations due to the delay in the transition to the new Joint Undertaking under Horizon Europe and consequently the launch of the first call. All 23 grants stemming from Call 2020, and totalling over EUR 104 million, were signed in good time and all pre-financings were also paid by the due date. On the project management side, the BBI Programme Office continued to provide full support to beneficiaries encountering issues linked to the COVID-19 crisis: several suspensions and extensions of projects were agreed in order to accommodate the most intense period of the pandemic. At the same time, 59 interim and final payments were processed (the maximum for BBI since its autonomy) covering over EUR 104 million of requested EU contribution.
- At the financial level, the budget implementation was good overall (see section below), despite certain administrative budget lines having a low execution due to COVID-19 (travel-related, missions, meetings, events, etc.). On the operational side, the suspensions and extensions of running projects due to the pandemic, and the unexpected termination of a large project, negatively impacted the budget implementation, which on the payments side achieved only 71% of available appropriations, despite major efforts by the Programme Office to perform as many payments as possible before the year end closure.

#### **Budget and budget implementation**

The Governing Board adopted the 2021 budget for the BBI JU for the global amount (adopted budget and reactivations) of kEUR 5 215 in commitment appropriations (CA) and kEUR 174 627 in payment appropriations (PA) in December 2020. There were no amendments to this budget during 2021.

The original BBI JU budget included a relatively large surplus of unused budget from prior years (2018, 2019 and 2020): kEUR 600 in administrative CA and PA and on the operational side kEUR 46 882 in PA. The reactivated appropriations were consumed in priority in line with CBE's Financial Rules art. 6(5), and reached almost 100% consumption on the admin CA side, 84% on the admin PA side and 79% on the operational PA side by year end.

At the end of 2021, there was a total surplus of unused appropriations of kEUR 786 in administrative CA and kEUR 1 088 in administrative PA. In operational PA there was kEUR 48 590.

In terms of operational commitments outstanding from the previous year, there remains kEUR 159 595 at the end of the year.

A Governing Board decision was taken at the end of 2021 to reactivate in the 2022 budget kEUR 1 135 in administrative CA from 2020 and kEUR 1 566 in administrative PA (kEUR 266 from 2019 and kEUR 1 300 from 2020) as well as EUR 40 million in operational PA (kEUR 28 803 from 2020 and kEUR 11 197 from 2021). An amendment to the 2022 Annual Work Plan removed the kEUR 11 197 following a recent re-assessment of the budgetary needs (it will be reactivated in 2023).

The 2021 operational PA include kEUR 4 292 from 2018 and kEUR 42 590 from 2019. Further reactivations are to be envisaged in the 2023 budget.

The COVID-19 crisis continued to make itself felt during this second year of the pandemic. Nevertheless the overall budget implementation was satisfactory given the impact. The implementation of any budget lines involving e.g. travel expenditure or hire of a venue – missions, meetings, communications events, teambuilding events etc. – was again negatively impacted, with the costs of organising such events in a “virtual” manner being minimal.

### **Administrative expenditure**

The total consumption of the administrative budget was 85% in CA and 80% in PA.

Title 1: Staff related costs showed a strong overall CA implementation of 93%, with salaries (total budget EUR 2.7 million) at 99% and other staff costs (kEUR 455) at 57%. Mission expenses budget of kEUR 71 again suffered during the COVID-19 period, with only 10% implementation. There were no installation/resettlement costs (budgeted at kEUR 60).

Title 2: The infrastructure budget achieved an overall implementation of 74% in the CA of the 2021 budget. Among the highest costs - building-related (kEUR 391), IT (kEUR 537), and communications (kEUR 538) all achieved a robust implementation, respectively 87%, 77% and 87%. Underspending was recorded for the expert reviewers (kEUR 330, 55%), as there were no call evaluations needed in 2021. The low implementation on certain communications categories like events and public relations costs was compensated by the commitment of a large budget (kEUR 408) for development and maintenance costs of the new CBE website (including transition to Drupal-9). The overall PA consumption in Title 2 is 64%. Communications implementation (on total budget kEUR 528) was only 30%, because the payments related to the above-mentioned website contracts will not be made until 2022.

### **Operational expenditure**

Concerning the outstanding commitments from previous year of the operational budget, the Programme Office concluded 18 grant agreements from the Call 2020 for a total grant value of EUR 104.5 million resulting in a 100% implementation of CA envisaged for this call (EUR 104.7 million).

In respect of the PA, the Programme Office achieved a 71% implementation of the 2021 budget, with pre-financing payments for the grants of Call 2020 (EUR 68 million) together with payments of periodic reports for grants from the previous BBI JU calls (EUR 53 million). The implementation was lower (by 14%) compared to the previous year. This was because:

- i) The 2020 PA implementation was “eased” by sending back a large amount of reactivated appropriations to the years of origin and
- ii) The impact of COVID-19 continued throughout 2021, where the budget had been established in anticipation of the pandemic slowing and projects “catching up” on delays.

Regarding the payment of the periodic reports, CBE JU Programme Office dealt with 59 periodic reports claiming a total contribution of EUR 104 million (€54 million net), which led to 59 payments in 2021 for a total of EUR 53 million (net of pre-financing clearing).

## Impact of the activities in the financial statements

In the financial statements, the impact of the above-mentioned activities resulted in:

- **Increase of payables:** The payables increased by kEUR 27 085 (2021: kEUR 89 486 from 2020: kEUR 62 401) mainly because of an increase of the main element – contributions in-kind to be validated.
- In 2021 CBE JU changed the methodology of estimation of IKOP at the end of the year from an estimation based on annual declarations of members to an estimation based on i) pro rata of IKOP reported in projects' cost claims (which is not automatically recorded in the accounting system) as well as a pro rata calculation based on total IKOP allocated in projects for either the whole of 2021, or part of 2021, following the period covered by pro rata of IKOP reported in cost claims (see note 2.4).
- **Increase of Members' cash contributions recognised under net assets:** The increase of kEUR 127 145 is largely due to the increase of EU contributions necessary to cover 59 interim and final payments (the maximum for CBE JU since its autonomy) – see note 2.6.
- **Increase of operational costs:** The increase in the operational costs is due to a combined effect. Firstly, there was an increase in the estimated operational project costs relating to Call 2020. These were added to the pro-rata temporis calculation in 2021 because no cost claims, covering the whole year, had been received or validated for these projects by the year-end. Secondly, there was an increase in estimated in-kind contributions due to the changing in the calculation methodology. In 2021 kEUR 10 312 of in-kind contributions were validated and transferred to net assets (see note 3.3).
- **Decrease of other expenses:** the general decrease of certain other administrative expenses, and increase of other items under this title, can be directly linked to the new ways of working imposed by COVID 19 restrictions (please see note 3.5).



# FINANCIAL STATEMENTS AND EXPLANATORY NOTES

*It should be noted that due to the rounding of figures into thousands of euros (kEUR), some financial data in the tables below may appear not to add-up.*

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**BALANCE SHEET**

EUR '000

	Note	31.12.2021	31.12.2020
<b>NON-CURRENT ASSETS</b>			
<i>Property, plant and equipment</i>	2.1	60	63
<i>Pre-financing</i>	2.2	99 772	109 558
		<b>99 832</b>	<b>109 621</b>
<b>CURRENT ASSETS</b>			
<i>Pre-financing</i>	2.2	106 979	98 120
<i>Exchange receivables and non-exchange recoverables</i>	2.3	81 089	78 614
		<b>188 068</b>	<b>176 733</b>
<b>TOTAL ASSETS</b>		<b>287 901</b>	<b>286 355</b>
<b>CURRENT LIABILITIES</b>			
<i>Payables and other liabilities</i>	2.4	(89 487)	(62 401)
<i>Accrued charges</i>	2.5	(56 894)	(73 176)
		<b>(146 380)</b>	<b>(135 577)</b>
<b>TOTAL LIABILITIES</b>		<b>(146 380)</b>	<b>(135 577)</b>
<b>NET ASSETS</b>		<b>141 520</b>	<b>150 778</b>
<i>Contribution from Members</i>	2.6	798 276	660 819
<i>Accumulated deficit</i>		(510 041)	(371 727)
<i>Economic result of the year</i>		(146 714)	(138 314)
<b>NET ASSETS</b>		<b>141 520</b>	<b>150 778</b>

## STATEMENT OF FINANCIAL PERFORMANCE

	Note	2021	2020
<i>EUR '000</i>			
<b>REVENUE</b>			
<b>Revenue from non-exchange transactions</b>			
<i>Recovery of expenses</i>	3.1	356	566
		<b>356</b>	<b>566</b>
<b>Revenue from exchange transactions</b>			
<i>Other</i>	3.2	124	38
		<b>124</b>	<b>38</b>
<b>Total revenue</b>		<b>480</b>	<b>603</b>
<b>EXPENSES</b>			
<i>Operational costs</i>	3.3	(142 764)	(134 459)
<i>Staff costs</i>	3.4	(2 258)	(2 204)
<i>Finance costs</i>		-	(1)
<i>Other expenses</i>	3.5	(2 171)	(2 254)
<b>Total expenses</b>		<b>(147 194)</b>	<b>(138 917)</b>
<b>ECONOMIC RESULT OF THE YEAR</b>		<b>(146 714)</b>	<b>(138 314)</b>

**CASHFLOW STATEMENT<sup>4</sup>**

	<i>EUR '000</i>	
	2021	2020
<i>Economic result of the year</i>	(146 714)	(138 314)
<b>Operating activities</b>		
<i>Depreciation and amortization</i>	21	17
<i>(Increase)/decrease in pre-financing</i>	926	(20 798)
<i>(Increase)/decrease in exchange receivables and non-exchange recoverables</i>	(2 475)	(25 583)
<i>Increase/(decrease) in payables</i>	27 085	(9 720)
<i>Increase/(decrease) in accrued charges</i>	(16 282)	(21 902)
<i>Increase/(decrease) in cash contributions</i>	127 145	191 179
<i>Increase/(decrease) in in-kind contributions</i>	10 312	25 151
<b>Investing activities</b>		
<i>(Increase)/decrease in intangible assets and property, plant and equipment</i>	(18)	(31)
<b>NET CASHFLOW</b>	<b>-</b>	<b>-</b>
<i>Net increase/(decrease) in cash and cash equivalents</i>	-	-
<i>Cash and cash equivalents at the beginning of the year</i>	-	-
<i>Cash and cash equivalents at year-end</i>	-	-

<sup>4</sup> Following the appointment of the Accounting Officer of the Commission as the Accounting Officer of CBE JU, the treasury of CBE JU was integrated into the Commission's treasury system. Therefore, CBE JU does not have any bank accounts of its own. All payments and receipts are processed via the Commission's treasury system and registered on intercompany accounts which are presented under the heading exchange receivables.

## STATEMENT OF CHANGES IN NET ASSETS

EUR '000

	Contribution from Members	Accumulated Surplus/ (Deficit)	Economic result of the year	Net Assets
<b>BALANCE AS AT 31.12.2019</b>	<b>444 489</b>	<b>(246 795)</b>	<b>(124 932)</b>	<b>72 762</b>
<i>Allocation 2019 economic result</i>	-	(124 932)	124 932	-
<i>Cash contribution</i>	191 179	-	-	191 179
<i>Contribution in-kind</i>	25 151	-	-	25 151
<i>Economic result of the year</i>	-	-	(138 314)	(138 314)
<b>BALANCE AS AT 31.12.2020</b>	<b>660 819</b>	<b>(371 727)</b>	<b>(138 314)</b>	<b>150 778</b>
<i>Allocation 2020 economic result</i>	-	(138 314)	138 314	-
<i>Cash contribution</i>	127 145	-	-	127 145
<i>Contribution in-kind</i>	10 312	-	-	10 312
<i>Economic result of the year</i>	-	-	(146 714)	(146 714)
<b>BALANCE AS AT 31.12.2021</b>	<b>798 276</b>	<b>(510 041)</b>	<b>(146 714)</b>	<b>141 520</b>

# NOTES TO THE FINANCIAL STATEMENTS

## 1. SIGNIFICANT ACCOUNTING POLICIES

### 1.1. ACCOUNTING PRINCIPLES

The objective of financial statements is to provide information about the financial position, performance and cashflows of an entity that is useful to a wide range of stakeholders.

