



Annual accounts of the  
European Institute of  
Innovation and Technology

Financial year 2020

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## **CERTIFICATION OF THE ACCOUNTS**

I acknowledge my responsibility for the preparation and presentation of the annual accounts of EIT, the European Institute of Innovation and Technology in accordance with Article 102 of the Framework Financial Regulation ('FFR')<sup>1</sup> and I hereby certify that the annual accounts of the EIT for the year 2020 have been prepared in accordance with Title IX of the FFR 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 EIT's assets and liabilities and the budgetary implementation. Based on this information, and on such checks as I deemed necessary to sign off the accounts, I have a reasonable assurance that the accounts present fairly, in all material aspects, the financial position, the results of the operations and the cash-flow of the EIT.

Rosa ALDEA BUSQUETS

**Accounting Officer of the  
European Institute of Innovation and  
Technology**

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<sup>1</sup> COMMISSION DELEGATED REGULATION (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council.

## BACKGROUND INFORMATION NOTE

### 1.1. General background on the entity

#### Establishment

The European Institute of Innovation and Technology (EIT) is an EU body created by Regulation (EC) No 294/2008 of the European Parliament and of the Council of 11 March 2008 (the founding Regulation) as amended by Regulation No 1292/2013 of 11 December 2013 to strengthen Europe's ability to innovate. The EIT is an integral part of Horizon 2020, the EU's Framework Programme for Research and Innovation a Europe 2020 flagship initiative that aims to enhance Europe's global competitiveness. The seat of EIT is Budapest, Hungary.

#### Mission

The EIT's mission is to contribute to sustainable European economic growth and competitiveness by reinforcing the innovation capacity of the Member States and the Union in order to address major challenges faced by European society by promoting synergies and co-operation among, and integrating, higher education institutions, research organisations and businesses of the highest standards. The EIT aims to create favourable environments for creative thoughts, in order to enable world-class innovation and entrepreneurship to thrive in Europe.

#### Main operational activities

EIT supports the development of dynamic, long-term European partnerships among leading companies, research labs and higher education. These partnerships are called Knowledge and Innovation Communities (KIC). Each is dedicated to finding solutions to a specific global challenge, from climate, digitisation, efficient and renewable energies to health, sustainable raw materials and food, with manufacturing and urban mobility selected as two additional areas of focus starting from 2019.

Bringing together more than 1 500 partners, the EIT is Europe's largest innovation network. EIT powers innovators and entrepreneurs across Europe to turn their best ideas into products, services, jobs and growth. This is crucial to fulfilling the EIT's mission: creating jobs and delivering sustainable economic growth opportunities for Europe. EIT also contributes to delivering on Europe's commitment to the UN's Sustainable Development Goals.

Together with leading partners, the EIT Community offers a wide range of innovation and entrepreneurship activities: education courses that combine technical and entrepreneurial skills, tailored business creation and acceleration services and innovation driven research projects. This brings new ideas and solutions to the market, turns students into entrepreneurs and, most importantly, delivers innovation.

#### Governance

EIT is headed by a Director that is appointed by the Governing Board. He is accountable to the Governing Board for the administrative and financial management of the EIT and act as the legal representative of the EIT.

The Governing Board which is the principal governing body of the EIT entrusted with the role of strategic leadership and the overall direction of the operational activities implemented by the EIT. It is independent and autonomous in its decision-making and is responsible for the selection, evaluation and support of the EIT Knowledge and Innovation Communities. The Governing Board brings together 12 members, appointed by the Commission. For their appointment the Commission takes into account to the balance between higher education, research, innovation and business experience as well as to gender and geographical balance and an appreciation of the higher education, research and innovation environment across the Union. The Members have a four-year non-renewable term of office.

The Executive Committee supports the activities of the Governing Board by overseeing the implementation of its strategic decisions. It consists of the EIT Governing Board Chairperson and three members of the EIT Governing Board.

