



Annual accounts of the
Innovative Medicines Initiative 2
Joint Undertaking
Financial year 2019

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CERTIFICATION OF THE ACCOUNTS

I acknowledge my responsibility for the preparation and presentation of the annual accounts of the Innovative Medicines Initiative 2 Joint Undertaking (the IMI2 JU) in accordance with article 52 of the Model Financial Regulation ('MFR')¹ and I hereby certify that the annual accounts of the IMI2 JU for the year 2019 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 IMI2 JU 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 IMI2 JU.

Rosa ALDEA BUSQUETS
**Accounting Officer of the
Innovative Medicines Initiative 2
Joint Undertaking**

¹ 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 ON THE IMI2 JU

The Innovative Medicines Initiative 2 Joint Undertaking (IMI2 JU) is the European public-private partnership (PPP), based in Brussels, that works on improving health by speeding up the development of, and patient access to, the next generation of medicines, particularly in areas where there is an unmet medical or social need. It does this by facilitating collaboration between the key players involved in healthcare research, including universities, pharmaceutical companies, other companies active in healthcare research, small and medium-sized enterprises (SMEs), patient organisations, and medicines regulators. This approach has proven to be highly successful, and IMI2 JU projects are delivering exciting results that are helping to advance the development of urgently needed new treatments in diverse areas.

IMI2 JU was launched in 2008 as a partnership between the European Union (EU), represented by the European Commission, and the European pharmaceutical industry, represented by the European Federation of Pharmaceutical Industries and Associations (EFPIA). The partnership was renewed in 2014 with the creation of the IMI 2 programme. IMI2 JU is funded by the members contributing either in cash or in-kind to the administrative and operational costs of the JU.

IMI2 JU ongoing projects focus on specific health issues such as neurological conditions (Alzheimer's disease, schizophrenia, depression, chronic pain, and autism), infectious diseases (including antimicrobial resistance and Ebola), diabetes, lung disease, oncology, inflammation & infection, tuberculosis, and obesity.

Others focus on broader challenges in drug development like drug and vaccine safety, knowledge management, the sustainability of chemical drug production, the use of stem cells for drug discovery, drug behaviour in the body, and the creation of a European platform to discover novel medicines. IMI2 JU also supports education and training projects.

IMI2 JU has a budget of over EUR 5 billion for the period 2008-2024, making it the world's largest PPP in health research. Half of this comes from the EU's research and innovation programmes, the Seventh Framework Programme (FP7) and Horizon 2020. The other half comes from large companies and organisations, mostly EFPIA companies. These do not receive any EU funding, but contribute to the projects 'in kind', for example by investing their researchers' time or providing access to research facilities or resources.

Annual accounts

Following Article 25 of the Model Financial Regulation (MFR)², the Governing Board of the joint undertaking appoints the Accounting Officer who is, amongst other tasks, responsible for preparation of the annual accounts.

In accordance with Article 47 of the MFR, 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). 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 complimentary notes are based on principles of accrual accounting adapted to the specific environment of the European Union, the budget implementation reports are primarily based on movements of cash.

In accordance with the decision of the IMI2 JU's Governing Board of 23 July 2015 (IMI2-GB-DEC-2015-33), the Accounting Officer of the Commission acts, as of 1 September 2015, as the Accounting Officer of IMI2 JU.

Highlights of the year

The year 2019 was a new year of achievements for IMI2 JU, a year of further development of IMI2 JU activities and a year of continued commitment of the JU's members and stakeholders in achieving IMI2 JU strategic objectives. IMI2 JU launched three Calls for proposals with a total of 10 topics and with significant contributions from new Associated Partners and EFPIA Partners in Research, keeping IMI2 JU on track to commit its entire budget by the end of 2020.

² 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

The budget approved for 2019 was kEUR 261 072 in commitment appropriations and kEUR 231 017 in payment appropriations. IMI2 JU continuous efforts to improve performance resulted in a significant execution rate of 99.17% for commitment appropriations and 96.33% for payment appropriations.

In the balance sheet the accounting impact of the above described activities is clearly detectable in the increase of the pre-financing paid by kEUR 50 828, mainly due to the projects started in 2019 or beginning of January 2020 for which the pre-financing has been paid out in 2019.

In the statement of financial performance the impact of these activities can be observed in the increase of the operating expenses related to in-kind contributions (kEUR 87 826) and the EU cash contributions (kEUR 77 616).

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	31.12.2019	31.12.2018
NON-CURRENT ASSETS			
<i>Intangible assets</i>	2.1	46	63
<i>Property, plant and equipment</i>	2.2	126	127
<i>Pre-financing</i>	2.3	244 200	217 790
		244 372	217 980
CURRENT ASSETS			
<i>Pre-financing</i>	2.3	113 577	78 451
<i>Exchange receivables and non-exchange recoverables</i>	2.4	25 584	49 739
		139 161	128 190
TOTAL ASSETS		383 533	346 170
CURRENT LIABILITIES			
<i>Payables and other liabilities</i>	2.5	(241 139)	(185 996)
<i>Accrued charges and deferred income</i>	2.6	(156 186)	(133 404)
		(397 324)	(319 400)
TOTAL LIABILITIES		(397 324)	(319 400)
NET ASSETS		(13 791)	26 770
<i>Contribution from Members</i>	2.7	2 290 993	1 957 247
<i>Accumulated deficit</i>		(1 930 477)	(1 625 988)
<i>Economic result of the year</i>		(374 306)	(304 489)
NET ASSETS		(13 791)	26 770

STATEMENT OF FINANCIAL PERFORMANCE

	Note	2019	EUR '000 2018
REVENUE			
Revenue from non-exchange transactions			
<i>Recovery of expenses</i>	3.1	2 721	1 188
<i>Other</i>		1	4
		2 722	1 192
Revenue from exchange transactions			
<i>Other</i>		51	22
		51	22
Total revenue		2 773	1 214
EXPENSES			
<i>Operational costs</i>	3.2	(368 441)	(297 476)
<i>Staff costs</i>	3.3	(4 644)	(4 573)
<i>Finance costs</i>		-	(3)
<i>Other expenses</i>	3.4	(3 994)	(3 651)
Total expenses		(377 080)	(305 703)
ECONOMIC RESULT OF THE YEAR		(374 306)	(304 489)

CASHFLOW STATEMENT³

	<i>EUR '000</i>	
	2019	2018
<i>Economic result of the year</i>	(374 306)	(304 489)
Operating activities		
<i>Depreciation and amortization</i>	65	35
<i>(Increase)/decrease in pre-financing</i>	(61 536)	(63 319)
<i>(Increase)/decrease in exchange receivables and non-exchange recoverables</i>	24 155	26 579
<i>Increase/(decrease) in payables</i>	55 143	11 829
<i>Increase/(decrease) in accrued charges & deferred income</i>	22 782	(1 432)
<i>Increase/(decrease) in cash contributions</i>	198 265	179 400
<i>Increase/(decrease) in in-kind contributions</i>	135 481	151 524
Investing activities		
<i>(Increase)/decrease in intangible assets and property, plant and equipment</i>	(47)	(126)
NET CASHFLOW	0	0
<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>	-	-

³ Following the appointment of the Accounting Officer of the Commission as the Accounting Officer of IMI2 JU, the treasury of IMI2 JU was integrated into the Commission's treasury system. Because of this, IMI2 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
BALANCE AS AT 31.12.2017	1 626 324	(1 290 548)	(335 440)	336
<i>Allocation 2017 economic result</i>	–	(335 440)	335 440	–
<i>Cash contribution</i>	179 400	–	–	179 400
<i>Contribution in-kind</i>	151 524	–	–	151 524
<i>Economic result of the year</i>	–	–	(304 489)	(304 489)
BALANCE AS AT 31.12.2018	1 957 247	(1 625 988)	(304 489)	26 770
<i>Allocation 2018 economic result</i>	–	(304 489)	304 489	–
<i>Cash contribution</i>	198 265	–	–	198 265
<i>Contribution in-kind</i>	135 481	–	–	135 481
<i>Economic result of the year</i>	–	–	(374 306)	(374 306)
BALANCE AS AT 31.12.2019	2 290 993	(1 930 477)	(374 306)	(13 791)

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 users.

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	31.12.2019	31.12.2018	Currency	31.12.2019	31.12.2018
BGN	1.9558	1.9558	PLN	4.2568	4.3014
CZK	25.4080	25.7240	RON	4.783	4.6635
DKK	7.4715	7.4673	SEK	10.4468	10.2548
GBP	0.8508	0.8945	CHF	1.0854	1.1269
HRK	7.4395	7.4125	JPY	121.9400	125.8500
HUF	330.5300	320.9800	USD	1.1234	1.145

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, accrued and deferred revenue and charges, provisions, financial risk on accounts receivable, contingent assets and liabilities, and degree of impairment of assets. 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.

1.3. BALANCE SHEET

1.3.1. Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance. An asset is identifiable if it is either separable (i.e. it is capable of being separated or divided from the entity, e.g. by being sold, transferred, licensed, rented, or exchanged, either individually or together with a related contract, identifiable asset or liability, regardless of whether the entity intends to do so), or arises from binding arrangements (including rights from contracts or other legal rights), regardless of whether those rights are transferable or separable from the entity or from other rights and obligations).

Acquired intangible assets are stated at historical cost less accumulated amortisation and impairment losses. Internally developed intangible assets are capitalised when the relevant criteria of the EU accounting rules are met and the expenses relate solely to the development phase of the asset. The capitalisable costs include all directly attributable costs necessary to create, produce, and prepare the asset to be capable of operating in the manner intended by management. Costs associated with research activities, non-capitalisable development costs and maintenance costs are recognised as expenses as incurred.

Intangible assets are amortised on a straight-line basis over their estimated useful lives (3 to 11 years). The estimated useful lives of intangible assets depend on their specific economic lifetime or legal lifetime determined by an agreement.

1.3.2. 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. When entering a finance lease as a lessee, the assets acquired under the finance lease are recognised as assets and the associated lease obligations as liabilities as from the commencement of the lease term. The assets and liabilities are recognised at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. Over the period of the lease term, the assets held under finance leases are depreciated over the shorter of the asset's useful life and the lease term. The minimum lease payments are apportioned between the finance charge (the interest element) and the reduction of the outstanding liability (the capital element). The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability, which is presented as current/non-current, as applicable. Contingent rents shall be charged as expenses in the period in which they are incurred.

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 a leased asset nor a leasing liability presented in the statement of financial position.

1.3.3. 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.

1.3.4. Financial assets

Financial assets are classified in the following categories: 'financial assets at fair value through surplus or deficit', 'loans and receivables', 'held-to-maturity investments' and 'available for sale financial assets'. The classification of the financial instruments is determined at initial recognition and re-evaluated at each balance sheet date.

(i) *Financial assets at fair value through surplus or deficit*

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by the entity. Derivatives are also presented in this category. Assets in this category are classified as current assets if they are expected to be realised within 12 months of the balance sheet date. During this financial year, the entity did not hold any investments in this category.

(ii) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the entity provides money, goods or services directly to a debtor with no intention of trading the receivable. They are included in non-current assets, except for maturities within 12 months of the balance sheet date. Loans and receivables include term deposits with the original maturity above three months.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the entity has the positive intention and ability to hold to maturity. During this financial year, the entity did not hold any investments in this category.

(iv) Available for sale financial assets

Available for sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are classified as either current or non-current assets, depending on the period of time the entity expects to hold them, which is usually the maturity date. During this financial year, the entity did not hold any investments in this category.

Initial recognition and measurement

Purchases and sales of financial assets at fair value through surplus or deficit, held-to-maturity and available for sale are recognised on their trade date, i.e. the date on which the entity commits to purchase or sell the asset. Cash equivalents and loans are recognised when cash is deposited in a financial institution or advanced to borrowers. Financial instruments are initially recognised at fair value. For all financial assets not carried at fair value through surplus or deficit, transaction costs are added to the fair value at initial recognition.

Financial instruments are derecognised when the rights to receive cashflows from the investments have expired or the entity has transferred substantially all risks and rewards of ownership to another party.