The overall considerations (or accounting principles) to be followed when preparing the financial statements are laid down in EU Accounting Rule 1 'Financial Statements' and are the same as those described in IPSAS 1: fair presentation, accrual basis, going concern, consistency of presentation, materiality, aggregation, offsetting and comparative information. The qualitative characteristics of financial reporting are relevance, faithful representation (reliability), understandability, timeliness, comparability and verifiability.

### 1.2. BASIS OF PREPARATION

#### 1.2.1. Reporting period

Financial statements are presented annually. The accounting year begins on 1 January and ends on 31 December.

#### 1.2.2. Currency and basis for conversion

The annual accounts are presented in thousands of euros, the euro being the EU's functional currency. Foreign currency transactions are translated into euros using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the re-translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of financial performance. Different conversion methods apply to property, plant and equipment and intangible assets, which retain their value in euros at the date when they were purchased.

Year-end balances of monetary assets and liabilities denominated in foreign currencies are translated into euros on the basis of the European Central Bank (ECB) exchange rates applying on 31 December.

#### Euro exchange rates

Currency	31.12.2021	31.12.2020	Currency	31.12.2021	31.12.2020
<b>BGN</b>	<b>1.9558</b>	1.9558	<b>PLN</b>	<b>4.5969</b>	4.5597
<b>CZK</b>	<b>26.8580</b>	26.2420	<b>RON</b>	<b>4.9490</b>	4.8683
<b>DKK</b>	<b>7.4364</b>	7.4409	<b>SEK</b>	<b>10.2503</b>	10.0343
<b>GBP</b>	<b>0.84028</b>	0.8990	<b>CHF</b>	<b>1.0331</b>	1.0802
<b>HRK</b>	<b>7.5156</b>	7.5519	<b>JPY</b>	<b>130.3800</b>	126.4900
<b>HUF</b>	<b>369.1900</b>	363.8900	<b>USD</b>	<b>1.1326</b>	1.2271

#### 1.2.3. Use of estimates

In accordance with IPSAS and generally accepted accounting principles, the financial statements necessarily include amounts based on estimates and assumptions by management based on the most reliable information available. Significant estimates include, but are not limited to: amounts for employee benefit liabilities, financial risk of accounts receivable and the amounts disclosed in the notes concerning financial instruments, impairment allowance for financial assets at amortised cost and for financial guarantee contract liabilities, accrued revenue and charges, provisions, degree of impairment of intangible assets and property, plant and equipment, net realisable value of inventories, contingent assets and liabilities. Actual results could differ from those estimates.

Reasonable estimates are an essential part of the preparation of financial statements and do not undermine their reliability. An estimate may need revision if changes occur in the circumstances on which the estimate was based or as a result of new information or more experience. By its nature, the revision of an estimate does not relate to prior periods and is not the correction of an error. The effect of a change in accounting estimate shall be recognised in the surplus or deficit in the periods in which it becomes known.

#### 1.2.4. Application of new and revised European Union Accounting Rules (EAR)

##### Revised EAR which is effective for annual periods beginning on or after 1 January 2021

In 2020, the Accounting Officer adopted the revised EAR 11 'Financial Instruments', which is mandatorily effective as of 1 January 2021. The revised EAR 11 is based on the new IPSAS 41 'Financial Instruments', the amended IPSAS 28 'Financial Instruments: Presentation' and the amended IPSAS 30 'Financial Instruments: Disclosures' which were issued in August 2018. It establishes the financial reporting principles for financial assets and financial liabilities. In accordance with the transition provisions of the revised EAR 11, the entity accounts for any changes from the initial application, on 1 January 2021. The revised EAR 11 does not require the restatement of prior periods.

##### Changes from the application of the revised EAR 11

The only financial instruments of the entity, are the receivables from exchange transactions. In accordance with the revised EAR 11 requirements, the entity has classified these receivables as 'financial assets at amortised cost' ('loans and receivables' in prior periods). The entity has applied the impairment requirements of the revised EAR 11 to the receivables and has recognised the required adjustment of the loss allowance in the accumulated surplus or deficit on 1 January 2021.

## 1.3. BALANCE SHEET

### 1.3.1. Property, plant and equipment

All property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition, construction or transfer of the asset. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits or service potential associated with the item will flow to the entity and its cost can be measured reliably. Repairs and maintenance costs are charged to the statement of financial performance during the financial period in which they are incurred. Land is not depreciated, as it is deemed to have an indefinite useful life. Assets under construction are not depreciated as these assets are not yet available for use. Depreciation on other assets is calculated using the straight-line method to allocate their cost less their residual values over their estimated useful lives, as follows:

Type of asset	Straight line depreciation rate
<i>Buildings</i>	4 % to 10 %
<i>Plant and equipment</i>	10 % to 25 %
<i>Furniture and vehicles</i>	10 % to 25 %
<i>Computer hardware</i>	25 % to 33 %
<i>Other</i>	10 % to 33 %

Gains or losses on disposals are determined by comparing proceeds less selling expenses with the carrying amount of the disposed asset and are included in the statement of financial performance.

### Leases

A lease is an agreement whereby the lessor conveys to the lessee, in return for a payment or series of payments, the right to use an asset for an agreed period of time. Leases are classified as either finance leases or operating leases.

Finance leases are leases where substantially all the risks and rewards incidental to ownership are transferred to the lessee.



An operating lease is a lease other than a finance lease, i.e. a lease where the lessor retains substantially all the risks and rewards incidental to ownership of an asset. When entering an operating lease as a lessee, the operating lease payments are recognised as an expense in the statement of financial performance on a straight-line basis over the lease term with neither an asset nor a liability recognised in the balance sheet.

### **1.3.2. Impairment of non-financial assets**

Assets that have an indefinite useful life are not subject to amortisation/depreciation and are tested annually for impairment. Assets that are subject to amortisation/depreciation are tested for impairment whenever there is an indication at the reporting date that an asset may be impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable (service) amount. The recoverable (service) amount is the higher of an asset's fair value less costs to sell and its value in use.

Intangible assets and property, plant and equipment residual values and useful lives are reviewed, and adjusted if appropriate, at least once per year. If the reasons for impairments recognised in previous years no longer apply, the impairment losses are reversed accordingly.

### **1.3.3. Financial assets**

The classification of the financial instruments is determined at initial recognition. Based on the management model and the asset contractual cash-flow characteristics the financial assets can be classified in three categories: Financial assets at amortised cost ('AC'), financial assets at fair value through net assets/equity ('FVNA') or financial assets at fair value through surplus or deficit ('FVSD'). Based on this classification, the entity has only 'financial assets at amortised cost', which are exchange receivables.

Financial assets at amortised cost are non-derivative financial assets that meet two conditions: 1) The entity holds them in order to collect the contractual cash flows. 2) On specified days, there are contractual cash flows that are solely payments of the principal and interest on the outstanding principal.

Financial assets at amortised cost are included in current assets, except for those with maturity of more than 12 months from the balance sheet reporting date.

### **Initial recognition and measurement**

Financial assets at amortised cost are initially recognised at their fair value plus the transaction costs.

### **Subsequent measurement**

Financial assets at amortised cost are carried at amortised cost, which is the amount initially recognised minus the principal repayments, plus or minus the cumulative amortisation of the interests using the effective interest method. In addition, the entity recognises a loss allowance for expected credit losses over the lifetime of the financial assets. At each reporting date, the annual movement in the loss allowance adjusts the carrying amount of the financial asset. In the statement of financial performance, the entity recognises an impairment gain or loss for the adjustment of the loss allowance.

### **Derecognition**

Financial assets at amortised cost are derecognised either when the rights to receive cash flows from the investments have expired or are waived, or when the entity has transferred substantially all risks and rewards of ownership to another party.

### **1.3.4. Pre-financing amounts**

Pre-financing is a payment intended to provide the beneficiary with a cash advance, i.e. a float. It may be split into a number of payments over a period defined in the particular contract, decision, agreement or basic legal act. The float or advance is either used for the purpose for which it was provided during the period defined in the agreement or it is repaid. If the beneficiary does not incur eligible expenditure, he has the obligation to return the pre-financing advance to the entity. Thus, as the entity retains control over the pre-financing and is entitled to a refund for the ineligible part, the amount is recognised as an asset.

Pre-financing is initially recognised on the balance sheet when cash is transferred to the recipient. It is measured at the amount of the consideration given. In subsequent periods pre-financing is measured at

the amount initially recognised on the balance sheet less eligible expenses (including estimated amounts where necessary) incurred during the period.

#### 1.3.5. Receivables and recoverables

The EU accounting rules require separate presentation of exchange and non-exchange transactions. To distinguish between the two categories, the term 'receivable' is reserved for exchange transactions, whereas for non-exchange transactions, i.e. when the EU receives value from another entity without directly giving approximately equal value in exchange, the term 'recoverables' is used (e.g. recoverables from Member States related to own resources).

Receivables from exchange transactions meet the definition of financial instruments. The entity classified them as financial assets at amortised cost and measured them accordingly.

Recoverables from non-exchange transactions are carried at fair value as at the date of acquisition less write-down for impairment. A write-down for impairment is established when there is objective evidence that the entity will not be able to collect all amounts due according to the original terms of the recoverables. The amount of the write-down is the difference between the asset's carrying amount and the recoverable amount. The amount of the write-down is recognised in the statement of financial performance.

#### 1.3.6. Payables

Included under accounts payable are both amounts related to exchange transactions such as the purchase of goods and services, and to non-exchange transactions e.g. to cost claims from beneficiaries, grants or other EU funding, or pre-financing received (see note **1.4.1**).

Where grants or other funding are provided to the beneficiaries, the cost claims are recorded as payables for the requested amount, at the moment when the cost claim is received. Upon verification and acceptance of the eligible costs, the payables are valued at the accepted and eligible amount.

Payables arising from the purchase of goods and services are recognised at invoice reception for the original amount. The corresponding expenses are entered in the accounts when the supplies or services are delivered and accepted by the entity.

#### 1.3.7. Accrued and deferred revenue and charges

Transactions and events are recognised in the financial statements in the period to which they relate. At year-end, if an invoice is not yet issued but the service has been rendered, or the supplies have been delivered by the entity or a contractual agreement exists (e.g. by reference to a contract), an accrued revenue will be recognised in the financial statements. In addition, at year-end, if an invoice is issued but the services have not yet been rendered or the goods supplied have not yet been delivered, the revenue will be deferred and recognised in the subsequent accounting period.

Expenses are also accounted for in the period to which they relate. At the end of the accounting period, accrued expenses are recognised based on an estimated amount of the transfer obligation of the period. The calculation of accrued expenses is done in accordance with detailed operational and practical guidelines issued by the Accounting Officer. These aim at ensuring that the financial statements provide a faithful representation of the economic and other phenomena they purport to represent. By analogy, if a payment has been made in advance for services or goods that have not yet been received, the expense will be deferred and recognised in the subsequent accounting period.

## 1.4. STATEMENT OF FINANCIAL PERFORMANCE

### 1.4.1. Revenue

Revenue comprises gross inflows of economic benefits or service potential received and receivable by the entity, which represents an increase in net assets, other than increases relating to contributions from owners.

Depending on the nature of the underlying transactions in the statement of financial performance, revenue is distinguished between:

#### *(i) Revenue from non-exchange transactions*

Revenue from non-exchange transactions are taxes and transfers, because the transferor provides resources to the recipient entity, without the recipient entity providing approximately equal value directly in exchange. Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes. For the EU entities, transfers mostly comprise funds received from the Commission (e.g. balancing subsidy to the traditional agencies, operating subsidy for the delegation agreements).

The entity shall recognise an asset in respect of transfers when the entity controls the resources as a result of a past event (the transfer) and expects to receive future economic benefits or service potential from those resources, and when the fair value can be reliably measured. An inflow of resources from a non-exchange transaction recognised as an asset (i.e. cash) is also recognised as revenue, except to the extent that the entity has a present obligation in respect of that transfer (condition), which needs to be satisfied before the revenue can be recognised. Until the condition is met the revenue is deferred and recognised as a liability.