## Sources of financing

The EIT is mainly financed through a contribution from the general budget of the European Union within the financial envelope and contribution from Horizon 2020 associated countries.

## 1.2. Annual accounts

### Basis for preparation

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

### Accounting Officer

In accordance with the FFR, the Governing Board of the entity appoints the Accounting Officer who is, amongst other tasks, responsible for preparation of the annual accounts, which are consolidated in those of the EU.

Following the decision of the EIT's Governing Board of 20 September 2018, the Accounting Officer of the Commission shall, as of 1 October 2018, acts as the Accounting Officer of EIT.

### Composition of the annual accounts

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

### Process from provisional accounts to discharge

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

The final annual accounts, together with the opinion of the Governing Board, are sent to the Accounting Officer of the Commission, the Court of Auditors, the European Parliament and the Council by 1 July of the following financial year. The ECA scrutinises the final annual accounts and includes any findings in the annual report for the European Parliament and the Council.

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

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<sup>2</sup> COMMISSION DELEGATED REGULATION (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council

## 1.3. Operational highlights

### Achievements of the year

In 2020, the EIT continued to enhance its role as a smart investor in innovation by refining and implementing its strategy for Knowledge and Innovation Communities (KIC) financial sustainability to ensure a smooth and predictable transition towards their gradual financial independence from the EIT. The EIT further promoted collaboration and competition among the existing KIC by implementing targeted cross-KIC actions such as the EIT label and the development of a common Entrepreneurship and Innovation Agenda.

Innovation played a key role in responding to the significant challenges posed by the COVID-19 crisis.

The COVID-19 pandemic has significantly affected the EIT Community and, in particular, the unique support it provides across Europe to students, entrepreneurs and innovators dedicated to developing innovative solutions to global challenges. Under the EIT's coordination, the eight KICs have mobilised their partnerships, are proactively responding in a strategic and operational manner to the short-term challenges resulting from COVID-19, and also looking ahead to the expected economic and social challenges to follow.

The EIT Community has responded with concrete activities and resources to support the global response to the pandemic and with solutions powered by innovators and organisations within its ecosystem. The EIT therefore launched the EIT Crisis Response Initiative as part of the EU's collective efforts to tackle the COVID-19 crisis.

The EIT Governing Board mobilised EUR 60 million of additional funding to innovators powering high-impact solutions that tackle this unprecedented social and economic challenge. The financing allowed the launch of new innovation projects to address the immediate crisis as part of the 'Pandemic Response Projects', and will support highly innovative start-ups, scale-ups and SMEs crucial to the economy's fast recovery to benefit from additional funding under the 'Venture Support Instrument'.

The EIT Community's response focuses, on the one hand, on the most vulnerable beneficiary groups affected by the crisis, i.e. students, entrepreneurs (start-ups and SMEs) and innovators. On the other hand, a review and adjustment of focus of calls for activities for 2021 is ongoing to include a shift towards more COVID-19 related measures with EIT Health as the key driver. EIT Health, in the immediate situation and as one of the leading health innovation communities in Europe, is centrally placed to support the response to the pandemic.

On 8 September 2020, the EIT announced that the EUR 60 million had been awarded to 207 innovation projects and ventures from 32 countries. As part of the 'Pandemic Response Projects', 62 new innovation projects, bringing together 212 partners from 25 countries, are developing solutions directly tackling COVID-19 related challenges. The 'Venture Support Instrument' is supporting 145 start-ups, scale-ups and SMEs from 23 countries that have been enormously impacted by the COVID-19 crisis.

A few examples of EIT Community activities supported under the Crisis Response Initiative covered the acceleration of bringing healthcare solutions to the market that allow for remote screening and monitoring of patients by EIT Digital; the recovery of confidence in the urban mobility sector by EIT Urban Mobility as a way to counteract people returning to individual car traffic (e.g. projects to create solutions for the safe use of public transport); the mobilisation of 3-D printing and robotics by EIT RawMaterials to manufacture vital medical devices or test kits; as well as coordinated measures across EIT Manufacturing's network that will shorten manufacturing supply chains and relocate manufacturing production sites to Europe.