Subsequent measurement

Financial assets at fair value through surplus or deficit are subsequently carried at fair value, with gains and losses arising from changes in the fair value being included in the statement of financial performance in the period in which they arise.

Loans and receivables and held-to maturity investments are carried at amortised cost using the effective interest method.

Available for sale financial assets are subsequently carried at fair value. Gains and losses arising from changes in the fair value are recognised in the fair value reserve. Interest on available for sale financial assets, calculated using the effective interest method, is recognised in the statement of financial performance.

The entity assesses at each balance sheet date whether there is objective evidence that a financial asset is impaired and whether an impairment loss should be recorded in the statement of financial performance.

1.3.5. 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 presented 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.

1.3.6. Receivables and recoverables

The EU accounting rules require a 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 and are thus classified as loans and receivables and measured accordingly (see 1.3.4 above).

Recoverables from non-exchange transactions are carried at original amount (adjusted for interests and penalties) 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.

1.3.7. Cash and cash equivalents

Cash and cash equivalents are financial instruments and include cash at hand, deposits held at call or at short notice with banks, and other short-term highly liquid investments with original maturities of three months or less.

1.3.8. Provisions

Provisions are recognised when the entity has a present legal or constructive obligation towards third parties as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are not recognised for future operating losses. The amount of the provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date. Where the provision involves a large number of items, the obligation is estimated by weighting all possible outcomes by their associated probabilities ('expected value' method).

Provisions for onerous contracts are measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

1.3.9. 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 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 and corresponding expenses are entered in the accounts when the supplies or services are delivered and accepted by the entity.

1.3.10. 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, 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 which 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 it 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. 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 (pre-financing received).

(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 incurrence of liabilities that result in decreases in net assets/equity. 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 a possible obligation 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; or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation or, in the rare circumstances where the amount of the obligation cannot be measured with sufficient reliability. A contingent liability is 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 (no shares are issued) of the JU 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. The financial contributions are recognised in the net assets in the period in which the 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 the net assets of the JU in the period when the conditions for Members' contributions stipulated by the Regulation were 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.

2. NOTES TO THE BALANCE SHEET

ASSETS

2.1. INTANGIBLE ASSETS

EUR '000

<i>Gross carrying amount at 31.12.2018</i>	433
Gross carrying amount at 31.12.2019	433
<i>Accumulated amortisation at 31.12.2018</i>	(370)
<i>Amortisation charge for the year</i>	(17)
Accumulated amortisation at 31.12.2019	(387)
NET CARRYING AMOUNT AT 31.12.2019	46
<i>NET CARRYING AMOUNT AT 31.12.2018</i>	63

The amounts reported above amounts relate primarily to computer software.

2.2. PROPERTY, PLANT AND EQUIPMENT

EUR '000

	Furniture and vehicles	Computer hardware	TOTAL
<i>Gross carrying amount at 31.12.2018</i>	172	206	377
<i>Additions</i>	2	45	47
<i>Disposals</i>	(4)	(14)	(18)
Gross carrying amount at 31.12.2019	169	237	406
<i>Accumulated depreciation at 31.12.2018</i>	(76)	(174)	(250)
<i>Depreciation charge for the year</i>	(17)	(29)	(46)
<i>Disposals</i>	3	13	16
Accumulated depreciation at 31.12.2019	(91)	(189)	(280)
NET CARRYING AMOUNT AT 31.12.2019	78	48	126
<i>NET CARRYING AMOUNT AT 31.12.2018</i>	95	32	127

2.3. PRE-FINANCING

For all pre-financing amounts open at 31 December 2019 a case-by-case assessment has been performed and all pre-financing that was considered unlikely to be cleared in the course of 2020 was classified as non current pre-financing.

The outstanding pre-financing was reduced by kEUR 54 542 of estimated (cut-off) expenses for on-going or ended projects without validated cost claims at 31 December 2019. The remaining portion of the cut-off expenses is recorded in accrued charges (see note 2.6).

EUR '000

	31.12.2019	31.12.2018
<i>Non-current pre-financing</i>	244 200	217 790
<i>Current pre-financing</i>	113 577	78 451
Total	357 777	296 241

Guarantees received covering pre-financing amounted to kEUR 1 952 at year-end.

The overall high and increasing amount of open pre-financing can be explained by both the fact that IMI2 JU is financing new projects in line with its strategic and budget objectives and that according to the

Horizon 2020 rules the pre financing is only cleared when the payments to the beneficiary reach 90% of the grant agreement amount. The overall increase by kEUR 61 356 is due to the projects started in 2019 or beginning of January 2020 for which the pre-financing has been paid out in 2019.

2.4. EXCHANGE RECEIVABLES & NON-EXCHANGE RECOVERABLES

At 31 December 2019 IMI2 JU does not have any long term receivables, all amounts included under this heading are current and are as follows:

	EUR '000	
	31.12.2019	31.12.2018
Recoverables from non-exchange transactions		
<i>Public bodies</i>	129	17
	129	17
Receivables from exchange transactions		
<i>Central treasury liaison accounts</i>	25 309	49 519
<i>Customers</i>	176	56
<i>Deferred charges relating to exchange transactions</i>	39	145
<i>Other</i>	(69)	2
	25 455	49 722
Total	25 584	49 739

The main element concerns the treasury liaison/intercompany accounts with the Commission that represent a virtual bank account of IMI2 JU. Following the appointment of the Accounting Officer of the Commission as the Accounting Officer of IMI2 JU, the treasury of IMI2 JU was integrated into the Commission's treasury system. Because of this, IMI2 JU does not have any bank accounts of its own. All payments and receipts are processed via the Commission's treasury and registered on intercompany accounts which are presented under this heading.

The result of the incoming and outgoing payments represents the cash balance of kEUR 25 309 (2018: kEUR 49 519). The balance of liaison accounts was reduced by kEUR 24 210 mainly due to the increase of pre-financing paid out for the new projects (see note 2.3).

The negative balance of the sub-heading 'other' refers mainly to amounts related to ordinary salary deductions which were transferred to the Commission at the beginning of 2020.

LIABILITIES

2.5. PAYABLES AND OTHER LIABILITIES

	EUR '000	
	31.12.2019	31.12.2018
<i>Contribution in kind to be validated</i>	213 995	164 427
<i>Suppliers</i>	9 544	4 405
<i>Public bodies</i>	17 588	17 185
<i>EU entities</i>	-	3
<i>Sundry payables</i>	11	(24)
Total	241 139	185 996

Included under the sub-heading 'Contribution in-kind to be validated' are the in kind contributions from Members related to on-going or ended projects without a validated cost statement at 31 December 2019. The amount of in-kind contributions was estimated on a case-by-case basis using the best available information on the projects. The in kind contribution received but not validated increased by kEUR 49 568 mainly because of the H2020 validation rules. According to them, the in kind contribution can be validated only with the final report of the project under certain conditions. Therefore, the amount accounted will basically increase until the phase-out of the H2020 programme.

The increase of the current payables to suppliers (kEUR 5 139) compared to 2018 is due to the fact that in 2019 more cost claims and invoices were submitted but not yet paid at 31 December 2019.

2.6. ACCRUED CHARGES

	<i>EUR '000</i>	
	31.12.2019	31.12.2018
<i>Accrued charges</i>	<i>156 186</i>	<i>133 376</i>
<i>Other</i>	-	28
Total	156 186	133 404

Accrued charges are the amounts estimated by the Authorising Officer of costs incurred for services and goods delivered in year 2019 but not yet invoiced or processed by the end of the year. They are mainly composed of estimated operational expenses of kEUR 155 349 for on-going or ended projects without a validated cost statement where the 2019 expense was estimated on a case-by-case basis using the best available information about the projects at 31 December 2019. Accrued charges also include estimated administrative expenses of kEUR 764. The amounts presented under this heading are net of pre-financing: the portion of the estimated accrued charges that relates to pre-financing paid has been recorded as a reduction of the pre-financing amounts (see note **2.3**).

Included under this heading is kEUR 73 related to the accrued staff expenses for untaken leave.

The substantial increase of the accruals compared to last year relates to the new projects started in 2019 or in 2018 for which no cost claims have been received and validated yet and the entire underlying 2019 expense had thus to be estimated during the closure (cut-off) exercise (see note **3.2**).

NET ASSETS

2.7. CONTRIBUTIONS FROM MEMBERS

Programming period	2019			2018		
	Cash	in-Kind	Total	Cash	in-Kind	Total
<i>FP7</i>	946 652	688 580	1 635 232	937 952	633 342	1 571 294
<i>H2020</i>	444 959	210 801	655 760	255 395	130 559	385 954
Total	1 391 611	899 381	2 290 992	1 193 347	763 900	1 957 247

EUR '000

2.7.1. Research and Innovation funding programme for 2007-2013 (FP7)

Similar to Horizon 2020 (see below 2.7.2), under the FP7 programme only certified in-kind contributions from the EFPIA, validated by the Executive Director of IMI2 JU, are considered as net assets.

Member	Commission		Private members				Total		EUR '000	
	Cash	In kind	EFPIA		Associated Partners		Total	Cash	In kind	
			Cash	In kind	Cash	In kind				
<i>Running costs contributions at 31.12.2018</i>	34 366	-	21 898	-	-	-	21 898	56 265	-	
<i>Current year contributions</i>	-	-	0	-	-	-	0	0	-	
Running costs contributions at 31.12.2019	34 366	-	21 898	-	-	-	21 898	56 265	-	
<i>Operating costs contributions at 31.12.2018</i>	881 688	-	-	633 342	-	-	633 342	881 688	633 342	
<i>Adjustments of prior years' contributions</i>	-	-	-	(226)	-	-	(226)	-	(226)	
<i>Current year contributions</i>	8 700	-	-	55 464	-	-	55 464	8 700	55 464	
Operating costs contributions at 31.12.2019	890 388	-	-	688 580	-	-	688 580	890 388	688 580	
<i>Total contributions at 31.12.2018</i>	916 054	-	21 898	633 342	-	-	655 240	937 952	633 342	
Total contributions at 31.12.2019	924 754	-	21 898	688 580	-	-	710 478	946 652	688 580	
<i>% of total contributions (by type)</i>	97.69%	0.00%	2.31%	100.00%	0.00%	0.00%		100.00%	100.00%	
<i>% of the total contribution</i>	56.55%		43.45%		0.00%		43.45%	100.00%		
<i>Voting rights %</i>	50.00%		50.00%		0.00%		50.00%	100.00%		

2.7.2. Research and Innovation funding programme for 2014-2020 (Horizon 2020)

With regard to the Horizon 2020, Council Regulation (EC) No 557/2014 (IMI2 JU) distinguishes members of the JU: the EU, represented by the Commission, the European pharmaceutical industry, represented by the EFPIA and Members other than the Union and Associated Partners. Only certified in-kind contributions from the Members validated by the Executive Director of IMI2 JU are considered in-kind contribution.

Member	Commission		Private members				Total	Total	
	Cash	In kind	EFPIA		Associated Partners			Cash	In kind
			Cash	In kind	Cash	In kind			
<i>Running costs contributions at 31.12.2018</i>	8 837	-	8 659	-	-	-	8 659	17 496	-
<i>Current year contributions</i>	5 510	-	3 695	-	-	-	3 695	9 205	-
Running costs contributions at 31.12.2019	14 347	-	12 354	-	-	-	12 354	26 701	-
<i>Operating costs contributions at 31.12.2018</i>	233 030	-	2 200	128 028	2 669	2 530	135 427	237 899	130 559
<i>Adjustments of prior years' contributions</i>	-	-	-	-	-	-	-	-	-
<i>Current year contributions</i>	176 366	-	1 000	74 570	2 993	5 672	84 236	180 359	80 242
Operating costs contributions at 31.12.2019	409 396	-	3 200	202 598	5 662	8 203	219 663	418 258	210 801
<i>Total contributions at 31.12.2018</i>	241 867	-	10 859	128 028	2 669	2 530	144 087	255 395	130 559
Total contributions at 31.12.2019	423 743	-	15 554	202 598	5 662	8 203	232 017	444 959	210 801
<i>% of total contributions (by type)</i>	95.23%	0.00%	3.50%	96.11%	1.27%	3.89%		100.00%	100.00%
<i>Total contribution in %</i>	64.62%		33.27%		2.11%		35.38%	100.00%	
<i>Voting rights %</i>	50.00%		50.00%		0.00%		50.00%	100.00%	

3. NOTES TO THE STATEMENT OF FINANCIAL PERFORMANCE

NON-EXCHANGE REVENUE

3.1. RECOVERY OF EXPENSES

EUR '000

	2019	2018
<i>Recovery of expenses</i>	2 721	1 188

The amounts under this heading relate to the correction of operational expenses recognised in previous years (kEUR 2 100) and ex-post audit corrections (kEUR 621).