#### *(ii) Revenue from exchange transactions*

Revenue from the sale of goods and services is recognised when the significant risk and rewards of ownership of the goods are transferred to the purchaser. Revenue associated with a transaction involving the provision of services is recognised by reference to the stage of completion of the transaction at the reporting date.

### 1.4.2. Expenses

Expenses are decreases in economic benefits or service potential during the reporting period in the form of outflows or consumption of assets or the incurring of liabilities that result in decreases in net assets. They include both the expenses from exchange transactions and expenses from non-exchange transactions.

Expenses from exchange transactions arising from the purchase of goods and services are recognised when the supplies are delivered and accepted by the entity. They are valued at the original invoice amount. Furthermore, at the balance sheet date expenses related to the service delivered during the period for which an invoice has not yet been received or accepted are recognised in the statement of financial performance.

Expenses from non-exchange transactions relate to transfers to beneficiaries and can be of three types: entitlements, transfers under agreement and discretionary grants, contributions and donations. Transfers are recognised as expenses in the period during which the events giving rise to the transfer occurred, as long as the nature of the transfer is allowed by regulation or an agreement has been signed authorising the transfer; any eligibility criteria have been met by the beneficiary; and a reasonable estimate of the amount can be made.

When a request for payment or cost claim is received and meets the recognition criteria, it is recognised as an expense for the eligible amount. At year-end, incurred eligible expenses due to the beneficiaries but not yet reported are estimated and recorded as accrued expense.

## 1.5. CONTINGENT ASSETS AND LIABILITIES

### 1.5.1. Contingent assets

A contingent asset is a possible asset that arises from past events and of which the existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. A contingent asset is disclosed when an inflow of economic benefits or service potential is probable.

### 1.5.2. Contingent liabilities

A contingent liability is either a possible obligation of which the existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or a present obligation where it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation.

A contingent liability also arises in the rare circumstances where a present obligation exists but cannot be measured with sufficient reliability.

Contingent liabilities are not recognised in the accounts. They are disclosed unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

## 1.6. CONTRIBUTIONS FROM MEMBERS

The contributions from the Members of the Joint Undertakings (JU) form the funding of the JU and are treated as contributions from owners. An owner in this context does not mean an owner in the sense of owning shares of the JU (no shares are issued) but rather in the sense of political interest and governance of the JU by exercising the voting rights linked to these contributions.

### 1.6.1. Financial contributions

Financial contributions are contributions of Members made in cash in order to provide funding of the operational or administrative needs of the JU. These financial contributions are recognised in net assets in the period in which the enforceable right to receive the payment was established.

### 1.6.2. In-kind contributions

Members other than the EU (i.e. 'Private Members') can also contribute resources other than cash, e.g. laboratory equipment, specialised staff, etc. These in-kind contributions consist of the costs incurred by Private Members in implementing indirect actions.

The Regulation distinguishes between two types of in-kind contributions: (1) In-kind contributions to operational activities (IKOP) and (2) in-kind contributions to additional activities (IKAA).

The IKOP represents in-kind contributions made to the JU linked to its work plan and co-financed by the EU. The IKOP are recognised in net assets of the JU in the period when the conditions for Members' contributions stipulated by the Regulation are met.

The expenses related to the IKOP incurred in the financial year are recognised in the statement of financial performance. At year-end, incurred IKOP not yet reported are estimated and recorded as other liabilities ('Contributions of Members to be validated').

The IKAA relate to contributions linked to implementing additional activities outside the work plan of the JU that contribute to the objectives of the JU. Because the outflow of resources related to those activities is outside of the control of the JU, these contributions are not recognised in the financial statements of the JU. However to provide a complete picture of the operational activities related to the JU they are still disclosed as additional information in the notes.

## 2. NOTES TO THE BALANCE SHEET

### ASSETS

#### 2.1. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes, and are expected to be used during more than one reporting period.

	EUR '000			
	Furniture and vehicles	Computer hardware	Other	TOTAL
<i>Gross carrying amount at 31.12.2020</i>	34	76	26	137
<i>Additions</i>	-	3	15	18
<b>Gross carrying amount at 31.12.2021</b>	<b>34</b>	<b>79</b>	<b>41</b>	<b>155</b>
<i>Accumulated depreciation at 31.12.2020</i>	(16)	(47)	(11)	(74)
<i>Depreciation charge for the year</i>	(3)	(11)	(7)	(21)
<b>Accumulated depreciation at 31.12.2021</b>	<b>(19)</b>	<b>(58)</b>	<b>(18)</b>	<b>(95)</b>
<b>NET CARRYING AMOUNT AT 31.12.2021</b>	<b>15</b>	<b>22</b>	<b>23</b>	<b>60</b>
<i>NET CARRYING AMOUNT AT 31.12.2020</i>	18	30	15	63

#### 2.2. PRE-FINANCING

Pre-financing is a payment intended to provide the beneficiary with a cash advance, i.e. a float. It may be split into a number of payments over a period defined in the particular underlying contract, decision, agreement or basic legal act but is usually paid in one go in advance of the project start date.

	EUR '000	
	31.12.2021	31.12.2020
<i>Non-current pre-financing</i>	99 772	109 558
<i>Current pre-financing</i>	106 979	98 120
<b>Total</b>	<b>206 752</b>	<b>207 678</b>

For all pre-financing amounts open at 31 December 2021 a case-by-case assessment has been performed and all pre-financing that was considered unlikely to be cleared in the course of 2022 was classified as non-current pre-financing. The outstanding pre-financing, presented under this heading is net of estimated (cut-off) expenses of kEUR 88 600 for ongoing projects without validated cost claims as at 31 December 2021. The remaining portion of the cut-off expenses is recorded in accrued charges (see note 2.5).

The overall high amount of the open pre-financing can be explained by the fact that, according to the Horizon 2020 rules, the incurred project costs (both actual and estimated) only start to clear against pre-financing when the total amounts paid to the beneficiary reach 90% of the grant agreement amount. In addition, only the amount exceeding this threshold is cleared. Consequently, in the first years of the project's life there is usually significant open pre-financing that will only be cleared in later years.

The overall decrease in pre-financing is due to a combined effect. The amounts paid to the beneficiaries of the grant agreements increased in 2021, as pre-financing of 23 grants stemming from the H2020 call and starting in 2021 was paid in full. The increase in payments has been offset by an increase of clearing of pre-financing due to higher number of interim and final cost claims validated during 2021, and cost claims received after year end, relating to 2021, which were included in the adjustment for the final accounts.

## 2.3. EXCHANGE RECEIVABLES & NON-EXCHANGE RECOVERABLES

The revenue from exchange transactions and events relates to following types of transactions: rendering of services; sale of goods; and the use by others of entity assets yielding interest, royalties and dividends.

The amounts included under this heading are fully composed of current receivables from exchange transactions and can be split as follows:

	<i>EUR '000</i>	
	31.12.2021	31.12.2020
<b>Recoverables from non-exchange transactions</b>		
<i>Accrued income Non exchange</i>	294	-
	<b>294</b>	<b>-</b>
<b>Recoverables from exchange transactions</b>		
<i>Central treasury liaison accounts</i>	80 761	78 448
<i>Customers</i>	-	94
<i>Other</i>	35	71
	<b>80 796</b>	<b>78 613</b>
<b>Total</b>	<b>81 089</b>	<b>78 614</b>

The Central treasury liaison accounts with the Commission represent virtual bank accounts of CBE JU. Following the appointment of the Accounting Officer of the Commission as the Accounting Officer of CBE JU, the treasury of BBU JU, now CBE JU, was integrated into the Commission's treasury system. Because of this CBE JU does not have any bank accounts of its own. All payments and receipts are processed via the Commission's treasury and registered on those intercompany accounts. The ending balance of this heading is thus the result of the total incoming and outgoing payments and represents the funds available for the Joint Undertaking.

The increase under this heading and the overall large year-end cash balance is a consequence of the delays in reimbursement and/or lower reimbursement levels for several large projects, due to suspensions/extensions of running projects, mostly due to the COVID-19 pandemic. The balance will be redressed in the coming years, as larger cost claims arrive.

## LIABILITIES

### 2.4. PAYABLES AND OTHER LIABILITIES

Payables are liabilities to pay for goods or services that have been received or supplied and - unlike accrued charges - have already been invoiced or formally agreed with the supplier. Payables can relate to both exchange transactions (such as the purchase of goods and services) and non-exchange transactions (e.g. cost claims from beneficiaries of grants, pre-financing or other EU funding).

	<i>EUR '000</i>	
	31.12.2021	31.12.2020
<i>Contribution in kind to be validated</i>	79 877	53 676
<i>Public Bodies</i>	-	8 546
<i>Vendors</i>	9 604	174
<i>Other</i>	6	6
<b>Total</b>	<b>89 487</b>	<b>62 401</b>

Included under the heading Contributions in kind to be validated are the in-kind contributions from the private Members relating to projects for which the amount of the in-kind contribution generated by individual beneficiaries, was estimated on a case-by-case basis using the best available information on the projects at 31 December 2021. The estimated cash contribution to the operational cost of those projects is included under accrued charges (see note 2.5).

The increase in the Contributions in kind to be validated is driven by the changes in the methodology of estimation of the IKOP . Instead of basing the estimates on annual declarations of IKOP from the private Members, the new method combines the real amount of IKOP from the project cost claims validated during the year (but which has to be accrued, as not automatically recorded in the accounting system) with a pro rata estimate based on total IKOP allocated to the project, calculated for the remaining period after the cost claim end date.

In addition, even though no new calls have been launched, there were projects from the 2020 Calls for which the IKOP declarations were not certified and validated and thus the amounts related to 2021 had to be estimated during the closure (cut-off) exercise.

The amount of vendor payables relates to invoices and cost claims received but not yet validated and paid at the year end.

## 2.5. ACCRUED CHARGES

Accruals are liabilities to pay for goods or services that have been received or supplied but - unlike payables - have not yet been invoiced or formally agreed with the supplier. They include amounts due to employees (e.g. accruals for untaken holidays). The calculation of accruals is based on the open amount of budgetary commitments at year-end. The portion of the estimated accrued charges which, if actual costs, would result in a clearing of the open paid pre-financing, has been recorded as a reduction of the pre-financing amounts.

	<i>EUR '000</i>	
	<b>31.12.2021</b>	<b>31.12.2020</b>
<i>Accrued charges</i>	<i>56 894</i>	<i>73 176</i>

The heading comprises estimated operational costs of kEUR 56 197, accrued administrative expenses of kEUR 640 and accrued staff expense for untaken leave of kEUR 57.

Accrued operating charges relate to on-going projects without a validated cost statement where the 2021 expense was estimated on a case-by-case basis using the best available information about the projects at 31 December 2021. The portion of the estimated accrued charges which, if actual costs, would result in a clearing of the open paid pre-financing, has been recorded as a reduction of the pre-financing amounts in line with the H2020 rules (see note **2.2**). Following the validation of a large number of final and interim cost claims, the estimated expenses were replaced by actual costs hence the decrease in the accrued charges.

## NET ASSETS

### 2.6. CONTRIBUTIONS FROM MEMBERS

The JU is funded by contributions from its members. Given their funding nature these contributions, which comprise both cash contributions and contributions in kind, are recognised in the JU's net assets as 'Contributions from owners'. The term 'owner' does not imply ownership of any shares of the JU (in fact no shares are issued), but reflects the specific governance of the JU where voting rights are allocated in accordance with the contributions made.

Programme	2021			2020			EUR '000
	Cash	In kind	Total	Cash	In kind	Total	
<i>H2020</i>	746 037	52 239	798 276	618 892	41 927	660 819	

With regard to the Horizon 2020 programme, Council Regulation (EC) No 2014/560 (its current legal mandate stems from the amending Regulation (EU) 2018/121 of 23 January 2018) distinguishes between Members (European Commission, Industry Grouping) and non-members of the JU. In addition, only the in-kind contributions from the Members that are both certified by external auditors and validated by the Executive Director of CBE JU are considered in-kind contributions. Estimated in-kind contributions, i.e. contributions for which no certifications have been received and/or this certification has not been validated by the Executive Director are reported under other liabilities (see note 2.4).