Due to the COVID-19 crisis, the major annual events, such as the EIT Stakeholder Forum and EIT Awards, were organised in the virtual space.

In a virtual celebration of innovation, showcasing the achievements of successful graduates, entrepreneurs and innovators supported by the EIT Community, the 2020 EIT Awards winners were chosen by an international jury from 26 nominees competing in four categories. The public also had its say with the EIT Public Award that saw over 5 000 votes being cast online. Recognising excellence in innovation, the nominees showcased their cutting-edge products and services accelerating Europe's transition to a greener, healthier, and more digital future.

## **Budget and budget implementation**

The budget (Titles 1–3) of the EIT amounted to kEUR 615 862 in 2020 which was significantly higher compared to 2019 (kEUR 496 700). This represents a 24% increase compared to 2019. The largest part of the budget (99%) was spent on grants awarded to the Knowledge and Innovation Communities. Despite the COVID-19 crisis, for commitments, the EIT reached an implementation rate of 98%, which was above the execution rate of 2019 (2019: 97% on Titles 1–3, 2018: 92%, 2017: 91%). This is mainly due to the EIT's crisis response detailed above. For payments, EIT kept the high level of implementation at 98%.

The budget implementation on Title 1 (staff related expense) in terms of budget used by commitments was 92%; payments reached 85%. Due to the COVID-19 crisis, a significant part of the budget for missions was not used and transferred to other purposes contributing to the remote work of staff.

For commitments on Title 2 (administrative expense), EIT reached an implementation rate of 87% and for payments 65%. The low implementation rate came from the uncertainty caused by the pandemic situation, and affected the following expenses: transport, stationary, EIT Governing Board meetings and travels.

The budget execution on Title 3 (operational expense) was the highest for commitments (99%) as well as for payments (99%). Due to the COVID-19 crisis, a significant part of events was transferred to the digital space, which affected the implementation of the budget.

## **Impact of the activities in the financial statements**

In the financial statements, the impact of the above mentioned activities can be noted in the:

- Increase of revenues related to the subsidy from the European Commission by 33% (2019: kEUR 414 693, 2020: kEUR 550 510) to support the increasing activities of EIT. This is in line with the increase of the operating expenses by 25%, which is mostly related to costs of expert fees and online events and communication expenses (2019: kEUR 451 894, 2020: kEUR 567 666).
- Decrease of other expenses such as external non IT services, property, plant and equipment expenses and missions mainly affected by the COVID-19 situation (2019: kEUR 1 919, 2020: kEUR 1 467).

# **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	31.12.2020	31.12.2019
<b>NON-CURRENT ASSETS</b>			
<i>Intangible assets</i>	2.1	0	24
<i>Property, plant and equipment</i>	2.2	18	59
<i>Exchange receivables and non-exchange recoverables</i>	2.3	1	1
		<b>19</b>	<b>84</b>
<b>CURRENT ASSETS</b>			
<i>Exchange receivables and non-exchange recoverables</i>	2.3	4 198	9 421
		<b>4 198</b>	<b>9 421</b>
<b>TOTAL ASSETS</b>		<b>4 218</b>	<b>9 505</b>
<b>CURRENT LIABILITIES</b>			
<i>Payables and other liabilities</i>	2.4	(1 661)	(10 539)
<i>Accrued charges</i>	2.5	(152 661)	(125 488)
		<b>(154 322)</b>	<b>(136 028)</b>
<b>TOTAL LIABILITIES</b>		<b>(154 322)</b>	<b>(136 028)</b>
<b>NET ASSETS</b>		<b>(150 104)</b>	<b>(126 524)</b>
<i>Accumulated deficit</i>		(126 524)	(82 499)
<i>Economic result of the year</i>		(23 581)	(44 025)
<b>NET ASSETS</b>		<b>(150 104)</b>	<b>(126 524)</b>