EXPENSES

3.2. OPERATIONAL COSTS

Included under this heading are operational expenses related to projects that were carried out during the year. A part of the operational costs related to on-going or ended projects without any validated cost claims (or equivalent) available at 31 December was estimated using the best information available at the time of the preparation of the annual accounts. The estimation is based on a case-by-case assessment of completion which ensures that only costs that reflect the services or work performed by 31 December are included in the operational costs of the year. 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 in the meaning of Article 4(3) and 4(4) of Regulation (EU) No 2014/557) or costs incurred to date as a proportion of the estimated total costs of the projects ('pro-rata temporis').

The break-down of the operational costs between operational costs incurred on the basis of validated cost claims (or equivalent) and estimated operational costs is given in the table below. It should be noted that in line with the accounting rules the portion of the estimated cost also includes a revision of accounting estimates made in the previous periods.

EUR '000

	2019	2018
<i>Operational costs: validated in-kind contributions</i>	135 922	152 576
<i>Operational costs: estimated in-kind contributions</i>	49 569	(4 988)
Total operational costs from in-kind contributions	185 491	147 587
<i>Operational costs: validated EU contributions</i>	143 143	162 937
<i>Operational costs: estimated EU contributions</i>	39 807	(13 048)
Total operational costs from EU contributions	182 950	149 889
Total	368 441	297 476

The decrease in the validated in kind contributions stems from the fact that several IMI1 projects are now closed. The increase in the estimated in kind contributions and EU contributions can be explained by the projects at an early stage of their implementation for which no cost claims (or equivalent) have yet been validated and the entire underlying 2019 expenses of these projects had thus to be estimated during the closure (cut-off) exercise.

3.3. STAFF COSTS

Included under this heading are salary expenses and other employment-related allowances and benefits. Calculations related to staff costs are, based on the service level agreement, entrusted to the European Commission's Office for administration and payment of individual entitlements (also known as the Paymaster's Office-PMO).

The pensions of the IMI2 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 factors such as age and years of service. Both IMI2 JU staff and the Commission contribute to the pension scheme and the contribution percentage is revised yearly to reflect the changes in the Staff Regulation. The cost to the Commission is not reflected in the IMI2 JU accounts. Similarly, the future benefits, payable to the IMI2 JU staff, are accounted for in the liabilities of the Commission, as it is the Commission who will pay out these benefits. No provisions related to the future pensions are made in these accounts.

3.4. OTHER EXPENSES

	EUR '000	
	2019	2018
<i>External non IT services</i>	1 120	1 218
<i>External IT services</i>	845	121
<i>Experts expenses</i>	825	1 128
<i>Operating leasing expenses</i>	688	442
<i>Communications & publications</i>	201	444
<i>Missions</i>	112	62
<i>Training costs</i>	75	80
<i>Property, plant and equipment related expenses</i>	69	67
<i>Other</i>	60	87
Total	3 994	3 651

The significant increase of kEUR 724 of expenses related to external IT services is due mainly to works requested to improve and modernize the IT architecture and the connectivity of the premises and it is also related to the increased number of corporate applications used by IMI2 JU.

The decrease of kEUR 303 in expert expenses is due to fact that fewer experts were needed in 2019 compared to last year.

The decrease of kEUR 243 in communication and publication expenses is due to an exceptional peak in 2018 for the 10 Years IMI's Anniversary communication campaign.

The operating lease expenses relate to the IMI2 JU building 'White Atrium'. The increase compared to 2018 is mostly explained by higher building related charges due by IMI2 JU and the redesign and the refurbishment of the new office space.

An overview of the amounts to be committed and paid during the remaining term of this lease contract and also of a new contract for additional space in the same building that will entry in force in 2020, including rent and related charges, is as follow:

	EUR '000			
	Future amounts to be paid			
	< 1 year	1- 5 years	> 5 years	Total
<i>Buildings</i>	710	2 466	1 308	4 483

4. OTHER SIGNIFICANT DISCLOSURES

4.1. OUTSTANDING COMMITMENTS NOT YET EXPENSED

EUR '000

	31.12.2019	31.12.2018
<i>Outstanding commitments not yet expensed</i>	687 770	545 016

The outstanding commitments not yet expensed consists of the budgetary RAL ('Reste à Liquider') less related amounts that have been included as expenses in the 2019 statement of financial performance. The budgetary RAL is an amount representing the open commitments for which payments and/or de-commitments have not yet been made. This is the normal consequence of multi-annual programmes.

4.2. RELATED PARTIES

The related parties of the IMI2 JU are the other EU consolidated entities and IMI2 JU key management personnel. Transactions between these parties take place as part of the normal IMI2 JU operations and as this is the case, no specific disclosure requirements are necessary for these transactions in accordance with the EU accounting rules.

4.3. KEY MANAGEMENT ENTITLEMENTS

The highest ranked civil servant of IMI2 JU is the Executive Director, who executes the role of the Authorising Officer.

	31.12.2019	31.12.2018
<i>Executive Director</i>	AD 14	AD 14

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

4.4. EVENTS AFTER REPORTING DATE

4.4.1. In-kind contributions validated in 2020

The in-kind contributions validated between 31.12.2018 and 30.5.2019 amounted to kEUR 5 242. The entire amount relates to the contribution of EFPIA to the FP7 programme. The validated contributions are recorded as additions to net assets in 2020.

4.4.2. COVID-19

During the first half of 2020, the coronavirus outbreak has had huge impacts on the EU economy. As a non-adjusting event, the outbreak of the coronavirus does not require any adjustments to the figures reported in these annual accounts. For subsequent reporting periods, COVID-19 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 information available at the date of signature of these annual accounts, the financial effects of the coronavirus outbreak cannot be reliably estimated.

5. FINANCIAL RISK MANAGEMENT

5.1. TYPES OF RISK

Market risk is the risk that the fair value or future cashflows 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 IMI2 JU has no significant other price risk).

- (1) Currency risk is the risk that the IMI2 JU operations or its investments' value will be affected by changes in exchange rates. This risk arises from the change in 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. IMI2 JU 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/borrower's non-payment of a loan or other line of credit (either the principal or interest or both) or other failure to meet a contractual obligation. The default events include a delay in repayments, restructuring of borrower repayments and bankruptcy.

Liquidity risk is the risk that arises from the difficulty in selling an asset; for example, the risk that a given security or asset cannot be traded quickly enough in the market to prevent a loss or meet an obligation.

5.2. CURRENCY RISKS

Exposure to currency risk at year-end

At 31 December 2019 the financial assets and financial liabilities ending balances did not include any material amounts quoted in different currencies other than the euro.

5.3. CREDIT RISK

Financial assets that are neither past due nor impaired

The financial assets are entirely composed of receivables and recoverables that are neither past due nor impaired, except for one recovery order for kEUR 129 whose due date was in July 2019. The appropriate actions have been already taken to recover the payment. At this stage, according to the opinion of the legal department, no provision and/or write-off of the receivable needs to be booked.

Financial assets by risk category

At 31 December 2019 the financial assets are almost entirely (kEUR 25 312) composed of receivables and recoverables against entities with a prime external credit rating while kEUR 272 relates to counterparties without external credit rating.

5.4. LIQUIDITY RISK

Maturity analysis of financial liabilities by remaining contractual maturity

Financial liabilities entirely consist of liabilities with the 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, some financial data in the tables below may appear not to add-up.

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1. BUDGETARY PRINCIPLES, STRUCTURE AND HIGHLIGHTS OF THE BUDGETARY IMPLEMENTATION

1.1. BUDGETARY PRINCIPLES

The establishment and implementation of the budget of IMI2 JU is governed by the following basic principles set out in the Chapter 2 of the Financial Rules of IMI2 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 IMI2 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 which is 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, IMI2 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 euros and the accounts shall be presented in euros.

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 IMI2 JU's internet site within four weeks of adoption and shall be transmitted to the Commission and the Court of Auditors.

1.2. STRUCTURE AND PRESENTATION OF THE BUDGET

IMI2 JU makes use of differentiated appropriations for its administrative expenditure and operational expenditure.

Following the provisions of the Financial rules of IMI2 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 are related to staff expenditure such as salaries and allowances for persons working with IMI2 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, meetings, experts, studies, ex-post audits and miscellaneous administrative expenditure.

Title 3 budget lines provide for the implementation of the activities and tasks assigned to IMI2 JU in accordance with its establishing Council Regulation (EC) No 73/2008 (IMI1 JU) and Council Regulation (EC) No 557/2014 (IMI2 JU).

1.3. HIGHLIGHTS OF THE BUDGETARY IMPLEMENTATION

The IMI2 JU Governing Board approved the 2019 budget on 12 December 2018.

The IMI2 JU Governing Board approved the first budget amendment on 21 June 2019 in order to include the carry over amounts (EUR 12 599 206 commitment appropriations and EUR 30 943 429 payment appropriations) from the previous year. The first budget amendment also reduced by EUR 139 100 891 the commitment appropriations on the 'EU contribution to operational costs' budget line.

The IMI2 JU Governing Board approved the second budget amendment on 13 December 2019 in order to include the increase of financial contribution from Bill and Melinda Gates Foundation, an IMI2 JU Associated Partner, to operational costs, of EUR 2 142 862.

The total budget approved for 2019 was EUR 261 072 054 in commitment appropriations (CA) and EUR 231 017 210 in payment appropriations (PA).

Overall, in 2019, the budget implementation of the commitment and payment appropriations reached a level of 99% and 96% respectively.

Operational expenditure

IMI2 JU's operational budget ('Title 3') reflects expenses linked to the implementation of the IMI2 JU research agenda. Here it should be noted that since 2014 IMI2 JU has managed two programmes in parallel:

- IMI1 (under the Seventh Framework Programme, FP7)

FP7 was the EU's research and innovation funding programme for 2007-2013. Through FP7, the EU contributes EUR 966 million to the IMI1 research programme.

- IMI2 (under Horizon 2020, H2020)

H2020 is the EU's research and innovation funding programme for 2014-2020. The EU has committed to contribute EUR 1 492 billion from H2020 to the IMI2 programme.

In 2019, on aggregate for both programmes, the operational commitment and payment appropriations reached a level of 100% and 98% respectively.

The commitment appropriations related to H2020 were consumed by Grant Agreements implementing IMI2 – Calls for proposals 13, 14, 15 and 16, and by launching IMI2 - Calls for proposals 17, 18 and 19.

The payment appropriations related to H2020 were mainly used by pre-financing for projects of IMI2 - Calls 13, 14, 15 and 16 and by intermediate payments for projects of IMI2 – Calls 1-11.

The payment appropriations related to FP7 were mainly used by payments for intermediate or final reports for projects of IMI1 – Calls 3-11.

On operational commitment appropriations, IMI2 JU has fully executed its annual budget (100%).

As regards operational payment appropriations, execution reached 98%. This is a significant increase and a rising trend in the absorption of operational payment appropriations in comparison to the previous years (87% in 2018, 72% in 2017 and 69% in 2016,). This result is due to a number of corrective measures applied in the budgetary planning and monitoring process.

Administrative expenditure

The budget implementation of the commitment and payment appropriations in 2019 reached a level of 84% and 68% respectively.