Member	EU		Industry Grouping		Total		EUR '000
	Cash		Cash	In kind	Total	Cash	In kind
<i>Running costs contributions at 31.12.2020</i>	11 979		12 465	-	12 465	24 444	-
<i>Adjustments of prior years' contributions</i>	214	( 214)		-	( 214)	-	-
<i>Current year contributions</i>	2 307		2 308	-	2 308	4 615	-
<b>Running costs contributions at 31.12.2021</b>	<b>14 500</b>		<b>14 559</b>	<b>-</b>	<b>14 559</b>	<b>29 059</b>	<b>-</b>
<i>Operating costs contributions at 31.12.2020</i>	591 198		3 250	41 927	45 177	594 448	41 927
<i>Current year contributions</i>	122 530		-	10 312	10 312	122 530	10 312
<b>Operating costs contributions at 31.12.2021</b>	<b>713 728</b>		<b>3 250</b>	<b>52 239</b>	<b>55 489</b>	<b>716 978</b>	<b>52 239</b>
<i>TOTAL contributions at 31.12.2020</i>	603 177		15 715	41 927	57 642	618 892	41 927
<b>TOTAL contributions at 31.12.2021</b>	<b>728 228</b>		<b>17 809</b>	<b>52 239</b>	<b>70 048</b>	<b>746 037</b>	<b>52 239</b>
<i>% of total contributions (by type)</i>	97.61%			2.39%		100.00%	100.00%
<i>Total contribution in %</i>	91.23%			8.77%		100.00%	
<i>Voting rights %</i>	0.00%			0.00%		100.00%	



### 3. NOTES TO THE STATEMENT OF FINANCIAL PERFORMANCE

#### REVENUE FROM NON-EXCHANGE TRANSACTIONS

Revenue from non-exchange transactions relates to transactions where the transferor provides resources to the recipient entity without the recipient entity providing approximately equal value directly in exchange. The heading mainly includes amounts received from the Commission during the year and recoveries of operational expenses.

##### 3.1. RECOVERY OF EXPENSES

The revenue resulting from recovery of expenses refers to operational expenses recovered from beneficiaries during the year and adjustments coming from audits that will be collected in the following year.

EUR '000

	2021	2020
<i>Recovery of expenses</i>	356	566

#### REVENUE FROM EXCHANGE TRANSACTIONS

The revenue from exchange transactions and events relates to following types of transactions: rendering of services; sale of goods; and the use by others of entity assets yielding interest, royalties and dividends.

##### 3.2. OTHER EXCHANGE REVENUE

EUR '000

	2021	2020
<i>Recovery of administrative expenses</i>	121	38
<i>Miscellaneous income exchange</i>	3	0
<b>Total</b>	<b>124</b>	<b>38</b>

#### EXPENSES

##### 3.3. OPERATIONAL COSTS

EUR '000

	2021	2020
<i>Operational costs: validated in-kind contributions</i>	10 312	25 151
<i>Operational costs: estimated in-kind contributions</i>	26 200	1 679
<b>Total operational costs from in-kind contributions</b>	<b>36 512</b>	<b>26 830</b>
<i>Operational costs: validated EU contributions</i>	96 636	115 868
<i>Operational costs: estimated EU contributions</i>	9 616	(8 239)
<b>Total operational costs: from EU contributions</b>	<b>106 252</b>	<b>107 629</b>
<b>Total</b>	<b>142 764</b>	<b>134 459</b>

Depending on the availability of information at the time of the preparation of the annual accounts, the estimates are based on reports of services or work performed (e.g. Report of the Member of the Joint Undertaking other than the EU on the in-kind contributions as per the meaning of Article 4(3) and 4(4) of

Regulation (EU) No 2014/557) or actual costs incurred to date followed by pro rata temporise estimates based on total project grant amounts (remaining balance).

The increase in the in the operational costs from in-kind contributions is driven by an increase of estimated in-kind contributions due to the changes in the methodology of estimation of the IKOP for which no project cost claims covering the whole year were validated at the year end. Instead of basing the estimates on annual declarations of IKOP from the private Members, the new method combines the real amount of IKOP from the project cost claims validated during the year with a pro-rata estimate based on total IKOP allocated to the project, calculated for the remaining period after the cost claim end date. In 2021 kEUR 10 312 of IKOP contributions were validated and transferred to net assets.

### 3.4. STAFF COSTS

This heading includes the expenses for salaries, allowances and other employment-related benefits. Based on the service level agreement between the JU and the Commission, the calculations of staff-related costs is carried out by the Commission's Office for Administration and Payment of Individual Entitlements (also known as the Paymaster's Office - PMO). The pensions of the JU staff members are covered by the Pension Scheme of European Officials. This pension scheme is a defined benefit plan, i.e. the amount of benefit an employee will receive on retirement depends on several factors, the most important of which is years of service. Both the JU staff and the EU budget contribute to the pension scheme, with the contribution percentage being revised annually in line with the changes in the Staff Regulation governing the scheme. The cost to the EU Budget is not reflected in the JU accounts. Similarly, no provision related to the future pension payments is recognised in the annual accounts of the JU, as the obligation falls to the Commission. Consequently, both the annual cost to the EU budget, and the future benefits payable to the JU staff, are accounted for in the Commission's annual accounts as part of its provision for pensions and other post-employment benefits. The pension costs included in the Commission's Statement of Financial Performance represent current service cost (rights accrued during the year due to service) and interest cost (unwinding of the liability discounting) which have arisen following the year-end actuarial valuation of the employee benefits liabilities.

	EUR '000	
	2021	2020
<i>Staff costs</i>	2 258	2 204

### 3.5. OTHER EXPENSES

Included under this heading are expenses of administrative nature such as external non IT services, operating leasing expenses, communications and publications, training costs etc.

	EUR '000	
	2021	2020
<i>External IT services</i>	743	264
<i>External non IT services</i>	603	384
<i>Operating lease expenses</i>	298	310
<i>Experts' fees</i>	269	1 097
<i>Communications and publications</i>	185	80
<i>Training costs</i>	53	32
<i>Property, plant and equipment related expenses</i>	21	17
<i>Office supplies and maintenance</i>	5	24
<i>Missions</i>	1	2
<i>Other</i>	(7)	45
<b>Total</b>	<b>2 171</b>	<b>2 254</b>

The decrease in expenses related to experts' fees is mainly due to the fact that no call was launched in 2021 requiring evaluations by expert-evaluators of the REA agency.

The increase of other administrative expenses, such as External IT services can be directly linked to the new ways of working imposed by COVID 19 restrictions.

Operating lease expenses concern the CBE JU office in the 'White Atrium' building. Amounts committed to be paid during the remaining term of this lease contract include rent and related charges and are as follows:

EUR '000

	Future amounts to be paid			Total
	< 1 year	1- 5 years	> 5 years	
<i>Buildings</i>	295	319	658	1 272

## 4. OTHER SIGNIFICANT DISCLOSURES

### 4.1. CONTINGENT ASSETS

EUR '000

	31.12.2021	31.12.2020
<i>Other</i>	179	-

The increase of the heading contingent assets of kEUR 179 is due to negative ex-post audit corrections of projects. Nevertheless, as the audit contradictory procedure is not yet finalised, CBE JU will only recognise the amounts when receiving a signed agreement from the beneficiaries. Before the signing of the agreement, they are disclosed off-balance, i.e. shown as a contingent asset.

### 4.2. CONTINGENT LIABILITIES

EUR '000

	31.12.2021	31.12.2020
<i>Other</i>	241	-

The increase of the heading contingent liability of kEUR 241 is due to positive ex-post audit corrections of projects. As for contingent assets they are disclosed off-balance, i.e. shown as a contingent liabilities.

### 4.3. OUTSTANDING COMMITMENTS NOT YET EXPENSED

The outstanding commitments not yet expensed comprise the budgetary RAL ('Reste à Liquider') less related amounts that have been included as expenses in the current year's statement of financial performance. The RAL represents the open budgetary commitments for which payments and/or de-commitments have not yet been made. This is the normal consequence of the existence of multi-annual programmes.

EUR '000

	31.12.2021	31.12.2020
<i>Outstanding commitments not yet expensed</i>	94 031	199 536

The high decrease between the years is driven by the high decrease in the budgetary RAL which is seen the budget implementation reports (see chapter 6).

### 4.4. RELATED PARTIES

The related parties of the JU are the participants of the JU and the key management personnel of these entities. As transactions between the JU and these parties take place as part of the normal operations of the JU and on terms and conditions that are normal for such transactions, no specific disclosures are required.

### 4.5. KEY MANAGEMENT ENTITLEMENTS

The highest ranking civil servant of CBE JU is the Executive Director, who executes the role of Authorising Officer.

	31.12.2021	31.12.2020
<i>Executive Director</i>	AD 14	AD 14

The Executive Director is remunerated in accordance with the Staff Regulations of the European Union that is published on the Europa website and is the official document describing the rights and the obligations of all officials of the EU.

## **4.6. OTHER EVENTS**

### **Establishment of CBE JU**

Council Regulation (EU) 2021/2085 of 19 November 2021 ("Single Basic Act" or "SBA"), which became effective on 30 November 2021, established the new Joint Undertakings under Horizon Europe, including the reporting entity of these financial statements. According to Article 174(3) SBA, the reporting entity is the legal and universal successor of the previous Joint Undertaking in respect of all contracts, including employment contracts and grant agreements, liabilities and acquired property. As a consequence, the 2021 amounts presented in these financial statements are based on both transactions and events that occurred in the period 01 January to 30 November under the previous Joint Undertaking and transactions and events that occurred in the period 01 December to 31 December 2021 under the reporting entity.

### **Pension contribution of private members**

Based on analysis undertaken in 2021 it has been determined that the entity, in line with Article 83a (2) of the Staff Regulations, should pay into the general budget of the European Union the part of the employers' contributions which corresponds to the proportion between the entity's revenues without the subsidy from the general budget of the European Union and its total revenues. The applicable proportion should be calculated based on the specific percentage of the administrative costs funded by the Private members. The Commission is working on guidance for calculating and collection the employer contributions which has not been finalised and approved at the time of signature of these annual accounts. Due to the administrative limitations of applying Art. 83a (2) of the Staff Regulations retroactively, and in particular the change in the composition of Private members as compared to the entity's legal predecessor (see Council Regulation (EU) 2021/2085), the new guidance will be applied as of the financial year 2022 only.

## **4.7. EVENTS AFTER REPORTING DATE**

In accordance with EU accounting rule 19, Events after Reporting Date, the war in Ukraine that began in February 2022 is a non-adjusting event, thus not requiring any adjustments to the figures reported in these financial statements at 31 December 2021. For subsequent reporting periods, the war may affect the recognition and measurement of some assets and liabilities on the balance sheet and also of some revenue and expenses recognised in the statement of financial performance. Based on the facts and circumstances at the time of preparation of these financial statements, in particular the evolving situation, the financial effect of the war in Ukraine on the CBE JU accounts cannot be reliably estimated.

## 5. FINANCIAL RISK MANAGEMENT

### 5.1. TYPES OF RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate, because of variations in market prices. Market risk embodies not only the potential for loss, but also the potential for gain. It comprises currency risk, interest rate risk and other price risk (the entity has no significant interest rate risk and other price risk).

(1) Currency risk is the risk that the entity operations will be affected by changes in exchange rates. This risk arises from the change in the price of one currency against another.

(2) Interest rate risk is the possibility of a reduction in the value of a security, especially a bond, resulting from an increase in interest rates. In general, higher interest rates will lead to lower prices of fixed rate bonds, and vice versa. The entity does not have any securities thus it is not exposed to the interest rate risk.

**Credit risk** is the risk of loss due to a debtor's non-payment or other failure to meet a contractual obligation. The default events include a delay in repayments, and bankruptcy.

**Liquidity risk** is the risk that an EU entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

### 5.2. CURRENCY RISKS

At the end of the year, the financial assets are composed of exchange receivables. The financial liabilities are composed of accounts payable. Their ending balances are mainly quoted in EUR, the entity is thus not exposed to currency risk.

### 5.3. CREDIT RISK

At the end of the year, the financial assets comprise exchange receivables that are not past due for more than 30 days. As no credit loss is expected during the life time of those receivables the entity is not exposed to any significant credit risk.