## STATEMENT OF FINANCIAL PERFORMANCE

	Note	2020	EUR '000 2019
<b>REVENUE</b>			
<b>Revenue from non-exchange transactions</b>	3.1		
<i>Funds from the Commission</i>		550 510	414 693
<i>Recovery of expenses</i>		26	-
		<b>550 536</b>	<b>414 693</b>
<b>Revenue from exchange transactions</b>			
<i>Other exchange revenue</i>	3.2	80	34
		<b>80</b>	<b>34</b>
<b>Total revenue</b>		<b>550 615</b>	<b>414 727</b>
<b>EXPENSES</b>			
<i>Operational costs</i>	3.3	(567 666)	(451 894)
<i>Staff costs</i>	3.4	(5 062)	(4 939)
<i>Finance costs</i>		(1)	-
<i>Other expenses</i>	3.5	(1 467)	(1 919)
<b>Total expenses</b>		<b>(574 196)</b>	<b>(458 752)</b>
<b>ECONOMIC RESULT OF THE YEAR</b>		<b>(23 581)</b>	<b>(44 025)</b>

**CASHFLOW STATEMENT<sup>3</sup>**

	<i>EUR '000</i>	
	2020	2019
<i>Economic result of the year</i>	(23 581)	(44 025)
<b>Operating activities</b>		
<i>Depreciation and amortization</i>	64	152
<i>(Increase)/decrease in exchange receivables and non-exchange</i>	5 222	(843)
<i>Increase/(decrease) in payables and other liabilities</i>	(8 880)	41
<i>Increase/(decrease) in accrued charges</i>	27 173	44 675
<b>Investing activities</b>		
<b>NET CASHFLOW</b>	-	-
<i>Cash and cash equivalents at the beginning of the year</i>	-	-
<i>Cash and cash equivalents at year-end</i>	-	-

<sup>3</sup> Following the appointment of the Accounting Officer of the Commission as the Accounting Officer of EIT, the treasury of EIT was integrated into the Commission's treasury system. Because of this, EIT does not have any bank accounts of its own except for an imprest account. 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

	Accumulated Surplus/(Deficit)	Economic result of the year	EUR '000 Net Assets
<b>BALANCE AS AT 31.12.2018</b>	<b>(56 509)</b>	<b>(25 989)</b>	<b>(82 499)</b>
<i>Allocation of the 2018 economic result</i>	(25 989)	25 989	-
<i>Economic result of the year</i>	-	(44 025)	(44 025)
<b>BALANCE AS AT 31.12.2019</b>	<b>(82 499)</b>	<b>(44 025)</b>	<b>(126 524)</b>
<i>Allocation of the 2019 economic result</i>	(44 025)	44 025	-
<i>Economic result of the year</i>	-	(23 581)	(23 581)
<b>BALANCE AS AT 31.12.2020</b>	<b>(126 524)</b>	<b>(23 581)</b>	<b>(150 104)</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### 1.1. ACCOUNTING PRINCIPLES

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

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

#### 1.2. BASIS OF PREPARATION

##### 1.2.1. Reporting period

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

##### 1.2.2. Currency and basis for conversion

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

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

##### Euro exchange rates

Currency	31.12.2020	31.12.2019	Currency	31.12.2020	31.12.2019
<b>BGN</b>	<b>1.9558</b>	1.9558	<b>PLN</b>	<b>4.5597</b>	4.2568
<b>CZK</b>	<b>26.2420</b>	25.4080	<b>RON</b>	<b>4.8683</b>	4.783
<b>DKK</b>	<b>7.4409</b>	7.4715	<b>SEK</b>	<b>10.0343</b>	10.4468
<b>GBP</b>	<b>0.8990</b>	0.8508	<b>CHF</b>	<b>1.0802</b>	1.0854
<b>HRK</b>	<b>7.5519</b>	7.4395	<b>JPY</b>	<b>126.4900</b>	121.9400
<b>HUF</b>	<b>363.8900</b>	330.5300	<b>USD</b>	<b>1.2271</b>	1.1234

##### 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.

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

##### **New EAR which are effective for annual periods beginning on or after 1 January 2020**

There are no new EAR which became effective for annual periods beginning on or after 1 January 2020.