The low payments execution for Title 2 is due to several factors: fewer experts were needed in 2019 compared to original estimation, payment appropriations initially foreseen for H2020 ex-post audits were eventually covered by the EC services and there was also a lower volume of audits on FP7 due to phasing out.

IMI continued to execute its budget applying principles of sound financial management, which resulted in a number of budget transfers between budget chapters. In 2019, there were no budget transfers between titles.

More detailed information about the budgetary implementation is provided in the Report on budgetary and financial management of the year.

2. RESULT OF THE IMPLEMENTATION OF THE BUDGET

		<i>EUR '000</i>	
	Title	2019	2018
Revenue		198 564	179 646
of which:			
Subsidies and revenues	A2	195 511	179 574
Subsidies from Associated partners	A3	2 994	–
Operational recovery	B3	59	72
Expenditure		(222 821)	(203 519)
of which:			
Staff expenditure	1	(5 404)	(5 315)
Administrative expenditure	2	(2 821)	(3 855)
Operational expenditure	3	(214 596)	(194 348)
Exchange rate differences		(1)	(0)
Budget result		(24 257)	(23 872)

3. RECONCILIATION OF ECONOMIC RESULT WITH BUDGET RESULT

EUR '000

	2019	2018
ECONOMIC RESULT OF THE YEAR	(374 306)	(304 489)
Adjustment for accrual items (items not in the budgetary result but included in the economic result)		
<i>In-kind contributions validated in the year</i>	135 481	151 524
<i>Adjustments for accrual cut-off (net)</i>	89 649	(19 261)
<i>Unpaid invoices at year end but booked in expenses</i>	26	194
<i>Depreciation of intangible and tangible assets</i>	65	35
<i>Recovery orders issued in the year and not yet cashed</i>	(157)	54
<i>Pre-financing paid in previous year and cleared in the year</i>	30 600	60 507
<i>Correction of recovery orders issued last year</i>	(2 100)	(181)
<i>Other individually immaterial</i>	85	-
Adjustment for budgetary items (item included in the budgetary result but not in the economic result)		
<i>Members' cash contributions collected in the year</i>	198 265	179 399
<i>Asset acquisitions (less unpaid amounts)</i>	(43)	126
<i>New pre-financing paid in the year and remaining open as at 31 December</i>	(102 052)	(91 913)
<i>Entitlements established in previous year and cashed in the year</i>	54	133
<i>Entitlements established on balance sheet accounts and cashed in the year</i>	177	-
BUDGET RESULT OF THE YEAR	(24 257)	(23 872)

4. IMPLEMENTATION OF BUDGET REVENUE

4.1. Implementation of budget revenue – Title A2

EUR '000

Item	Income appropriations		Entitlements established			Revenue				Out-standing
	Initial budget	Final budget	Current year	Carried over	Total	On entitlements of current year	On entitlements carried over	Total	%	
	1	2	3	4	5=3+4	6	7	8=6+7	9=8/2	
A2001 Subsidy from EC	190 576	190 576	190 576	–	190 576	190 576	–	190 576	100 %	–
A2002 EFPIA running costs	5 510	5 510	3 695	–	3 695	3 695	–	3 695	67 %	–
A2003 Miscellaneous revenues	–	–	370	19	389	241	–	241	–	148
A2004 JTI revenues	–	–	1	1	1	(1)	1	–	–	1
A2005 Subsidy from other members	1 000	1 000	1 000	–	1 000	1 000	–	1 000	100 %	–
Total Chapter A20	197 086	197 086	195 641	20	195 661	195 511	1	195 511	99 %	149
Total Title A2	197 086	197 086	195 641	20	195 661	195 511	1	195 511	99 %	149

4.2. Implementation of budget revenue – Title A3

EUR '000

Item	Income appropriations		Entitlements established			Revenue				Out-standing
	Initial budget	Final budget	Current year	Carried over	Total	On entitlements of current year	On entitlements carried over	Total	%	
	1	2	3	4	5=3+4	6	7	8=6+7	9=8/2	
A3000 Associated Partners contributions	845	2 988	2 994	–	2 994	2 994	–	2 994	100 %	–
Total Chapter A30	845	2 988	2 994	–	2 994	2 994	–	2 994	100 %	–
Total Title A3	845	2 988	2 994	–	2 994	2 994	–	2 994	100 %	–

4.3. Implementation of budget revenue – Title B3

EUR '000

Item	Income appropriations		Entitlements established			Revenue				Out-standing
	Initial budget	Final budget	Current year	Carried over	Total	On entitlements of current year	On entitlements carried over	Total	%	
	1	2	3	4	5=3+4	6	7	8=6+7	9=8/2	10=5-8
B3999 Recovery ex post audit	-	-	161	53	214	6	53	59	-	155
Total Chapter B39	-	-	161	53	214	6	53	59	-	155
Total Title B3	-	-	161	53	214	6	53	59	-	155
GRAND TOTAL	197 931	200 074	198 796	73	198 869	198 511	54	198 564	99 %	305

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 appropri- available	
	Initial adopted budget	Amending budgets	Transfers	Final budget adopted	Carry- overs	Assigned revenue	Total		
	1	2	3	4=1+2+3	5	6	7=5+6		8=4+7
1100	Staff in active employment and costs linked to employees	3 959	-	(450)	3 509	-	-	-	3 509
1101	Family allowances	374	-	-	374	-	-	-	374
1102	Transfer and expatriation allowance	405	-	-	405	-	-	-	405
1110	Contract agents	636	-	146	782	-	-	-	782
1111	Seconded national experts	-	-	120	120	-	-	-	120
1130	Insurance against sickness	98	-	6	104	-	-	-	104
1131	Insurance against accidents & occupational disease	15	-	-	15	-	-	-	15
1132	Unemployment insurance for temporary staff	39	-	0	39	-	-	-	39
1140	Birth and death allowance	10	-	-	10	-	-	-	10
1141	Annual travel costs	59	-	(17)	42	-	-	-	42
1144	Fixed local travel allowances	3	-	-	3	-	-	-	3
1172	Cost of organizing traineeships within IMI	32	-	-	32	-	-	-	32
1177	Other services rendered	5	-	79	84	-	-	-	84
1178	PMO fees	45	-	-	45	-	-	-	45
1181	Travelling expenses (taking up duty)	5	-	-	5	-	-	-	5
1182	Installation allowance	43	-	(32)	11	-	-	-	11
1183	Moving expenses	-	-	9	9	-	-	-	9
1184	Temporary daily allowance	10	-	-	10	-	-	-	10
1190	Weightings (correction coefficients)	2	-	-	2	-	-	-	2
Total Chapter 11		5 740	-	(138)	5 602	-	-	-	5 602
1200	Miscellaneous expenditure on staff recruitment	20	-	7	27	-	-	-	27
Total Chapter 12		20	-	7	27	-	-	-	27
1300	Mission expenses	190	-	-	190	-	-	-	190
Total Chapter 13		190	-	-	190	-	-	-	190
1401	Socio-medical structure	80	-	-	80	-	1	1	81
1410	Other trainings	110	-	(18)	92	-	-	-	92

EUR '000

Item	Budget appropriations			Additional appropriations			Total appropri- available	
	Initial adopted budget	Amending budgets	Transfers	Final budget adopted	Carry- overs	Assigned revenue		Total
	1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
1430 Medical service	5	-	11	16	-	-	-	16
1440 Trainings covered by the Service level agreement	6	-	25	31	-	-	-	31
1490 Other interventions	159	-	(40)	119	-	-	-	119
Total Chapter 14	360	-	(22)	338	-	1	1	339
1500 External staff services	-	-	153	153	-	-	-	153
Total Chapter 15	-	-	153	153	-	-	-	153
1700 Entertainment and representation expenses	20	-	-	20	-	-	-	20
Total Chapter 17	20	-	-	20	-	-	-	20
Total Title 1	6 330	-	(0)	6 330	-	1	1	6 331

5.1.2. Breakdown & changes in commitment appropriations – Title 2

EUR '000

Item	Budget appropriations				Additional appropriations			Total appropri- available
	Initial adopted budget	Amending budgets	Transfers	Final budget adopted	Carry-overs	Assigned revenue	Total	
	1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
2000 Rentals	586	–	(178)	408	–	–	–	408
2020 Water, gas, electricity, and charges	131	–	135	266	–	28	28	294
2030 Cleaning and maintenance	10	–	(10)	–	–	–	–	–
2040 Furnishing of premises (works)	10	–	37	47	–	6	6	53
2050 Security and surveillance	19	–	10	29	–	–	–	29
Total Chapter 20	756	–	(6)	750	–	34	34	784
2101 Hardware, infrastructure and related services	255	–	–	255	–	10	10	265
2102 Software development, licenses and related services	524	–	250	774	–	–	–	774
Total Chapter 21	779	–	250	1 029	–	10	10	1 039
2200 Purchase	123	–	(123)	–	–	–	–	–
2201 Rentals	10	–	(10)	–	–	–	–	–
2202 Maintenance utilisation and repair	20	–	(15)	5	–	–	–	5
Total Chapter 22	153	–	(148)	5	–	–	–	5
2300 Stationery and office supply	40	–	–	40	–	–	–	40
2330 Legal expenses	–	–	25	25	–	–	–	25
2350 Other operating expenditure	13	–	33	46	–	–	–	46
2360 Library stocks purchase of books and subscriptions	44	–	12	56	–	–	–	56
2370 Translation interpretation	26	–	(21)	5	–	–	–	5
Total Chapter 23	123	–	50	173	–	–	–	173
2400 Correspondence and communication expenses	78	–	(21)	57	–	0	0	57
Total Chapter 24	78	–	(21)	57	–	0	0	57
2500 Formal meetings	158	–	27	185	–	0	0	185
Total Chapter 25	158	–	27	185	–	0	0	185
2600 Running costs in connection with operational activities	47	–	13	60	–	–	–	60
2601 Events	10	–	–	10	–	–	–	10

EUR '000

Item	Budget appropriations				Additional appropriations			Total appropri- available
	Initial adopted budget	Amending budgets	Transfers	Final budget adopted	Carry-overs	Assigned revenue	Total	
	1	2	3	4=1+2+3	5	6	7=5+6	
2602 Workshops	325	-	(9)	316	-	-	-	316
2603 Knowledge management	6	-	-	6	-	-	-	6
Total Chapter 26	388	-	4	392	-	-	-	392
2700 External communication	225	-	-	225	-	-	-	225
2701 Events	300	-	-	300	-	-	-	300
2702 Material	100	-	-	100	-	-	-	100
Total Chapter 27	625	-	-	625	-	-	-	625
2800 Ex-post audits	536	-	(273)	263	-	-	-	263
2801 Studies, consultancy	114	-	166	280	-	-	-	280
2802 Audits	80	-	(52)	28	-	-	-	28
Total Chapter 28	730	-	(160)	570	-	-	-	570
2900 Evaluation experts meetings	750	-	132	882	-	5	5	887
2901 Evaluation facilities	150	-	(127)	23	-	-	-	23
Total Chapter 29	900	-	5	905	-	5	5	910
Total Title 2	4 690	-	(0)	4 690	-	49	49	4 739

5.1.3. Breakdown & changes in commitment appropriations – Title 3

EUR '000

Item	Budget appropriations				Additional appropriations			Total appropri- available	
	Initial adopted budget	Amending budgets	Transfers	Final budget adopted	Carry- overs	Assigned revenue	Total		
	1	2	3	4=1+2+3	5	6	7=5+6		
3000	Implementing the research agenda of IMI JU	-	-	-	-	56	-	56	56
3001	Call 1	-	-	-	-	-	14	14	14
3003	Call 3	-	-	-	-	-	20	20	20
3004	Call 4	-	-	-	-	-	27	27	27
3005	Call 5	-	-	-	-	-	3	3	3
3006	Call 6	-	-	-	-	-	8	8	8
3020	IMI2 Implementing the research agenda of IMI JU	-	-	-	-	3	-	3	3
3027	IMI2 Call 7	-	-	-	-	-	177	177	177
3033	IMI2 Call 13	-	-	-	-	114 341	-	114 341	114 341
3037	IMI2 Call 17	40 786	-	-	40 786	-	-	-	40 786
3038	IMI2 Call 18	-	62 326	-	62 326	12 540	-	12 540	74 866
3039	IMI2 Call 19	-	20 000	-	20 000	-	-	-	20 000
Total Chapter 30		40 786	82 326	-	123 112	126 940	250	127 190	250 302
Total Title 3		40 786	82 326	-	123 112	126 940	250	127 190	250 302
GRAND TOTAL		51 806	82 326	(0)	134 132	126 940	300	127 240	261 372