### 5.4. LIQUIDITY RISK

The financial liabilities are mainly composed of accounts payable. All the accounts payable have remaining contractual maturity of less than 1 year.

# THE BUDGET IMPLEMENTATION REPORTS AND EXPLANATORY NOTES

*It should be noted that due to the rounding of figures into thousands of euros (kEUR), some financial data in the tables below may appear not to add-up.*

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# 1. BUDGETARY PRINCIPLES AND STRUCTURE

## 1.1. BUDGETARY PRINCIPLES

The establishment and implementation of the budget of CBE JU is governed by the following basic principles set out in the Chapter 2 of the Financial Rules of CBE JU:

### **Principles of unity and budget accuracy**

This principle means that no revenue shall be collected and no expenditure effected unless booked to a line in the budget of CBE JU. No expenditure may be committed or authorised in excess of the appropriations authorised by the budget. An appropriation may be entered in the budget only if it is for an item of expenditure considered necessary.

### **Principle of annuality**

The appropriations entered in the budget shall be authorised for a financial year which shall run from 1 January to 31 December. As specified in its Financial Rules, CBE JU is subject to an exception to the annuality principle, specific only to the joint undertakings (the "N+3" rule), whereby any unused appropriations may be entered in the estimate of revenue and expenditure of up to the following three financial years. These appropriations must be used first.

### **Principle of equilibrium**

Revenue and payment appropriations shall be in balance.

### **Principle of unit of account**

The budget shall be drawn up and implemented in euro and the accounts shall be presented in euro.

### **Principle of universality**

Total revenue shall cover total payment appropriations and all revenue and expenditure shall be entered in full without any adjustment against each other.

### **Principle of specification**

Appropriations shall be earmarked for specific purposes at least by title and chapter.

### **Principle of sound financial management**

Appropriations shall be used in accordance with the principle of sound financial management, namely in accordance with the principles of economy, efficiency and effectiveness.

### **Principle of transparency**

The budget shall be established and implemented and the accounts presented in accordance with the principle of transparency. The budget and any amending budgets shall be published on the internet site of the CBE JU within four weeks of their adoption and shall be transmitted to the Commission and the Court of Auditors.

## **1.2. STRUCTURE AND PRESENTATION OF THE BUDGET**

Since 1 January 2015, no distinction is made between non-dissociated and dissociated appropriations. All appropriations follow the dissociated logic.

Following the provisions of the Financial rules of CBE JU, the budget accounts shall consist of a statement of revenue and a statement of expenditure. The budget is distributed in the following titles:

### **Title 1**

Budget lines relating to staff expenditure such as salaries and allowances for personnel working with CBE JU. It also includes recruitment expenses, staff missions, expenses for the socio-medical infrastructure and representation costs.

### **Title 2**

Budget lines relate to all infrastructure, equipment and miscellaneous administrative expenditure.

### **Title 3**

Budget lines provide for the implementation of the activities and tasks assigned to CBE JU in accordance with its establishing Council Regulation (EC) No 560/2014.

## 2. RESULT OF THE IMPLEMENTATION OF THE BUDGET

		<i>EUR '000</i>	
	Title	2021	2020
<b>Revenue</b>		<b>127 365</b>	<b>191 638</b>
of which:			
European Commission (incl. EFTA) contribution to administrative expenditure	1	2 402	2 791
European Commission (incl. EFTA) contribution to operational expenditure	1	122 530	186 169
Bio-based Industries Consortium contribution to administrative expenditure	1	2 308	2 641
Joint Undertaking revenues	1	126	36
<b>Expenditure</b>		<b>(125 076)</b>	<b>(166 078)</b>
of which:			
Staff expenditure	1	(2 883)	(2 674)
Administrative expenditure	2	(1 370)	(2 550)
Operational expenditure	3	(120 822)	(160 854)
<b>Exchange rate differences</b>		<b>0</b>	<b>-</b>
<b>Budget result</b>		<b>2 289</b>	<b>25 560</b>

### 3. RECONCILIATION OF ECONOMIC RESULT WITH BUDGET RESULT

	EUR '000	
	2021	2020
<b>ECONOMIC RESULT OF THE YEAR</b>	<b>(146 714)</b>	<b>(138 314)</b>
<b>Adjustment for accrual items (items not in the budgetary result but</b>	<b>46 370</b>	<b>17 661</b>
<i>Adjustments for accrual cut-off (net)</i>	46 014	17 833
<i>Depreciation, amortization and impairment of intangible and tangible assets</i>	22	17
<i>Uncleared balance on projects' payments</i>	334	(189)
<b>Adjustment for budgetary items (item included in the budgetary</b>	<b>102 633</b>	<b>146 213</b>
<i>Members' cash contributions collected in the year</i>	127 239	191,602
<i>Asset acquisitions (less unpaid amounts)</i>	(21)	(32)
<i>New pre-financing paid in the year and remaining open as at 31 December</i>	(24 583)	(45 363)
<i>Adjustment for carry-over from the previous year of appropriations</i>		
<i>Other individually immaterial</i>	(2)	6
<b>BUDGET RESULT OF THE YEAR</b>	<b>2 289</b>	<b>25 560</b>

## 4. IMPLEMENTATION OF BUDGET REVENUE

### 4.1. Implementation of budget revenue – Title 1

EUR '000

Item	Income appropriations		Entitlements established			Revenue				
	Initial budget	Final budget	Current year	Carried over	Total	On entitlements of current year	On entitlements carried over	Total	%	Out-standing
	1	2	3	4	5=3+4	6	7	8=6+7	9=8/2	10=5-8
1001 European Commission (incl. EFTA) contribution to administrative expenditure	2 308	2 308	2 402	–	2 402	2 402	–	2 402	104 %	–
1002 European Commission (incl. EFTA) contribution to operational expenditure	122 530	122 530	122 530	–	122 530	122 530	–	122 530	100 %	–
1003 Bio-based Industries Consortium contribution to administrative expenditure	2 308	2 308	2 308	–	2 308	2 308	–	2 308	100 %	–
1005 Joint Undertaking revenues	0	0	126	–	126	126	–	126	–	–
<b>Total Chapter 10</b>	<b>127 145</b>	<b>127 145</b>	<b>127 365</b>	<b>–</b>	<b>127 365</b>	<b>127 365</b>	<b>–</b>	<b>127 365</b>	<b>100 %</b>	<b>–</b>
<b>Total Title 1</b>	<b>127 145</b>	<b>127 145</b>	<b>127 365</b>	<b>–</b>	<b>127 365</b>	<b>127 365</b>	<b>–</b>	<b>127 365</b>	<b>100 %</b>	<b>–</b>
<b>GRAND TOTAL</b>	<b>127 145</b>	<b>127 145</b>	<b>127 365</b>	<b>–</b>	<b>127 365</b>	<b>127 365</b>	<b>–</b>	<b>127 365</b>	<b>100 %</b>	<b>–</b>

## 5. IMPLEMENTATION OF BUDGET EXPENDITURE

### 5.1. Breakdown & changes in commitment appropriations

#### 5.1.1. Breakdown & changes in commitment appropriations – Title 1

EUR '000

Item	Budget appropriations				Additional appropriations			Total apppr. available
	Initial adopted budget	Amending budgets	Transfers	Final adopted budget	Reactivated appropriations	Assigned revenue	Total	
	1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
1100 Staff costs	2 375	-	(34)	2 342	-	-	-	2 342
1110 Trainees	-	-	30	30	8	-	8	37
1120 External staff	331	-	14	345	9	-	9	354
<b>Total Chapter 11</b>	<b>2 706</b>	<b>-</b>	<b>10</b>	<b>2 716</b>	<b>16</b>	<b>-</b>	<b>16</b>	<b>2 732</b>
1200 Sundry recruitment expenses	27	-	-	27	10	-	10	38
1201 Installation, resettlement and daily subsistence allowances and removal and travel expenses	60	-	-	60	-	-	-	60
<b>Total Chapter 12</b>	<b>87</b>	<b>-</b>	<b>-</b>	<b>87</b>	<b>10</b>	<b>-</b>	<b>10</b>	<b>98</b>
1300 Mission expenses, duty travel expenses and other ancillary expenditure	80	-	(10)	70	-	1	1	71
<b>Total Chapter 13</b>	<b>80</b>	<b>-</b>	<b>(10)</b>	<b>70</b>	<b>-</b>	<b>1</b>	<b>1</b>	<b>71</b>
1400 Medical service	14	-	-	14	20	-	20	34
1401 Mobility costs and other social expenses for staff	125	-	-	125	-	3	3	128
1402 Training	82	-	-	82	4	-	4	85
1403 Supplementary aid for the disabled	29	-	-	29	-	-	-	29
<b>Total Chapter 14</b>	<b>250</b>	<b>-</b>	<b>-</b>	<b>250</b>	<b>24</b>	<b>3</b>	<b>26</b>	<b>277</b>
1500 Staff teambuilding and related events	10	-	-	10	-	-	-	10
<b>Total Chapter 15</b>	<b>10</b>	<b>-</b>	<b>-</b>	<b>10</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10</b>
<b>Total Title 1</b>	<b>3 133</b>	<b>-</b>	<b>-</b>	<b>3 133</b>	<b>50</b>	<b>4</b>	<b>54</b>	<b>3 187</b>

## 5.1.2. Breakdown &amp; changes in commitment appropriations – Title 2

EUR '000

Item	Budget appropriations			Final adopted budget 4=1+2+3	Additional appropriations			Total 8=4+7
	Initial adopted budget 1	Amending budgets 2	Transfers 3		Reactivated appropriations 5	Assigned revenue 6	Total 7=5+6	
2000 Rentals	231	-	-	231	112	-	112	343
2010 Charges and works	109	-	(60)	49	-	-	-	49
<b>Total Chapter 20</b>	<b>340</b>	<b>-</b>	<b>(60)</b>	<b>280</b>	<b>112</b>	<b>-</b>	<b>112</b>	<b>391</b>
2100 IT equipment & software purchase/development costs	95	-	56	151	17	-	17	168
2101 Other IT costs	200	-	(56)	144	103	122	225	369
<b>Total Chapter 21</b>	<b>295</b>	<b>-</b>	<b>-</b>	<b>295</b>	<b>120</b>	<b>122</b>	<b>242</b>	<b>537</b>
2200 Movable property and associated office equipment purchase costs	5	-	-	5	5	-	5	10
<b>Total Chapter 22</b>	<b>5</b>	<b>-</b>	<b>-</b>	<b>5</b>	<b>5</b>	<b>-</b>	<b>5</b>	<b>10</b>
2300 Stationery and office supplies	15	-	(1)	14	1	-	1	15
2302 Legal expenditure	20	-	-	20	6	-	6	26
2303 Other current administrative expenditure	-	-	1	1	-	-	-	1
<b>Total Chapter 23</b>	<b>35</b>	<b>-</b>	<b>0</b>	<b>35</b>	<b>7</b>	<b>-</b>	<b>7</b>	<b>42</b>
2400 Telecommunications and postal charges	19	-	-	19	-	-	-	19
<b>Total Chapter 24</b>	<b>19</b>	<b>-</b>	<b>-</b>	<b>19</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19</b>
2500 Expenditure on formal meetings	113	-	(40)	73	-	-	-	73
<b>Total Chapter 25</b>	<b>113</b>	<b>-</b>	<b>(40)</b>	<b>73</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>73</b>
2600 Events and campaigns	265	-	(252)	13	6	-	6	18
2601 Materials	50	-	-	50	4	-	4	54
2602 Communications tools	40	-	252	292	116	-	116	408
2603 Public relations	45	-	-	45	13	-	13	58
<b>Total Chapter 26</b>	<b>400</b>	<b>-</b>	<b>-</b>	<b>400</b>	<b>138</b>	<b>-</b>	<b>138</b>	<b>538</b>
2700 Studies, consultancy and other services	-	-	100	100	39	-	39	139
2702 Audit costs	75	-	-	75	-	-	-	75
<b>Total Chapter 27</b>	<b>75</b>	<b>-</b>	<b>100</b>	<b>175</b>	<b>39</b>	<b>-</b>	<b>39</b>	<b>214</b>
2900 Expert reviewers	200	-	-	200	130	-	130	330
<b>Total Chapter 29</b>	<b>200</b>	<b>-</b>	<b>-</b>	<b>200</b>	<b>130</b>	<b>-</b>	<b>130</b>	<b>330</b>
<b>Total Title 2</b>	<b>1 482</b>	<b>-</b>	<b>-</b>	<b>1 482</b>	<b>550</b>	<b>122</b>	<b>672</b>	<b>2 154</b>
<b>GRAND TOTAL</b>	<b>4 615</b>	<b>-</b>	<b>-</b>	<b>4 615</b>	<b>600</b>	<b>126</b>	<b>726</b>	<b>5 341</b>

## 5.2. Breakdown & changes in payment appropriations

### 5.2.1. Breakdown & changes in payment appropriations – Title 1

EUR '000

Item	Budget appropriations				Additional appropriations			Total appropriations available
	Initial adopted budget	Amending budgets	Transfers	Final adopted budget	Reactivated appropriations	Assigned revenue	Total	
	1	2	3	4=1+2+3	5	6	7=5+6	
1100 Staff costs	2 375	-	(74)	2 301	-	-	-	2 301
1110 Trainees	-	-	22	22	23	-	23	45
1120 External staff	331	-	62	393	-	-	-	393
<b>Total Chapter 11</b>	<b>2 706</b>	<b>-</b>	<b>10</b>	<b>2 716</b>	<b>23</b>	<b>-</b>	<b>23</b>	<b>2 738</b>
1200 Sundry recruitment expenses	27	-	-	27	10	-	10	38
1201 Installation, resettlement and daily subsistence allowances and removal and travel expenses	60	-	-	60	-	-	-	60
<b>Total Chapter 12</b>	<b>87</b>	<b>-</b>	<b>-</b>	<b>87</b>	<b>10</b>	<b>-</b>	<b>10</b>	<b>98</b>
1300 Mission expenses, duty travel expenses and other ancillary expenditure	80	-	(10)	70	-	1	1	71
<b>Total Chapter 13</b>	<b>80</b>	<b>-</b>	<b>(10)</b>	<b>70</b>	<b>-</b>	<b>1</b>	<b>1</b>	<b>71</b>
1400 Medical service	14	-	-	14	14	-	14	28
1401 Mobility costs and other social expenses for staff	125	-	-	125	-	3	3	128
1402 Training	82	-	-	82	4	-	4	85
1403 Supplementary aid for the disabled	29	-	-	29	-	-	-	29
<b>Total Chapter 14</b>	<b>250</b>	<b>-</b>	<b>-</b>	<b>250</b>	<b>17</b>	<b>3</b>	<b>20</b>	<b>270</b>
1500 Staff teambuilding and related events	10	-	-	10	-	-	-	10
<b>Total Chapter 15</b>	<b>10</b>	<b>-</b>	<b>-</b>	<b>10</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10</b>
<b>Total Title 1</b>	<b>3 133</b>	<b>-</b>	<b>0</b>	<b>3 133</b>	<b>50</b>	<b>4</b>	<b>54</b>	<b>3 187</b>



## 5.2.2. Breakdown &amp; changes in payment appropriations – Title 2

EUR '000

Item	Budget appropriations				Additional appropriations			Total apppr. available
	Initial budget adopted	Amending budgets	Transfers	Final adopted budget	Reactivated appropriations	Assigned revenue	Total	
	1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
2000 Rentals	231	–	–	231	112	–	112	343
2010 Charges and works	109	–	(60)	49	–	–	–	49
<b>Total Chapter 20</b>	<b>340</b>	<b>–</b>	<b>(60)</b>	<b>280</b>	<b>112</b>	<b>–</b>	<b>112</b>	<b>391</b>
2100 IT equipment & software purchase/development costs	95	–	62	157	32	33	65	222
2101 Other IT costs	200	–	(57)	144	96	89	185	329
<b>Total Chapter 21</b>	<b>295</b>	<b>–</b>	<b>6</b>	<b>301</b>	<b>128</b>	<b>122</b>	<b>250</b>	<b>551</b>
2200 Movable property and associated office equipment purchase costs	5	–	–	5	5	–	5	10
<b>Total Chapter 22</b>	<b>5</b>	<b>–</b>	<b>–</b>	<b>5</b>	<b>5</b>	<b>–</b>	<b>5</b>	<b>10</b>
2300 Stationery and office supplies	15	–	–	15	1	–	1	16
2302 Legal expenditure	20	–	–	20	6	–	6	26
2303 Other current administrative expenditure	–	–	0	0	2	–	2	2
<b>Total Chapter 23</b>	<b>35</b>	<b>–</b>	<b>0</b>	<b>35</b>	<b>9</b>	<b>–</b>	<b>9</b>	<b>44</b>
2400 Telecommunications and postal charges	19	–	(0)	19	–	–	–	19
<b>Total Chapter 24</b>	<b>19</b>	<b>–</b>	<b>(0)</b>	<b>19</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>19</b>
2500 Expenditure on formal meetings	113	–	(46)	67	–	–	–	67
<b>Total Chapter 25</b>	<b>113</b>	<b>–</b>	<b>(46)</b>	<b>67</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>67</b>
2600 Events and campaigns	265	–	(252)	13	19	–	19	32
2601 Materials	50	–	–	50	4	–	4	54
2602 Communications tools	40	–	252	292	92	–	92	384
2603 Public relations	45	–	–	45	13	–	13	58
<b>Total Chapter 26</b>	<b>400</b>	<b>–</b>	<b>–</b>	<b>400</b>	<b>128</b>	<b>–</b>	<b>128</b>	<b>528</b>
2700 Studies, consultancy and other services	–	–	100	100	39	–	39	139
2702 Audit costs	75	–	–	75	–	–	–	75
<b>Total Chapter 27</b>	<b>75</b>	<b>–</b>	<b>100</b>	<b>175</b>	<b>39</b>	<b>–</b>	<b>39</b>	<b>214</b>
2900 Expert reviewers	200	–	–	200	130	–	130	330
<b>Total Chapter 29</b>	<b>200</b>	<b>–</b>	<b>–</b>	<b>200</b>	<b>130</b>	<b>–</b>	<b>130</b>	<b>330</b>
<b>Total Title 2</b>	<b>1 482</b>	<b>–</b>	<b>–</b>	<b>1 482</b>	<b>550</b>	<b>122</b>	<b>672</b>	<b>2 154</b>

5.2.3. Breakdown & changes in payment appropriations – Title 3

EUR '000

Item	Budget appropriations			Final adopted budget 4=1+2+3	Additional appropriations			Total 7=5+6	Total appropriations available
	Initial budget adopted 1	Amending budgets 2	Transfers 3		Reactivated appropriations 5	Assigned revenue 6			
3000 Previous years' calls	122 530	–	(98 640)	23 890	45 135	–	45 135	69 025	
Total Chapter 30	122 530	–	(98 640)	23 890	45 135	–	45 135	69 025	
3100 Current year call	–	–	98 640	98 640	1 747	–	1 747	100 387	
Total Chapter 31	–	–	98 640	98 640	1 747	–	1 747	100 387	
<b>Total Title 3</b>	<b>122 530</b>	<b>–</b>	<b>–</b>	<b>122 530</b>	<b>46 882</b>	<b>–</b>	<b>46 882</b>	<b>169 412</b>	
<b>GRAND TOTAL</b>	<b>127 145</b>	<b>–</b>	<b>–</b>	<b>127 145</b>	<b>47 482</b>	<b>126</b>	<b>47 607</b>	<b>174 753</b>	

## 5.3. IMPLEMENTATION OF COMMITMENT APPROPRIATIONS

### 5.3.1. Implementation of commitment appropriations - Title 1

EUR '000

Item	Total approp. available	Commitments made					Appropriations carried over to 2022			Appropriations lapsing			
		from final adopt. budget	from re-activations	from assign. revenue	Total	%	Assign. revenue	By decision	Total	from final adopt. budget	from re-activations	from assign. revenue	Total
	1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10+11+12
1100 Staff costs	2 342	2 311	-	-	2 311	99 %	-	-	-	31	-	-	31
1110 Trainees	37	26	8	-	33	90 %	-	-	-	4	-	-	4
1120 External staff	354	345	9	-	354	100 %	-	-	-	-	-	-	-
<b>Total Chapter 11</b>	<b>2 732</b>	<b>2 681</b>	<b>16</b>	<b>-</b>	<b>2 698</b>	<b>99 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>34</b>	<b>-</b>	<b>-</b>	<b>34</b>
1200 Sundry recruitment expenses	38	20	10	-	31	82 %	-	-	-	7	-	-	7
1201 Installation, resettlement and daily subsistence allowances and removal and travel expenses	60	-	-	-	-	-	-	-	-	60	-	-	60
<b>Total Chapter 12</b>	<b>98</b>	<b>20</b>	<b>10</b>	<b>-</b>	<b>31</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>67</b>	<b>-</b>	<b>-</b>	<b>67</b>
1300 Mission expenses, duty travel expenses and other ancillary expenditure	71	7	-	-	7	0	-	-	-	63	-	1	64
<b>Total Chapter 13</b>	<b>71</b>	<b>7</b>	<b>-</b>	<b>-</b>	<b>7</b>	<b>10 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>63</b>	<b>-</b>	<b>1</b>	<b>64</b>
1400 Medical service	34	7	20	-	27	77 %	-	-	-	8	-	-	8
1401 Mobility costs and other social expenses for staff	128	104	-	-	104	81 %	-	-	-	22	-	3	25
1402 Training	85	79	4	-	83	97 %	-	-	-	2	-	-	2
1403 Supplementary aid for the disabled	29	5	-	-	5	18 %	-	-	-	24	-	-	24
<b>Total Chapter 14</b>	<b>277</b>	<b>195</b>	<b>24</b>	<b>-</b>	<b>218</b>	<b>79 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>56</b>	<b>-</b>	<b>3</b>	<b>58</b>
1500 Staff teambuilding and related events	10	2	-	-	2	20 %	-	-	-	8	-	-	8
<b>Total Chapter 15</b>	<b>10</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>20 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8</b>	<b>-</b>	<b>-</b>	<b>8</b>
<b>Total Title 1</b>	<b>3 187</b>	<b>2 906</b>	<b>50</b>	<b>-</b>	<b>2 956</b>	<b>93 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>228</b>	<b>-</b>	<b>4</b>	<b>232</b>