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 appropri. available
	Initial budget adopted	Amending budgets	Transfers	Final adopted budget	Carry- overs	Assigned revenue	Total	
	1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
1100 Staff in active employment and costs linked to employees	3 959	-	(450)	3 509	-	-	-	3 509
1101 Family allowances	374	-	-	374	-	-	-	374
1102 Transfer and expatriation allowance	405	-	-	405	-	-	-	405
1110 Contract agents	636	-	146	782	-	-	-	782
1111 Seconded national experts	-	-	120	120	-	-	-	120
1130 Insurance against sickness	98	-	6	104	-	-	-	104
1131 Insurance against accidents & occupational disease	15	-	-	15	-	-	-	15
1132 Unemployment insurance for temporary staff	39	-	0	39	-	-	-	39
1140 Birth and death allowance	10	-	-	10	-	-	-	10
1141 Annual travel costs	59	-	(17)	42	-	-	-	42
1144 Fixed local travel allowances	3	-	-	3	-	-	-	3
1172 Cost of organizing traineeships within IMI	32	-	-	32	-	-	-	32
1177 Other services rendered	5	-	79	84	-	-	-	84
1178 PMO fees	45	-	-	45	-	-	-	45
1181 Travelling expenses (taking up duty)	5	-	-	5	-	-	-	5
1182 Installation allowance	43	-	(32)	11	-	-	-	11
1183 Moving expenses	-	-	9	9	-	-	-	9
1184 Temporary daily allowance	10	-	-	10	-	-	-	10
1190 Weightings (correction coefficients)	2	-	-	2	-	-	-	2
Total Chapter 11	5 740	-	(138)	5 602	-	-	-	5 602
1200 Miscellaneous expenditure on staff recruitment	20	-	7	27	1	-	1	28
Total Chapter 12	20	-	7	27	1	-	1	28
1300 Mission expenses	190	-	-	190	12	-	12	202
Total Chapter 13	190	-	-	190	12	-	12	202

EUR '000

Item	Budget appropriations				Additional appropriations			Total appropri- available
	Initial budget adopted	Amending budgets	Transfers	Final adopted budget	Carry- overs	Assigned revenue	Total	
	1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
1401 Socio-medical structure	80	-	-	80	-	1	1	81
1410 Other trainings	110	-	(18)	92	1	-	1	94
1430 Medical service	5	-	11	16	0	-	0	16
1440 Trainings covered by the Service level agreement	6	-	25	31	10	-	10	41
1490 Other interventions	159	-	(17)	142	23	-	23	165
Total Chapter 14	360	-	1	361	35	1	36	397
1500 External staff services	-	-	130	130	-	-	-	130
Total Chapter 15	-	-	130	130	-	-	-	130
1700 Entertainment and representation expenses	20	-	-	20	6	-	6	26
Total Chapter 17	20	-	-	20	6	-	6	26
Total Title 1	6 330	-	(0)	6 330	54	1	55	6 385

5.2.2. Breakdown & changes in payment appropriations – Title 2

EUR '000

Item	Budget appropriations			Additional appropriations			Total appropriations available	
	Initial budget adopted	Amending budgets	Transfers	Final adopted budget	Carry-overs	Assigned revenue		Total
	1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
2000 Rentals	586	-	(178)	408	2	-	2	409
2020 Water, gas, electricity, and charges	131	-	135	266	-	28	28	294
2030 Cleaning and maintenance	10	-	(10)	-	-	-	-	-
2040 Furnishing of premises (works)	10	-	37	47	5	6	10	57
2050 Security and surveillance	19	-	10	29	25	-	25	54
Total Chapter 20	756	-	(6)	750	32	34	66	815
2101 Hardware, infrastructure and related services	255	-	-	255	232	10	242	497
2102 Software development, licenses and related services	524	-	250	774	150	-	150	924
Total Chapter 21	779	-	250	1 029	382	10	392	1 421
2200 Purchase	123	-	(123)	-	-	-	-	-
2201 Rentals	10	-	(10)	-	-	-	-	-
2202 Maintenance utilisation and repair	20	-	(15)	5	-	-	-	5
Total Chapter 22	153	-	(148)	5	-	-	-	5
2300 Stationery and office supply	40	-	-	40	3	-	3	43
2330 Legal expenses	-	-	25	25	-	-	-	25
2350 Other operating expenditure	13	-	33	46	33	-	33	80
2360 Library stocks purchase of books and subscriptions	44	-	12	56	-	-	-	56
2370 Translation interpretation	26	-	(21)	5	-	-	-	5
Total Chapter 23	123	-	50	173	36	-	36	209
2400 Correspondence and communication expenses	78	-	(21)	57	25	0	25	82
Total Chapter 24	78	-	(21)	57	25	0	25	82
2500 Formal meetings	158	-	27	185	40	0	40	225
Total Chapter 25	158	-	27	185	40	0	40	225
2600 Running costs in connection with operational activities	47	-	13	60	10	-	10	70
2601 Events	10	-	-	10	-	-	-	10
2602 Workshops	325	-	(9)	316	50	-	50	366
2603 Knowledge management	6	-	-	6	4	-	4	10
Total Chapter 26	388	-	4	392	64	-	64	456
2700 External communication	225	-	-	225	65	-	65	290

Item	Budget appropriations				Additional appropriations			Total appropri- available
	Initial budget adopted	Amending budgets	Transfers	Final adopted budget	Carry-overs	Assigned revenue	Total	
	1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
2701 Events	300	-	-	300	-	-	-	300
2702 Material	100	-	-	100	3	-	3	103
Total Chapter 27	625	-	-	625	68	-	68	693
2800 Ex-post audits	536	-	(273)	263	263	-	263	526
2801 Studies, consultancy	114	-	166	280	82	-	82	361
2802 Audits	80	-	(52)	28	56	-	56	84
Total Chapter 28	730	-	(160)	570	401	-	401	971
2900 Evaluation experts meetings	750	-	132	882	10	5	15	897
2901 Evaluation facilities	150	-	(127)	23	2	-	2	25
Total Chapter 29	900	-	5	905	12	5	17	922
Total Title 2	4 690	-	(0)	4 690	1 060	49	1 109	5 799

5.2.3. Breakdown & changes in payment appropriations – Title 3

EUR '000

Item	Initial budget adopted	Budget appropriations			Additional appropriations			Total approp. available
		Amending budgets	Transfers	Final adopted budget	Carry-overs	Assigned revenue	Total	
	1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
3000 Implementing the research agenda of IMI JU	-	-	-	-	56	-	56	56
3001 Call 1	-	-	51	51	-	16	16	67
3002 Call 2	700	-	(496)	204	-	-	-	204
3003 Call 3	1 000	-	876	1 876	-	18	18	1 894
3004 Call 4	1 495	-	(254)	1 241	2 700	27	2 727	3 968
3005 Call 5	7 000	-	(7 000)	-	-	3	3	3
3006 Call 6	6 350	-	(3 240)	3 110	1 000	8	1 008	4 118
3007 Call 7	500	-	-	500	-	-	-	500
3008 Call 8	7 000	-	3 000	10 000	3 000	-	3 000	13 000
3009 Call 9	3 000	-	3 000	6 000	300	-	300	6 300
3010 Call 10	800	-	200	1 000	-	-	-	1 000
3011 Call 11	14 000	-	(7 850)	6 150	5 200	-	5 200	11 350
3020 IMI2 Implementing the research agenda of IMI JU	-	2 143	-	2 143	28	-	28	2 171
3021 IMI2 Call 1	1 000	-	2 063	3 063	-	-	-	3 063
3022 IMI2 Call 2	17 000	-	(1 754)	15 246	-	-	-	15 246
3023 IMI2 Call 3	4 000	-	5 000	9 000	2 710	-	2 710	11 710
3025 IMI2 Call 5	5 000	-	1 457	6 457	-	-	-	6 457
3026 IMI2 Call 6	6 000	-	(796)	5 204	1 500	-	1 500	6 704
3027 IMI2 Call 7	4 000	-	1 500	5 500	2 336	177	2 514	8 014
3028 IMI2 Call 8	3 000	-	(618)	2 382	-	-	-	2 382
3029 IMI2 Call 9	3 700	-	3 586	7 286	-	-	-	7 286
3030 IMI2 Call 10	6 000	-	4 556	10 556	-	-	-	10 556
3031 IMI2 Call 11	300	-	-	300	-	-	-	300
3033 IMI2 Call 13	30 066	-	3 111	33 177	-	-	-	33 177
3034 IMI2 Call 14	15 000	-	-	15 000	10 000	-	10 000	25 000
3035 IMI2 Call 15	35 000	-	(1 217)	33 783	-	-	-	33 783
3036 IMI2 Call 16	15 000	-	(5 174)	9 826	1 000	-	1 000	10 826
Total Chapter 30	186 911	2 143	-	189 054	29 830	250	30 080	219 133
Total Title 3	186 911	2 143	-	189 054	29 830	250	30 080	219 133
GRAND TOTAL	197 931	2 143	-	200 074	30 943	300	31 243	231 317

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 2020			Appropriations lapsing			
		from final adopt. budget	from carry-overs	from assign. revenue	Total	%	Assign. revenue	By decision	Total	from final adopt. budget	from carry-overs	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 in active employment and costs linked to employees	3 509	2 985	-	-	2 985	85 %	-	-	-	523	-	-	523
1101 Family allowances	374	321	-	-	321	86 %	-	-	-	53	-	-	53
1102 Transfer and expatriation allowance	405	385	-	-	385	95 %	-	-	-	20	-	-	20
1110 Contract agents	782	758	-	-	758	97 %	-	-	-	25	-	-	25
1111 Seconded national experts	120	61	-	-	61	51 %	-	-	-	59	-	-	59
1130 Insurance against sickness	104	104	-	-	104	100 %	-	-	-	0	-	-	0
1131 Insurance against accidents & occupational disease	15	11	-	-	11	77 %	-	-	-	4	-	-	4
1132 Unemployment insurance for temporary staff	39	39	-	-	39	100 %	-	-	-	0	-	-	0
1140 Birth and death allowance	10	-	-	-	-	0 %	-	-	-	10	-	-	10
1141 Annual travel costs	42	42	-	-	42	99 %	-	-	-	0	-	-	0
1144 Fixed local travel allowances	3	2	-	-	2	62 %	-	-	-	1	-	-	1
1172 Cost of organizing traineeships within IMI	32	-	-	-	-	0 %	-	-	-	32	-	-	32
1177 Other services rendered	84	84	-	-	84	100 %	-	-	-	-	-	-	-
1178 PMO fees	45	40	-	-	40	88 %	-	-	-	5	-	-	5
1181 Travelling expenses (taking up duty)	5	1	-	-	1	11 %	-	-	-	4	-	-	4
1182 Installation allowance	11	10	-	-	10	90 %	-	-	-	1	-	-	1