## 5.3.2. Implementation of commitment appropriations - Title 2

EUR '000

Item	Total approp. available	Commitments made				Appropriations carried over to 2022			Appropriations lapsing				
		from final adopt. budget	from re-activations	from assign. revenue	Total	%	Assign. revenue	By decision	Total	from final adopt. budget	from re-activations	from assign. revenue	Total
	1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10+11+12
2000 Rentals	343	228	112	-	339	99 %	-	-	-	3	-	-	3
2010 Charges and works	49	-	-	-	-	0 %	-	-	-	49	-	-	49
<b>Total Chapter 20</b>	<b>391</b>	<b>228</b>	<b>112</b>	<b>-</b>	<b>339</b>	<b>87 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>52</b>	<b>-</b>	<b>-</b>	<b>52</b>
2100 IT equipment & software purchase/development costs	168	28	17	-	45	27 %	-	-	-	123	0	-	123
2101 Other IT costs	369	144	103	121	368	100 %	-	-	-	0	-	1	1
<b>Total Chapter 21</b>	<b>537</b>	<b>172</b>	<b>120</b>	<b>121</b>	<b>413</b>	<b>77 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>123</b>	<b>0</b>	<b>1</b>	<b>124</b>
2200 Movable property and associated office equipment purchase costs	10	-	5	-	5	52 %	-	-	-	5	-	-	5
<b>Total Chapter 22</b>	<b>10</b>	<b>-</b>	<b>5</b>	<b>-</b>	<b>5</b>	<b>52 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5</b>	<b>-</b>	<b>-</b>	<b>5</b>
2300 Stationery and office supplies	15	10	1	-	11	72 %	-	-	-	4	-	-	4
2302 Legal expenditure	26	-	6	-	6	23 %	-	-	-	20	-	-	20
2303 Other current administrative expenditure	1	1	-	-	1	100 %	-	-	-	-	-	-	-
<b>Total Chapter 23</b>	<b>42</b>	<b>11</b>	<b>7</b>	<b>-</b>	<b>18</b>	<b>42 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24</b>	<b>-</b>	<b>-</b>	<b>24</b>
2400 Telecommunications and postal charges	19	13	-	-	13	69 %	-	-	-	6	-	-	6
<b>Total Chapter 24</b>	<b>19</b>	<b>13</b>	<b>-</b>	<b>-</b>	<b>13</b>	<b>69 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6</b>	<b>-</b>	<b>-</b>	<b>6</b>
2500 Expenditure on formal meetings	73	-	-	-	-	0 %	-	-	-	73	-	-	73
<b>Total Chapter 25</b>	<b>73</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>73</b>	<b>-</b>	<b>-</b>	<b>73</b>
2600 Events and campaigns	18	-	6	-	6	30 %	-	-	-	13	-	-	13
2601 Materials	54	39	4	-	42	79 %	-	-	-	11	-	-	11
2602 Communications tools	408	292	113	-	406	99 %	-	-	-	-	3	-	3
2603 Public relations	58	-	13	-	13	22 %	-	-	-	45	-	-	45
<b>Total Chapter 26</b>	<b>538</b>	<b>331</b>	<b>135</b>	<b>-</b>	<b>466</b>	<b>87 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>69</b>	<b>3</b>	<b>-</b>	<b>72</b>
2700 Studies, consultancy and other services	139	86	39	-	124	90 %	-	-	-	15	-	-	15
2702 Audit costs	75	41	-	-	41	55 %	-	-	-	34	-	-	34
<b>Total Chapter 27</b>	<b>214</b>	<b>126</b>	<b>39</b>	<b>-</b>	<b>165</b>	<b>77 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>49</b>	<b>-</b>	<b>-</b>	<b>49</b>
2900 Expert reviewers	330	50	130	-	180	55 %	-	-	-	150	-	-	150
<b>Total Chapter 29</b>	<b>330</b>	<b>50</b>	<b>130</b>	<b>-</b>	<b>180</b>	<b>55 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>150</b>	<b>-</b>	<b>-</b>	<b>150</b>
<b>Total Title 2</b>	<b>2 154</b>	<b>931</b>	<b>547</b>	<b>121</b>	<b>1 599</b>	<b>74 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>551</b>	<b>3</b>	<b>1</b>	<b>554</b>
<b>GRAND TOTAL</b>	<b>5 341</b>	<b>3 836</b>	<b>597</b>	<b>121</b>	<b>4 555</b>	<b>85 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>779</b>	<b>3</b>	<b>4</b>	<b>786</b>

## 5.4. IMPLEMENTATION OF PAYMENT APPROPRIATIONS

### 5.4.1. Implementation of payment appropriations - Title 1

EUR '000

Item	Total approp. availab.	Payments made					Appropriations carried over to 2022				Appropriations lapsing			
		from final adopt. budget	from re-activations	from assign. revenue	Total	%	Autom. carry-overs	By decision	Assigned rev.	Total	from final adopt. budget	from re-activations	from assign. rev.	Total
	1	2	3	4	5=2+3+4	6=5/1	7	8	9	10=7+8+9	11	12	13	14=11+12+13
1100 Staff costs	2 301	2 287	-	-	2 287	99 %	-	-	-	-	15	-	-	15
1110 Trainees	45	10	22	-	32	71 %	-	-	-	-	12	1	-	13
1120 External staff	393	379	-	-	379	97 %	-	-	-	-	14	-	-	14
<b>Total Chapter 11</b>	<b>2 738</b>	<b>2 676</b>	<b>22</b>	<b>-</b>	<b>2 698</b>	<b>99 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>40</b>	<b>1</b>	<b>-</b>	<b>41</b>
1200 Sundry recruitment expenses	38	15	6	-	22	57 %	-	-	-	-	12	4	-	16
1201 Installation, resettlement and daily subsistence allowances and removal and travel expenses	60	-	-	-	-	0 %	-	-	-	-	60	-	-	60
<b>Total Chapter 12</b>	<b>98</b>	<b>15</b>	<b>6</b>	<b>-</b>	<b>22</b>	<b>22 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>72</b>	<b>4</b>	<b>-</b>	<b>76</b>
1300 Mission expenses, duty travel expenses and other ancillary expenditure	71	1	-	1	1	2 %	-	-	-	-	69	-	0	70
<b>Total Chapter 13</b>	<b>71</b>	<b>1</b>	<b>-</b>	<b>1</b>	<b>1</b>	<b>2 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>69</b>	<b>-</b>	<b>0</b>	<b>70</b>
1400 Medical service	28	6	10	-	16	57 %	-	-	-	-	9	3	-	12
1401 Mobility costs and other social expenses for staff	128	91	-	-	91	71 %	-	-	-	-	35	-	3	37
1402 Training	85	47	4	-	50	59 %	-	-	-	-	35	-	-	35
1403 Supplementary aid for the disabled	29	4	-	-	4	13 %	-	-	-	-	25	-	-	25
<b>Total Chapter 14</b>	<b>270</b>	<b>147</b>	<b>14</b>	<b>-</b>	<b>161</b>	<b>59 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>103</b>	<b>3</b>	<b>3</b>	<b>109</b>
1500 Staff teambuilding and related events	10	2	-	-	2	20 %	-	-	-	-	8	-	-	8
<b>Total Chapter 15</b>	<b>10</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>20 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8</b>	<b>-</b>	<b>-</b>	<b>8</b>
<b>Total Title 1</b>	<b>3 187</b>	<b>2 841</b>	<b>42</b>	<b>1</b>	<b>2 883</b>	<b>90 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>293</b>	<b>8</b>	<b>3</b>	<b>304</b>

## 5.4.2. Implementation of payment appropriations - Title 2

EUR '000

Item	Total approp. availab.	Payments made					Appropriations carried over to 2022					Appropriations lapsing			
		from final adopt. budget	from re-activations	from assign. revenue	Total	%	Autom. carry-overs	By decision	Assigned rev.	Total	from final adopt. budget	from re-activations	from assign. rev.	Total	
	1	2	3	4	5=2+3+4	6=5/1	7	8	9	10=7+8+9	11	12	13	14=11+12+13	
2000 Rentals	343	200	112	-	311	91 %	-	-	-	-	31	-	-	31	
2010 Charges and works	49	-	-	-	-	0 %	-	-	-	-	49	-	-	49	
<b>Total Chapter 20</b>	<b>391</b>	<b>200</b>	<b>112</b>	<b>-</b>	<b>311</b>	<b>80 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>80</b>	<b>-</b>	<b>-</b>	<b>80</b>	
2100 IT equipment & software purchase/development costs	222	157	32	33	222	100 %	-	-	-	-	-	-	-	-	
2101 Other IT costs	329	142	96	68	307	93 %	-	-	-	-	1	-	21	22	
<b>Total Chapter 21</b>	<b>551</b>	<b>300</b>	<b>128</b>	<b>101</b>	<b>529</b>	<b>96 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>21</b>	<b>22</b>	
2200 Movable property and associated office equipment purchase costs	10	2	-	-	2	16 %	-	-	-	-	3	5	-	9	
<b>Total Chapter 22</b>	<b>10</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>16 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3</b>	<b>5</b>	<b>-</b>	<b>9</b>	
2300 Stationery and office supplies	16	1	0	-	2	10 %	-	-	-	-	14	1	-	14	
2302 Legal expenditure	26	-	6	-	6	23 %	-	-	-	-	20	-	-	20	
2303 Other current administrative expenditure	2	-	0	-	0	22 %	-	-	-	-	0	2	-	2	
<b>Total Chapter 23</b>	<b>44</b>	<b>1</b>	<b>7</b>	<b>-</b>	<b>8</b>	<b>18 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>34</b>	<b>2</b>	<b>-</b>	<b>36</b>	
2400 Telecommunications and postal charges	19	5	-	-	5	27 %	-	-	-	-	14	-	-	14	
<b>Total Chapter 24</b>	<b>19</b>	<b>5</b>	<b>-</b>	<b>-</b>	<b>5</b>	<b>27 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14</b>	<b>-</b>	<b>-</b>	<b>14</b>	
2500 Expenditure on formal meetings	67	-	-	-	-	0 %	-	-	-	-	67	-	-	67	
<b>Total Chapter 25</b>	<b>67</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>67</b>	<b>-</b>	<b>-</b>	<b>67</b>	
2600 Events and campaigns	32	-	2	-	2	5 %	-	-	-	-	13	18	-	30	
2601 Materials	54	31	4	-	35	65 %	-	-	-	-	19	-	-	19	
2602 Communications tools	384	15	92	-	107	28 %	-	-	-	-	277	-	-	277	
2603 Public relations	58	-	13	-	13	22 %	-	-	-	-	45	-	-	45	
<b>Total Chapter 26</b>	<b>528</b>	<b>47</b>	<b>110</b>	<b>-</b>	<b>157</b>	<b>30 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>353</b>	<b>18</b>	<b>-</b>	<b>371</b>	
2700 Studies, consultancy and other services	139	99	35	-	135	97 %	-	-	-	-	1	3	-	4	
2702 Audit costs	75	25	-	-	25	33 %	-	-	-	-	50	-	-	50	
<b>Total Chapter 27</b>	<b>214</b>	<b>124</b>	<b>35</b>	<b>-</b>	<b>160</b>	<b>75 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>51</b>	<b>3</b>	<b>-</b>	<b>54</b>	
2900 Expert reviewers	330	127	72	-	199	60 %	-	-	-	-	73	58	-	131	
<b>Total Chapter 29</b>	<b>330</b>	<b>127</b>	<b>72</b>	<b>-</b>	<b>199</b>	<b>60 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>73</b>	<b>58</b>	<b>-</b>	<b>131</b>	
<b>Total Title 2</b>	<b>2 154</b>	<b>805</b>	<b>463</b>	<b>101</b>	<b>1 370</b>	<b>64 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>676</b>	<b>87</b>	<b>21</b>	<b>784</b>	

## 5.4.3. Implementation of payment appropriations - Title 3

EUR '000

Item	Total approp. availab.	Payments made					Appropriations carried over to 2022				Appropriations lapsing			
		from final adopt. budget	from re-activations	from assign. revenue	Total	%	Autom. carry-overs	By decision	Assigned rev.	Total	from final adopt. budget	from re-activations	from assign. rev.	Total
	1	2	3	4	5=2+3+4	6=5/1	7	8	9	10=7+8+9	11	12	13	14=11+12+13
3000 Previous years' calls	69 025	4 803	35 175	-	39 977	58 %	-	-	-	-	19 087	9 960	-	29 047
<b>Total Chapter 30</b>	<b>69 025</b>	<b>4 803</b>	<b>35 175</b>	<b>-</b>	<b>39 977</b>	<b>58 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19 087</b>	<b>9 960</b>	<b>-</b>	<b>29 047</b>
3100 Current year call	100 387	79 098	1 747	-	80 845	81 %	-	-	-	-	19 542	-	-	19 542
<b>Total Chapter 31</b>	<b>100 387</b>	<b>79 098</b>	<b>1 747</b>	<b>-</b>	<b>80 845</b>	<b>81 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19 542</b>	<b>-</b>	<b>-</b>	<b>19 542</b>
<b>Total Title 3</b>	<b>169 412</b>	<b>83 901</b>	<b>36 921</b>	<b>-</b>	<b>120 822</b>	<b>71 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>38 629</b>	<b>9 960</b>	<b>-</b>	<b>48 590</b>
<b>GRAND TOTAL</b>	<b>174 753</b>	<b>87 547</b>	<b>37 427</b>	<b>102</b>	<b>125 076</b>	<b>72 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>39 598</b>	<b>10 055</b>	<b>24</b>	<b>49 677</b>