Item	Total approp. available	Commitments made					Appropriations carried over to 2020			Appropriations lapsing			
		from final adopt. budget	from carry- overs	from assign. revenue	Total	%	Assign. revenue	By decision	Total	from final adopt. budget	from carry- overs	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
1183 Moving expenses	9	9	-	-	9	99 %	-	-	-	0	-	-	0
1184 Temporary daily allowance	10	4	-	-	4	42 %	-	-	-	6	-	-	6
1190 Weightings (correction coefficients)	2	2	-	-	2	84 %	-	-	-	0	-	-	0
Total Chapter 11	5 602	4 857	-	-	4 857	87 %	-	-	-	745	-	-	745
1200 Miscellaneous expenditure on staff recruitment	27	15	-	-	15	57 %	-	-	-	12	-	-	12
Total Chapter 12	27	15	-	-	15	57 %	-	-	-	12	-	-	12
1300 Mission expenses	190	132	-	-	132	70 %	-	-	-	58	-	-	58
Total Chapter 13	190	132	-	-	132	70 %	-	-	-	58	-	-	58
1401 Socio-medical structure	81	79	-	-	79	98 %	-	-	-	1	-	1	2
1410 Other trainings	92	85	-	-	85	92 %	-	-	-	7	-	-	7
1430 Medical service	16	16	-	-	16	100 %	-	-	-	0	-	-	0
1440 Trainings covered by the Service level agreement	31	31	-	-	31	98 %	-	-	-	0	-	-	0
1490 Other interventions	119	119	-	-	119	100 %	-	-	-	-	-	-	-
Total Chapter 14	339	329	-	-	329	97 %	-	-	-	9	-	1	10
1500 External staff services	153	153	-	-	153	100 %	-	-	-	-	-	-	-
Total Chapter 15	153	153	-	-	153	100 %	-	-	-	-	-	-	-
1700 Entertainment and representation expenses	20	9	-	-	9	44 %	-	-	-	11	-	-	11
Total Chapter 17	20	9	-	-	9	44 %	-	-	-	11	-	-	11
Total Title 1	6 331	5 496	-	-	5 496	87 %	-	-	-	834	-	1	835

5.3.2. Implementation of commitment appropriations - Title 2

EUR '000

Item	Total approp. available	Commitments made					Appropriations carried over to 2020			Appropriations lapsing			
		from final adopt. budget	from carry- overs	from assign. revenue	Total	%	Assign. revenue	By decision	Total	from final adopt. budget	from carry- overs	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	408	402	-	-	402	99 %	-	-	-	5	-	-	5
2020 Water, gas, electricity, and charges	294	266	-	-	266	90 %	-	-	-	-	-	28	28
2040 Furnishing of premises (works)	53	47	-	5	52	100 %	-	-	-	0	-	0	0
2050 Security and surveillance	29	29	-	-	29	98 %	-	-	-	0	-	-	0
Total Chapter 20	784	744	-	5	749	96 %	-	-	-	6	-	28	34
2101 Hardware, infrastructure and related services	265	254	-	-	254	96 %	-	-	-	1	-	10	10
2102 Software development, licenses and related services	774	764	-	-	764	99 %	-	-	-	10	-	-	10
Total Chapter 21	1 039	1 018	-	-	1 018	98 %	-	-	-	11	-	10	21
2202 Maintenance utilisation and repair	5	-	-	-	-	0 %	-	-	-	5	-	-	5
Total Chapter 22	5	-	-	-	-	0 %	-	-	-	5	-	-	5
2300 Stationery and office supply	40	29	-	-	29	73 %	-	-	-	11	-	-	11
2330 Legal expenses	25	25	-	-	25	100 %	-	-	-	-	-	-	-
2350 Other operating expenditure	46	42	-	-	42	91 %	-	-	-	4	-	-	4
2360 Library stocks purchase of books and subscriptions	56	56	-	-	56	100 %	-	-	-	-	-	-	-
2370 Translation interpretation	5	5	-	-	5	100 %	-	-	-	-	-	-	-
Total Chapter 23	173	158	-	-	158	91 %	-	-	-	15	-	-	15
2400 Correspondence and communication expenses	57	44	-	-	44	78 %	-	-	-	13	-	0	13
Total Chapter 24	57	44	-	-	44	78 %	-	-	-	13	-	0	13

EUR '000

Item	Total approp. available	Commitments made					Appropriations carried over to 2020			Appropriations lapsing			
		from final adopt. budget	from carry- overs	from assign. revenue	Total	%	Assign. revenue	By decision	Total	from final adopt. budget	from carry- overs	from assign. revenue	Total
		1	2	3	4	5=2+3+ 4	6=5/1	7	8	9=7+8	10	11	12
2500 Formal meetings	185	135	-	-	135	73 %	-	-	-	50	-	0	50
Total Chapter 25	185	135	-	-	135	73 %	-	-	-	50	-	0	50
2600 Running costs in connection with operational activities	60	24	-	-	24	40 %	-	-	-	36	-	-	36
2601 Events	10	-	-	-	-	0 %	-	-	-	10	-	-	10
2602 Workshops	316	273	-	-	273	86 %	-	-	-	43	-	-	43
2603 Knowledge management	6	4	-	-	4	67 %	-	-	-	2	-	-	2
Total Chapter 26	392	301	-	-	301	77 %	-	-	-	91	-	-	91
2700 External communication	225	17	-	-	17	8 %	-	-	-	208	-	-	208
2701 Events	300	156	-	-	156	52 %	-	-	-	144	-	-	144
2702 Material	100	17	-	-	17	17 %	-	-	-	83	-	-	83
Total Chapter 27	625	190	-	-	190	30 %	-	-	-	435	-	-	435
2800 Ex-post audits	263	176	-	-	176	67 %	-	-	-	87	-	-	87
2801 Studies, consultancy	280	274	-	-	274	98 %	-	-	-	6	-	-	6
2802 Audits	28	-	-	-	-	0 %	-	-	-	28	-	-	28
Total Chapter 28	570	449	-	-	449	79 %	-	-	-	120	-	-	120
2900 Evaluation experts meetings	887	743	-	-	743	84 %	-	-	-	138	-	5	143
2901 Evaluation facilities	23	23	-	-	23	100 %	-	-	-	-	-	-	-
Total Chapter 29	910	766	-	-	766	84 %	-	-	-	138	-	5	143
Total Title 2	4 739	3 806	-	5	3 812	80 %	-	-	-	884	-	44	927

5.3.3. Implementation of commitment appropriations - Title 3

EUR '000

Item	Total approp. available	Commitments made					Appropriations carried over to 2020			Appropriations lapsing			
		from final adopt. budget	from carry- overs	from assign. revenue	Total	%	Assign. revenue	By decision	Total	from final adopt. budget	from carry- overs	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
3000 Implementing the research agenda of IMI	56	-	56	-	56	100 %	-	-	-	-	-	-	-
3001 Call 1	14	-	-	-	-	0 %	-	-	-	-	-	14	14
3003 Call 3	20	-	-	18	18	90 %	-	-	-	-	-	2	2
3004 Call 4	27	-	-	27	27	100 %	-	-	-	-	-	-	-
3005 Call 5	3	-	-	-	-	0 %	-	-	-	-	-	3	3
3006 Call 6	8	-	-	-	-	0 %	-	-	-	-	-	8	8
3020 IMI2 Implementing the research agenda of IMI	3	-	-	-	-	0 %	-	-	-	-	3	-	3
3027 IMI2 Call 7	177	-	-	-	-	0 %	-	-	-	-	-	177	177
3033 IMI2 Call 13	114 341	-	114 152	-	114 152	100 %	-	-	-	-	189	-	189
3037 IMI2 Call 17	40 786	40 786	-	-	40 786	100 %	-	-	-	-	-	-	-
3038 IMI2 Call 18	74 866	62 326	12 540	-	74 866	100 %	-	-	-	-	-	-	-
3039 IMI2 Call 19	20 000	20 000	-	-	20 000	100 %	-	-	-	-	-	-	-
Total Chapter 30	250 302	123 112	126 748	45	249 905	100 %	-	-	-	-	192	204	396
Total Title 3	250 302	123 112	126 748	45	249 905	100 %	-	-	-	-	192	204	396
GRAND TOTAL	261 372	132 414	126 748	51	259 213	99 %	-	-	-	1 718	192	249	2 159

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 2020					Appropriations lapsing			
		from final adopt. budget	from carry-overs	from assign. revenue	Total	%	Autom. carry-overs	By decision	Assigned rev.	Total	from final adopt. budget	from carry-overs	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 in active employment and costs linked to employees	3 509	2 985	-	-	2 985	85 %	-	-	-	-	523	-	-	523	
1101 Family allowances	374	321	-	-	321	86 %	-	-	-	-	53	-	-	53	
1102 Transfer and expatriation allowance	405	385	-	-	385	95 %	-	-	-	-	20	-	-	20	
1110 Contract agents	782	758	-	-	758	97 %	-	-	-	-	25	-	-	25	
1111 Seconded national experts	120	61	-	-	61	51 %	-	-	-	-	59	-	-	59	
1130 Insurance against sickness	104	104	-	-	104	100 %	-	-	-	-	0	-	-	0	
1131 Insurance against accidents & occupational disease	15	11	-	-	11	77 %	-	-	-	-	4	-	-	4	
1132 Unemployment insurance for temporary staff	39	39	-	-	39	100 %	-	-	-	-	0	-	-	0	
1140 Birth and death allowance	10	-	-	-	-	0 %	-	-	-	-	10	-	-	10	
1141 Annual travel costs	42	42	-	-	42	99 %	-	-	-	-	0	-	-	0	
1144 Fixed local travel allowances	3	2	-	-	2	62 %	-	-	-	-	1	-	-	1	
1172 Cost of organizing traineeships within IMI	32	-	-	-	-	0 %	-	-	-	-	32	-	-	32	
1177 Other services rendered	84	84	-	-	84	100 %	-	-	-	-	-	-	-	-	
1178 PMO fees	45	40	-	-	40	88 %	-	-	-	-	5	-	-	5	
1181 Travelling expenses (taking up duty)	5	1	-	-	1	11 %	-	-	-	-	4	-	-	4	

Item	Total approp. availab.	Payments made					Appropriations carried over to 2020					Appropriations lapsing			
		from final adopt. budget	from carry-overs	from assign. revenue	Total	%	Autom. carry-overs	By decision	Assigned rev.	Total	from final adopt. budget	from carry-overs	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	
1182 Installation allowance	11	10	-	-	10	90 %	-	-	-	-	1	-	-	1	
1183 Moving expenses	9	9	-	-	9	99 %	-	-	-	-	0	-	-	0	
1184 Temporary daily allowance	10	4	-	-	4	42 %	-	-	-	-	6	-	-	6	
1190 Weightings (correction coefficients)	2	2	-	-	2	84 %	-	-	-	-	0	-	-	0	
Total Chapter 11	5 602	4 857	-	-	4 857	87 %	-	-	-	-	745	-	-	745	
1200 Miscellaneous expenditure on staff recruitment	28	15	1	-	16	57 %	-	-	-	-	12	-	-	12	
Total Chapter 12	28	15	1	-	16	57 %	-	-	-	-	12	-	-	12	
1300 Mission expenses	202	112	12	-	124	61 %	-	-	-	-	78	-	-	78	
Total Chapter 13	202	112	12	-	124	61 %	-	-	-	-	78	-	-	78	
1401 Socio-medical structure	81	79	-	-	79	98 %	-	-	-	-	1	-	1	2	
1410 Other trainings	94	45	1	-	47	50 %	-	-	-	-	47	-	-	47	
1430 Medical service	16	16	0	-	16	98 %	-	-	-	-	0	-	-	0	
1440 Trainings covered by the Service level agreement	41	21	10	-	31	75 %	-	-	-	-	10	1	-	10	
1490 Other interventions	165	124	15	-	140	84 %	-	-	-	-	17	8	-	26	
Total Chapter 14	397	286	26	-	312	79 %	-	-	-	-	75	9	1	85	
1500 External staff services	130	84	-	-	84	65 %	-	-	-	-	46	-	-	46	
Total Chapter 15	130	84	-	-	84	65 %	-	-	-	-	46	-	-	46	
1700 Entertainment and representation expenses	26	6	6	-	11	44 %	-	-	-	-	14	-	-	14	
Total Chapter 17	26	6	6	-	11	44 %	-	-	-	-	14	-	-	14	
Total Title 1	6 385	5 359	45	-	5 404	85 %	-	-	-	-	971	9	1	980	

5.4.2. Implementation of payment appropriations - Title 2

EUR '000

Item	Total approp. availab.	Payments made					Appropriations carried over to 2020				Appropriations lapsing			
		from final adopt. budget	from carry-overs	from assign. revenue	Total	%	Autom. carry-overs	By decision	Assigned rev.	Total	from final adopt. budget	from carry-overs	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	409	402	2	-	404	99 %	-	-	-	-	5	-	-	5
2020 Water, gas, electricity, and charges	294	140	-	-	140	48 %	-	-	-	-	126	-	28	154
2040 Furnishing of premises (works)	57	11	5	-	16	28 %	-	-	-	-	36	-	6	42
2050 Security and surveillance	54	29	25	-	54	99 %	-	-	-	-	0	-	-	0
Total Chapter 20	815	582	32	-	614	75 %	-	-	-	-	167	-	34	201
2101 Hardware, infrastructure and related services	497	144	31	2	177	36 %	-	-	-	-	111	201	7	320
2102 Software development, licenses and related services	924	373	150	-	523	57 %	-	-	-	-	401	-	-	401
Total Chapter 21	1 421	517	181	2	700	49 %	-	-	-	-	512	201	7	721
2202 Maintenance utilisation and repair	5	-	-	-	-	0 %	-	-	-	-	5	-	-	5
Total Chapter 22	5	-	-	-	-	0 %	-	-	-	-	5	-	-	5
2300 Stationery and office supply	43	27	3	-	30	70 %	-	-	-	-	13	-	-	13
2330 Legal expenses	25	-	-	-	-	0 %	-	-	-	-	25	-	-	25
2350 Other operating expenditure	80	35	1	-	36	45 %	-	-	-	-	11	33	-	44
2360 Library stocks purchase of books and subscriptions	56	27	-	-	27	48 %	-	-	-	-	29	-	-	29
2370 Translation interpretation	5	0	-	-	0	10 %	-	-	-	-	5	-	-	5
Total Chapter 23	209	90	3	-	93	44 %	-	-	-	-	83	33	-	116
2400 Correspondence and communication expenses	82	11	12	-	22	27 %	-	-	-	-	46	13	0	59
Total Chapter 24	82	11	12	-	22	27 %	-	-	-	-	46	13	0	59
2500 Formal meetings	225	63	34	-	97	43 %	-	-	-	-	122	6	0	128

Item	Total approp. availab.	Payments made					Appropriations carried over to 2020					Appropriations lapsing			
		from final adopt. budget	from carry-overs	from assign. revenue	Total	%	Autom. carry-overs	By decision	Assigned rev.	Total	from final adopt. budget	from carry-overs	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	
Total Chapter 25	225	63	34	-	97	43 %	-	-	-	-	122	6	0	128	
2600 Running costs in connection with operational activities	70	9	10	-	20	28 %	-	-	-	-	51	-	-	51	
2601 Events	10	-	-	-	-	0 %	-	-	-	-	10	-	-	10	
2602 Workshops	366	169	49	-	219	60 %	-	-	-	-	147	0	-	147	
2603 Knowledge management	10	-	-	-	-	0 %	-	-	-	-	6	4	-	10	
Total Chapter 26	456	179	60	-	239	52 %	-	-	-	-	213	4	-	218	
2700 External communication	290	80	2	-	82	28 %	-	-	-	-	145	63	-	208	
2701 Events	300	156	-	-	156	52 %	-	-	-	-	144	-	-	144	
2702 Material	103	14	3	-	17	17 %	-	-	-	-	86	0	-	86	
Total Chapter 27	693	250	5	-	255	37 %	-	-	-	-	375	63	-	438	
2800 Ex-post audits	526	95	117	-	211	40 %	-	-	-	-	168	146	-	315	
2801 Studies, consultancy	361	82	6	-	87	24 %	-	-	-	-	198	76	-	274	
2802 Audits	84	-	34	-	34	40 %	-	-	-	-	28	22	-	50	
Total Chapter 28	971	176	156	-	332	34 %	-	-	-	-	394	245	-	639	
2900 Evaluation experts meetings	897	448	7	1	456	51 %	-	-	-	-	433	4	4	441	
2901 Evaluation facilities	25	11	2	-	13	51 %	-	-	-	-	12	-	-	12	
Total Chapter 29	922	459	8	1	469	51 %	-	-	-	-	445	4	4	453	
Total Title 2	5 799	2 327	492	3	2 821	49 %	-	-	-	-	2 364	568	46	2 978	

5.4.3. Implementation of payment appropriations - Title 3

EUR '000

Item	Total approp. availab.	Payments made					Appropriations carried over to 2020					Appropriations lapsing			
		from final adopt. budget	from carry- overs	from assign. revenue	Total	%	Autom. carry- overs	By decision	Assigne d rev.	Total	from final adopt. budget	from carry- overs	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	Implementing the research	56	-	56	-	56	100 %	-	-	-	-	-	-	-	-
3001	Call 1	67	51	-	-	51	76 %	-	-	-	-	-	-	16	16
3002	Call 2	204	204	-	-	204	100 %	-	-	-	-	-	-	-	-
3003	Call 3	1 894	1 876	-	-	1 876	99 %	-	-	-	-	-	-	18	18
3004	Call 4	3 968	1 241	2 700	27	3 968	100 %	-	-	-	-	-	-	-	-
3005	Call 5	3	-	-	-	-	0 %	-	-	-	-	-	-	3	3
3006	Call 6	4 118	3 110	1 000	-	4 110	100 %	-	-	-	-	-	-	8	8
3007	Call 7	500	-	-	-	-	0 %	-	-	-	-	500	-	-	500
3008	Call 8	13 000	9 879	3 000	-	12 879	99 %	-	-	-	-	121	-	-	121
3009	Call 9	6 300	5 402	300	-	5 702	91 %	-	-	-	-	598	-	-	598
3010	Call 10	1 000	987	-	-	987	99 %	-	-	-	-	13	-	-	13
3011	Call 11	11 350	6 150	5 200	-	11 350	100 %	-	-	-	-	-	-	-	-
3020	IMI2 Implementing	2 171	-	-	-	-	0 %	-	-	-	-	2 143	28	-	2 171
3021	IMI2 Call 1	3 063	3 063	-	-	3 063	100 %	-	-	-	-	-	-	-	-
3022	IMI2 Call 2	15 246	15 246	-	-	15 246	100 %	-	-	-	-	-	-	-	-
3023	IMI2 Call 3	11 710	9 000	2 710	-	11 710	100 %	-	-	-	-	-	-	-	-
3025	IMI2 Call 5	6 457	6 457	-	-	6 457	100 %	-	-	-	-	-	-	-	-
3026	IMI2 Call 6	6 704	5 204	1 500	-	6 704	100 %	-	-	-	-	-	-	-	-
3027	IMI2 Call 7	8 014	5 410	2 336	-	7 746	97 %	-	-	-	-	90	-	177	267
3028	IMI2 Call 8	2 382	2 382	-	-	2 382	100 %	-	-	-	-	-	-	-	-
3029	IMI2 Call 9	7 286	7 286	-	-	7 286	100 %	-	-	-	-	-	-	-	-
3030	IMI2 Call 10	10 556	10 556	-	-	10 556	100 %	-	-	-	-	-	-	-	-
3031	IMI2 Call 11	300	212	-	-	212	71 %	-	-	-	-	88	-	-	88
3033	IMI2 Call 13	33 177	33 177	-	-	33 177	100 %	-	-	-	-	-	-	-	-
3034	IMI2 Call 14	25 000	14 521	10 000	-	24 521	98 %	-	-	-	-	479	-	-	479
3035	IMI2 Call 15	33 783	33 582	-	-	33 582	99 %	-	-	-	-	201	-	-	201
3036	IMI2 Call 16	10 826	9 826	946	-	10 772	100 %	-	-	-	-	-	54	-	54
Total Chapter 30		219 133	184 820	29 748	27	214 596	98 %	-	-	-	-	4 233	81	223	4 537
Total Title 3		219 133	184 820	29 748	27	214 596	98 %	-	-	-	-	4 233	81	223	4 537
GRAND TOTAL		231 317	192 506	30 285	30	222 821	96 %	-	-	-	-	7 568	658	270	8 496

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 for- ward from pre- vious year	Decommit. Revaluation Cancel- lations	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 in active employment and costs linked to employees	-	-	-	-	2 985	2 985	-	-	-
1101	Family allowances	-	-	-	-	321	321	-	-	-
1102	Transfer and expatriation allowance	-	-	-	-	385	385	-	-	-
1110	Contract agents	-	-	-	-	758	758	-	-	-
1111	Seconded national experts	-	-	-	-	61	61	-	-	-
1130	Insurance against sickness	-	-	-	-	104	104	-	-	-
1131	Insurance against accidents & occupational disease	-	-	-	-	11	11	-	-	-
1132	Unemployment insurance for temporary staff	-	-	-	-	39	39	-	-	-
1141	Annual travel costs	-	-	-	-	42	42	-	-	-
1144	Fixed local travel allowances	-	-	-	-	2	2	-	-	-
1177	Other services rendered	-	-	-	-	84	84	-	-	-
1178	PMO fees	-	-	-	-	40	40	-	-	-
1181	Travelling expenses (taking up duty)	-	-	-	-	1	1	-	-	-
1182	Installation allowance	-	-	-	-	10	10	-	-	-
1183	Moving expenses	-	-	-	-	9	9	-	-	-
1184	Temporary daily allowance	-	-	-	-	4	4	-	-	-
1190	Weightings (correction coefficients)	-	-	-	-	2	2	-	-	-
Total chapter 11		-	-	-	-	4 857	4 857	-	-	-
1200	Miscellaneous expenditure on staff recruitment	1	(0)	1	-	15	15	-	-	-
Total chapter 12		1	(0)	1	-	15	15	-	-	-
1300	Mission expenses	12	(12)	1	-	132	123	-	9	9

Item	Commitments outstanding at the end of previous year				Commitments of the current year				Total commitm. outstanding at year-end
	Commitm. carried for- ward from pre- vious year	Decommit. Revaluation Cancel- lations	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	
Total chapter 13	12	(12)	1	-	132	123	-	9	9
1401 Socio-medical structure	-	-	-	-	79	79	-	-	-
1410 Other trainings	1	(0)	1	-	85	45	-	40	40
1430 Medical service	0	(0)	-	-	16	16	-	-	-
1440 Trainings covered by the Service level agreement	10	-	10	-	31	21	-	10	10
1490 Other interventions	23	(0)	23	-	119	116	-	2	2
Total chapter 14	35	(0)	35	-	329	277	-	52	52
1500 External staff services	-	-	-	-	153	84	-	69	69
Total chapter 15	-	-	-	-	153	84	-	69	69
1700 Entertainment and representation expenses	6	(1)	4	-	9	7	-	2	2
Total chapter 17	6	(1)	4	-	9	7	-	2	2
Total Title 1	54	(14)	40	-	5 496	5 364	-	131	131

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 for- ward from pre- vious year	Decommit. Revaluation Cancel- lations	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	
2000 Rentals	2	(0)	2	-	402	402	-	-	-
2020 Water, gas, electricity, and charges	-	-	-	-	266	140	-	126	126
2040 Furnishing of premises (works)	5	-	5	-	52	11	-	41	41
2050 Security and surveillance	25	-	25	-	29	29	-	-	-
Total chapter 20	32	(0)	32	-	749	582	-	167	167
2101 Hardware, infrastructure and related services	232	(40)	108	84	254	69	-	185	269
2102 Software development, licenses and related services	150	-	117	34	764	407	-	357	391
Total chapter 21	382	(40)	225	117	1 018	476	-	542	659
2300 Stationery and office supply	3	(0)	3	-	29	27	-	2	2
2330 Legal expenses	-	-	-	-	25	-	-	25	25
2350 Other operating expenditure	33	(7)	-	26	42	36	-	7	33
2360 Library stocks purchase of books and subscriptions	-	-	-	-	56	27	-	29	29
2370 Translation interpretation	-	-	-	-	5	0	-	5	5
Total chapter 23	36	(8)	3	26	158	90	-	68	94
2400 Correspondence and communication expenses	25	(18)	6	-	44	16	-	28	28
Total chapter 24	25	(18)	6	-	44	16	-	28	28
2500 Formal meetings	40	(27)	12	-	135	84	-	51	51
Total chapter 25	40	(27)	12	-	135	84	-	51	51
2600 Running costs in connection with operational activities	10	(9)	1	(0)	24	18	-	6	6
2602 Workshops	50	(2)	48	-	273	171	-	102	102
2603 Knowledge management	4	-	-	4	4	-	-	4	8