## 6. OUTSTANDING COMMITMENTS

### 6.1. Outstanding commitments – Title 1

EUR '000

Item	Commitments outstanding at the end of previous year				Commitments of the current year					Total commitm. outstanding at year-end
	Commitm. carried forward from previous year	Decommit. Revaluation Cancellations	Pay-ments	Total	Commit-ments made during the year	Pay-ments	Cancel-lation of commit. which cannot be carried forward	Commit. outstand-ing at year-end		
	1	2	3	4=1+2-3	5	6	7	8=5-6-7	9=4+8	
1100 Staff costs	19	(18)	1	–	2 311	2 285	–	25	25	
1110 Trainees	26	(26)	–	–	33	32	–	2	2	
1120 External staff	55	–	55	–	354	324	–	29	29	
<b>Total Chapter 11</b>	<b>100</b>	<b>(44)</b>	<b>56</b>	<b>–</b>	<b>2 698</b>	<b>2 641</b>	<b>–</b>	<b>56</b>	<b>56</b>	
1200 Sundry recruitment expenses	7	(7)	–	–	31	22	–	9	9	
<b>Total Chapter 12</b>	<b>7</b>	<b>(7)</b>	<b>–</b>	<b>–</b>	<b>31</b>	<b>22</b>	<b>–</b>	<b>9</b>	<b>9</b>	
1300 Mission expenses, duty travel expenses and other ancillary expenditure	5	(5)	–	–	7	1	–	6	6	
<b>Total Chapter 13</b>	<b>5</b>	<b>(5)</b>	<b>–</b>	<b>–</b>	<b>7</b>	<b>1</b>	<b>–</b>	<b>6</b>	<b>6</b>	
1400 Medical service	16	(16)	0	–	27	16	–	11	11	
1401 Mobility costs and other social expenses for staff	67	(59)	8	–	104	83	–	20	20	
1402 Training	30	(22)	8	–	83	42	–	41	41	
1403 Supplementary aid for the disabled	14	(13)	1	–	5	3	–	3	3	
<b>Total Chapter 14</b>	<b>127</b>	<b>(110)</b>	<b>17</b>	<b>–</b>	<b>218</b>	<b>144</b>	<b>–</b>	<b>74</b>	<b>74</b>	
1500 Staff teambuilding and related events	–	–	–	–	2	2	–	–	–	
<b>Total Chapter 15</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>2</b>	<b>2</b>	<b>–</b>	<b>–</b>	<b>–</b>	
<b>Total Title 1</b>	<b>239</b>	<b>(165)</b>	<b>73</b>	<b>–</b>	<b>2 956</b>	<b>2 810</b>	<b>–</b>	<b>146</b>	<b>146</b>	



## 6.2. Outstanding commitments – Title 2

EUR '000

Item	Commitments outstanding at the end of previous year				Commitments of the current year					Total commitm. outstanding at year-end
	Commitm. carried forward from previous year	Decommit. Revaluation Cancellations	Pay-ments	Total	Commit-ments made during the year	Pay-ments	Cancel-lation of commit. which cannot be carried forward	Commit. outstanding at year-end		
	1	2	3	4=1+2-3	5	6	7	8=5-6-7	9=4+8	
2000 Rentals	7	(7)	-	-	339	311	-	28	28	
<b>Total Chapter 20</b>	<b>7</b>	<b>(7)</b>	<b>-</b>	<b>-</b>	<b>339</b>	<b>311</b>	<b>-</b>	<b>28</b>	<b>28</b>	
2100 IT equipment & software purchase/development costs	279	(4)	218	57	45	4	-	41	98	
2101 Other IT costs	170	(10)	120	40	368	187	-	181	221	
<b>Total Chapter 21</b>	<b>449</b>	<b>(14)</b>	<b>338</b>	<b>97</b>	<b>413</b>	<b>191</b>	<b>-</b>	<b>222</b>	<b>319</b>	
2200 Movable property and associated office equipment purchase costs	2	-	2	-	5	-	-	5	5	
<b>Total Chapter 22</b>	<b>2</b>	<b>-</b>	<b>2</b>	<b>-</b>	<b>5</b>	<b>-</b>	<b>-</b>	<b>5</b>	<b>5</b>	
2300 Stationery and office supplies	1	(1)	0	-	11	1	-	10	10	
2302 Legal expenditure	5	(5)	-	-	6	6	-	-	-	
2303 Other current administrative expenditure	2	(2)	-	-	1	0	-	1	1	
<b>Total Chapter 23</b>	<b>9</b>	<b>(8)</b>	<b>0</b>	<b>-</b>	<b>18</b>	<b>8</b>	<b>-</b>	<b>10</b>	<b>10</b>	
2400 Telecommunications and postal charges	11	(6)	5	-	13	-	-	13	13	
<b>Total Chapter 24</b>	<b>11</b>	<b>(6)</b>	<b>5</b>	<b>-</b>	<b>13</b>	<b>-</b>	<b>-</b>	<b>13</b>	<b>13</b>	
2500 Expenditure on formal meetings	3	(3)	-	-	-	-	-	-	-	
<b>Total Chapter 25</b>	<b>3</b>	<b>(3)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
2600 Events and campaigns	7	(5)	2	-	6	-	-	6	6	
2601 Materials	48	(19)	24	6	42	11	-	31	37	
2602 Communications tools	-	-	-	-	406	107	-	298	298	
2603 Public relations	-	-	-	-	13	13	-	-	-	
<b>Total Chapter 26</b>	<b>55</b>	<b>(24)</b>	<b>26</b>	<b>6</b>	<b>466</b>	<b>131</b>	<b>-</b>	<b>335</b>	<b>340</b>	
2700 Studies, consultancy and other services	96	-	96	-	124	39	-	85	85	
2702 Audit costs	-	-	-	-	41	25	-	16	16	
<b>Total Chapter 27</b>	<b>96</b>	<b>-</b>	<b>96</b>	<b>-</b>	<b>165</b>	<b>64</b>	<b>-</b>	<b>101</b>	<b>101</b>	
2900 Expert reviewers	78	-	74	4	180	125	-	55	59	
<b>Total Chapter 29</b>	<b>78</b>	<b>-</b>	<b>74</b>	<b>4</b>	<b>180</b>	<b>125</b>	<b>-</b>	<b>55</b>	<b>59</b>	
<b>Total Title 2</b>	<b>709</b>	<b>(62)</b>	<b>540</b>	<b>107</b>	<b>1 599</b>	<b>830</b>	<b>-</b>	<b>770</b>	<b>876</b>	

### 6.3. Outstanding commitments – Title 3

EUR '000

Item	Commitments outstanding at the end of previous year				Commitments of the current year				Total commitm. outstanding at year-end
	Commitm. carried forward from previous year	Decommit. Revaluation Cancellations	Pay-ments	Total	Commit-ments made during the year	Pay-ments	Cancel-lation of commit. which cannot be carried forward	Commit. outstand-ing at year-end	
	1	2	3	4=1+2-3	5	6	7	8=5-6-7	9=4+8
3000 Previous years' calls	108 869	-	39 977	68 892	-	-	-	-	68 892
Total Chapter 30	108 869	-	39 977	68 892	-	-	-	-	68 892
3100 Current year call	171 549	-	80 845	90 703	-	-	-	-	90 703
Total Chapter 31	171 549	-	80 845	90 703	-	-	-	-	90 703
<b>Total Title 3</b>	<b>280 418</b>	<b>-</b>	<b>120 822</b>	<b>159 595</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>159 595</b>
<b>GRAND TOTAL</b>	<b>281 365</b>	<b>(228)</b>	<b>121 436</b>	<b>159 702</b>	<b>4 555</b>	<b>3 640</b>	<b>-</b>	<b>915</b>	<b>160 617</b>

## 7. GLOSSARY

### **Administrative appropriations**

Appropriations to cover the running costs of the entities (staff, buildings, office equipment).

### **Adopted budget**

Draft budget becomes the adopted budget as soon as approved by the budgetary authority.

### **Amending budget**

Decision adopted during the budget year to amend (increase, decrease, transfer) aspects of the adopted budget of that year.

### **Appropriations**

Budget funding.

The budget forecasts both commitments (legal pledges to provide finance) and payments (cash or bank transfers to the beneficiaries). Appropriations for commitments and payments often differ — differentiated appropriations — because multiannual programmes and projects are usually fully committed in the year they are decided and are paid over the years as the implementation of the programme and project progresses.

### **Assigned revenue**

Revenue dedicated to finance specific items of expenditure.

### **Budget result**

The difference between income received and amounts paid, including adjustments for carry-overs, cancellations and exchange rate differences.

For agencies, the resulting amount will have to be reimbursed to the funding authority.

### **Budget implementation**

Consumption of the budget through expenditure and revenue operations.

### **Budget item / Budget line / Budget position**

Revenue and expenditure are shown in the budget structure in accordance with a binding nomenclature, which reflects the nature and purpose of each item, as imposed by the budgetary authority. The individual headings (title, chapter, article or item) provide a formal description of the nomenclature.

### **Budgetary commitment**

Operation by which the authorising officer responsible reserves the budget appropriations necessary to cover for subsequent payments to honour legal commitments.

### **Cancellation of appropriations**

Appropriations which have not been used by the end of the financial year and which cannot be carried over, shall be cancelled.

### **Carryover of appropriations**

Exception to the principle of annuality in so far as appropriations that could not be used in a given budget year may, under strict conditions, be exceptionally carried over for use during the following year.

## **Commitment appropriations**

Commitment appropriations cover the total value of legal obligations (contracts, grant agreements or decisions) that could be signed in the current financial year.

## **De-commitment**

Operation whereby the authorising officer responsible cancels wholly or partly the reservation of appropriations previously made by means of a budgetary commitment.

## **Differentiated appropriations**

Differentiated appropriations are used to finance multiannual operations; they cover, for the current financial year, the total cost of the legal obligations entered into for operations whose implementation extends over more than one financial year.

## **Economic result**

Impact on the balance sheet of expenditure and revenue based on accrual accounting rules.

## **Entitlements established**

Right to collect income from a debtor as recognised through the issuing of a recovery order.

## **Exchange rate difference**

The difference resulting from currency exchange rates applied to the transactions concerning countries outside the euro area, or from the revaluation of assets and liabilities in foreign currencies at the date of the accounts.

## **Expenditure**

Term used to describe spending the budget from all types of funds sources.

## **Grants**

Direct financial contributions from the budget to third-party beneficiaries, engaged in activities that serve Union policies.

## **Lapsing appropriations**

Unused appropriations to be cancelled at the end of the financial year. Lapsing means the cancellation of all or part of the authorisation to make expenditures and/or incur liabilities, as represented by an appropriation.

For joint undertakings (and EIT), as specified in their Financial Rules, any unused appropriations may be entered in the estimate of revenue and expenditure of up to the following three financial years (the so-called "N+3" rule). Hence, lapsing appropriations for JUs can be re-activated until financial year "N+3".

## **Legal basis / basic act**

The legal act adopted by the legislative authority (usually the Council and European Parliament) specifying the objective of a Union spending programme, the purpose of the appropriations, the rules for intervention, expiry date and the relevant financial rules to serve as a legal basis for the implementation of the spending programme.

## **Legal commitment**

The act whereby the Authorising Officer enters into an obligation towards third parties which results in a charge for the Union budget.

Common forms of legal commitments are contracts in the case of procurement, grant agreements and grant decisions.

### **Non-differentiated appropriations**

Appropriations which meet annual needs and must therefore be committed during the budget year. Only amounts qualifying for automatic carryover can be disbursed in the following year. Non-differentiated appropriations which have not been used, i.e. committed, by the end of the year, are cancelled (unless, exceptionally, permission is given by a Commission decision for a non-automatic carryover). Non-differentiated appropriations apply to administrative expenditure and commitment appropriations equal payment appropriations.

### **Operational appropriations**

Operational appropriations finance the different policies, mainly in the form of grants or procurement.

### **Outstanding commitments**

Outstanding commitments (or RAL, from the French 'reste à liquider') are defined as the amount of appropriations committed that have not yet been paid. They stem directly from the existence of multiannual programmes and the dissociation between commitment and payment appropriations.

### **Payment appropriations**

Payment appropriations cover expenditure due in the current year, arising from legal commitments entered in the current year and/or earlier years.

### **RAL (Reste à liquider)**

Amount remaining to be paid on a budgetary commitment at a given moment. Cf. Outstanding commitments

### **Surplus**

Positive difference between revenue and expenditure, which has to be returned to the funding authority. Cf. Budget result

### **Transfer between budget lines**

Transfers between budget lines imply the relocation of appropriations from one budget line to another, in the course of the financial year, and thereby they constitute an exception to the budgetary principle of specification.