EUR '000

Item	Commitments outstanding at the end of previous year				Commitments of the current year				Total commitm. outstanding at year-end
	Commitm. carried for- ward from pre- vious year	Decommit. Revaluation Cancel- lations	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	
Total chapter 26	64	(11)	49	4	301	190	–	112	116
2700 External communication	65	(0)	65	–	17	17	–	–	–
2701 Events	–	–	–	–	156	156	–	–	–
2702 Material	3	(0)	3	–	17	14	–	3	3
Total chapter 27	68	(0)	68	–	190	187	–	3	3
2800 Ex-post audits	263	(1)	211	51	176	–	–	176	227
2801 Studies, consultancy	82	–	82	–	274	6	–	268	268
2802 Audits	56	–	34	22	–	–	–	–	22
Total chapter 28	401	(1)	327	73	449	6	–	444	517
2900 Evaluation experts meetings	10	(1)	10	–	743	446	–	297	297
2901 Evaluation facilities	2	(0)	1	–	23	11	–	12	12
Total chapter 29	12	(1)	11	–	766	457	–	309	309
Total Title 2	1 060	(107)	733	220	3 812	2 088	–	1 723	1 943

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 for- ward from pre- vious year	Decommit. Revaluation Cancel- lations	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	Implementing the research agenda of IMI JU	-	-	-	-	56	56	-	-	-
3001	Call 1	1 526	-	51	1 475	-	-	-	-	1 475
3002	Call 2	752	-	204	549	-	-	-	-	549
3003	Call 3	4 303	-	1 857	2 445	18	18	-	-	2 445
3004	Call 4	4 717	-	3 941	776	27	27	-	-	776
3005	Call 5	644	-	-	644	-	-	-	-	644
3006	Call 6	42 958	-	4 110	38 849	-	-	-	-	38 849
3007	Call 7	1 300	-	-	1 300	-	-	-	-	1 300
3008	Call 8	38 890	-	12 879	26 011	-	-	-	-	26 011
3009	Call 9	19 131	-	5 702	13 429	-	-	-	-	13 429
3010	Call 10	1 669	-	987	682	-	-	-	-	682
3011	Call 11	71 058	-	11 350	59 708	-	-	-	-	59 708
3013	ENSO 2013	402	-	-	402	-	-	-	-	402
3020	IMI2 Implementing the research agenda of IMI JU	2 100	-	-	2 100	-	-	-	-	2 100
3021	IMI2 Call 1	9 116	-	3 063	6 052	-	-	-	-	6 052
3022	IMI2 Call 2	27 503	-	15 246	12 256	-	-	-	-	12 256
3023	IMI2 Call 3	20 205	-	11 710	8 495	-	-	-	-	8 495
3024	IMI2 Call 4	52	-	-	52	-	-	-	-	52
3025	IMI2 Call 5	25 825	-	6 457	19 368	-	-	-	-	19 368
3026	IMI2 Call 6	24 934	-	6 704	18 230	-	-	-	-	18 230
3027	IMI2 Call 7	25 820	-	7 746	18 074	-	-	-	-	18 074

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	
3028 IMI2 Call 8	31 562	-	2 382	29 180	-	-	-	-	29 180
3029 IMI2 Call 9	36 004	-	7 286	28 718	-	-	-	-	28 718
3030 IMI2 Call 10	117 298	-	10 556	106 743	-	-	-	-	106 743
3031 IMI2 Call 11	657	-	212	445	-	-	-	-	445
3032 IMI2 Call 12	42 099	-	-	42 099	-	-	-	-	42 099
3033 IMI2 Call 13	-	-	-	-	114 152	33 177	-	80 975	80 975
3034 IMI2 Call 14	82 357	(47)	24 521	57 790	-	-	-	-	57 790
3035 IMI2 Call 15	171 876	(6 268)	33 582	132 026	-	-	-	-	132 026
3036 IMI2 Call 16	46 900	(11 716)	10 772	24 412	-	-	-	-	24 412
3037 IMI2 Call 17	-	-	-	-	40 786	-	-	40 786	40 786
3038 IMI2 Call 18	-	-	-	-	74 866	-	-	74 866	74 866
3039 IMI2 Call 19	-	-	-	-	20 000	-	-	20 000	20 000
Total chapter 30	851 658	(18 031)	181 318	652 309	249 905	33 278	-	216 627	868 936
Total Title 3	851 658	(18 031)	181 318	652 309	249 905	33 278	-	216 627	868 936
GRAND TOTAL	852 771	(18 152)	182 091	652 529	259 213	40 731	-	218 482	871 011

7. GLOSSARY

ABAC

This is the name given to the Commission's accounting system, which since 2005 has been enriched by accrual accounting rules. Apart from the cash-based budget accounts, the Commission produces accrual-based accounts which recognise revenue when earned, rather than when collected. Expenses are recognised when incurred rather than when paid. This contrasts with cash basis budgetary accounting that recognises transactions and other events only when cash is received or paid.

Accounting

The act of recording and reporting financial transactions, including the creation of the transaction, its recognition, processing, and summarisation in the financial statements.

Accounting Officer

The role, powers and responsibilities of the accounting officer are set out in the Financial Regulation:

- proper implementation of payments,
- collection of revenue,
- recovery of amounts and offsetting,
- keeping, preparing and presenting the accounts,
- laying down the accounting rules and methods and the chart of accounts,
- laying down and validating the accounting systems and validating systems laid down by the authorising officer to supply or justify accounting information (local systems),
- treasury management,
- designation of the Imprest Administrators,
- opening and closing bank accounts in the name of the Institution.

Administrative appropriations

Administrative appropriations cover the running costs of the Institutions and entities (staff, buildings, office equipment).

Adjustment

Amending budget or transfer of funds from one budget item to another.

Adopted budget

Draft budget becomes the adopted budget as soon as approved by the Budgetary Authority.

Cf. Budget

Agencies

EU bodies having a distinct legal personality, and to whom budget implementing powers may be delegated under strict conditions. They are subject to a distinct discharge from the discharge authority.

Amending budget

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

Annuality

The budgetary principle according to which expenditure and revenue is programmed and authorised for one year, starting on 1 January and ending on 31 December.

Appropriations

Budget funding.

The budget forecasts both commitments (legal pledges to provide finance, provided that certain conditions are fulfilled) 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. Non-differentiated appropriations apply to administrative expenditure and commitment appropriations equal payment appropriations.

Assigned revenue External/Internal

Dedicated revenue received to finance specific items of expenditure.

Main sources of external assigned revenue *are financial contributions from third countries to programmes financed by the Union.*

Main sources of internal assigned revenue are revenue from third parties in respect of goods, services or work supplied at their request, revenue arising from the repayment of amounts wrongly paid and revenue from the sale of publications and films, including those on an electronic medium.

The complete list of items constituting assigned revenue is given in the Financial Regulation Art. 21.

Authorising Officer by Delegation (AOD)

The AOD is responsible in each entity for authorising revenue and expenditure operations in accordance with the principles of sound financial management and for ensuring that the requirements of legality and regularity are complied with.

The AOD is responsible for taking all financial decision concerning actions under his/her responsibility. Particularly, he/she must take decisions to implement the budget based on his/her risk analysis.

Budget

Annual financial plan, drawn up according to budgetary principles, that provides forecasts and authorises, for each financial year, an estimate of future costs and revenue and expenditures and their detailed description and justification, the latter included in budgetary remarks.

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 as provided in the Financial Regulation for agencies.

Budget implementation

Consumption of the budget through expenditure and revenue operations.

Budget item / Budget line / Budget position

As far as the budget structure is concerned, revenue and expenditure are shown in the budget 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 authority

Institutions with decisional powers on budgetary matters: for the EU institutions, the European Parliament and the Council of Ministers.

For the agencies and joint undertakings, their board is the budgetary authority.

Budgetary commitment

A budgetary commitment is a reservation of appropriations to cover for subsequent expenses.

Cancellation of appropriations

Unused appropriations that may no longer be used.

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 cost of legal obligations (contracts, grant agreements/decisions) that could be signed in the current financial year. Financial Regulation Art. 7: *Commitment appropriations cover the total cost in the current financial year of legal obligations (contracts, grant agreements/decisions) entered into for operations extending over more than one year.*

De-commitment

Cancellation of a reservation of appropriations.

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. Financial Regulation Art. 7: *Differentiated appropriations are entered for multiannual operations. They consist of commitment appropriations and payment appropriations.*

Earmarked revenue

Revenue earmarked for a specific purpose, such as income from foundations, subsidies, gifts and bequests, including the earmarked revenue specific to each institution.

Cf. Assigned revenue

Economic result

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

Entitlements established

Entitlements are recovery orders that the European Union must establish for collecting income.

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 currency at the closure.

Expenditure

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

Financial regulation (FR)

Adopted through the ordinary legislative procedure after consulting the European Court of Auditors, this regulation lays down the rules for the establishment and implementation of the general budget of the European Union.

For reference, Regulation (EU, Euratom) No 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union

Funds Source

Type of appropriations

Grants

Direct financial contributions, by way of donation, from the budget in order to finance either an action intended to help achieve an objective part of an EU policy or the functioning of a body, which pursues an aim of general European interest or has an objective forming part of an EU policy.

Implementation

Cf. Budget implementation

Income

Cf. Revenue

Joint Undertakings (JUs)

A legal EU-body established under the Treaty on the Functioning of the European Union. The term can be used to describe any collaborative structure proposed for the *"efficient execution of Union research, technological development and demonstration programmes"*.

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, which is represented by an appropriation.

Only for joint undertakings, 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 could be re-activated until financial year "N+3".

Legal base (basic act)

The legal base or basis is, as a general rule, a law based on an article in the Treaty on the Functioning of the European Union giving competence to the Community for a specific policy area and setting out the conditions for fulfilling that competence including budget implementation. Certain articles from the treaty authorise the Commission to undertake certain actions, which imply spending, without there being a further legal act.

Legal commitment

A legal commitment establishes a legal obligation towards third parties.

Non-differentiated appropriations

Non-differentiated appropriations are for operations of an annual nature. (Financial Regulation Art. 9). In the EU Budget, non-differentiated appropriations apply to administrative expenditure, for agricultural market support and direct payments.

Operational appropriations

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

Outstanding commitment

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

Outturn

Cf. Budget result

Payment

A payment is a disbursement to honour legal obligations.

Payment appropriations

Payment appropriations cover expenditure due in the current year, arising from legal commitments entered in the current year and/or earlier years (Financial Regulation Art. 7).

RAL

Sum of outstanding commitments. Cf. Outstanding commitments

Recovery

The recovery order is the procedure by which the Authorising officer by Delegation (AOD) registers an entitlement by the Commission in order to retrieve the amount, which is due. The entitlement is the right that the Commission has to claim the sum, which is due by a debtor, usually a beneficiary.

Result

Cf. Budget result

Revenue

Term used to describe income from all sources financing the budget.

Rules of application

Detailed rules for the implementation of the financial regulation. They are set out in a Commission regulation adopted after consulting all institutions and cannot alter the financial regulation upon which they depend.

Surplus

Positive difference between revenue and expenditure (Cf. Budget result) which has to be returned to the funding authority as provided in the Financial Regulation.

Transfer

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. However, they are expressly authorised by the Treaty on the Functioning of the European Union under the conditions laid down in the Financial Regulation. The Financial Regulation identifies different types of transfers depending on whether they are between or within budget titles, chapters, articles or headings and require different levels of authorisation.