##### **New EAR adopted but not yet effective at 31 December 2020**

On 17 December 2020 the Accounting Officer of the European Commission adopted the revised EAR 11 'Financial Instruments', which is effective for accounting periods beginning on or after 1 January 2021. The revised EAR 11 has been updated in line with the new IPSAS 41 'Financial Instruments' and establishes the principles for the financial reporting of the financial assets and financial liabilities held by the EU entities. For more information please refer to the EU annual accounts of 2020. No material impact of this change is expected due to the small amount of financial instruments in the financial statements of the entity.

## 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, or arises from binding arrangements. 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. Intangible assets are amortised on a straight-line basis over their estimated useful lives (3 to 11 years).

### 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.

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

### 1.3.3. 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. Based on this classification the entity only has '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.

### Initial recognition and measurement

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

Loans and receivables are carried at amortised cost using the effective interest method.

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 recognised as an asset.

Pre-financing is initially recognised on the balance sheet when cash is transferred to the recipient. It is measured at the amount of the consideration given. In subsequent periods pre-financing is measured at the amount initially recognised on the balance sheet less eligible expenses (including estimated amounts where necessary) incurred during the period.

### 1.3.6. 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.

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. Payables

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

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

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

### 1.3.8. Accrued and deferred revenue and charges

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

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

## 1.4. STATEMENT OF FINANCIAL PERFORMANCE

### 1.4.1. Revenue

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

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

*(i) Revenue from non-exchange transactions*

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

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

*(ii) Revenue from exchange transactions*

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

### 1.4.2. Expenses

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

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

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

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

## **1.5. CONTINGENT ASSETS AND LIABILITIES**

### **1.5.1. Contingent assets**

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

### **1.5.2. Contingent liabilities**

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

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

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

## **1.6. CONSOLIDATION**

The accounts of this entity are fully consolidated in the consolidated annual accounts of the EU.

## 2. NOTES TO THE BALANCE SHEET

### ASSETS

#### 2.1. INTANGIBLE ASSETS

	EUR '000
<i>Gross carrying amount at 31.12.2019</i>	475
<b>Gross carrying amount at 31.12.2020</b>	<b>475</b>
<i>Accumulated amortisation at 31.12.2019</i>	(451)
<i>Amortisation charge for the year</i>	(24)
<b>Accumulated amortisation at 31.12.2020</b>	<b>(475)</b>
<b>NET CARRYING AMOUNT AT 31.12.2020</b>	<b>0</b>
<i>NET CARRYING AMOUNT AT 31.12.2019</i>	24

The above amounts relate primarily to computer software with an amortisation rate 25%.

#### 2.2. PROPERTY, PLANT AND EQUIPMENT

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

	EUR '000				
	Plant and equipment	Furniture and vehicles	Computer hardware	Other	TOTAL
<i>Gross carrying amount at 31.12.2019</i>	1	102	546	92	742
<b>Gross carrying amount at 31.12.2020</b>	<b>1</b>	<b>102</b>	<b>546</b>	<b>92</b>	<b>742</b>
<i>Accumulated depreciation at 31.12.2019</i>	(1)	(93)	(506)	(83)	(683)
<i>Depreciation charge for the year</i>	-	(5)	(33)	(3)	(41)
<b>Accumulated depreciation at 31.12.2020</b>	<b>(1)</b>	<b>(98)</b>	<b>(539)</b>	<b>(86)</b>	<b>(724)</b>
<b>NET CARRYING AMOUNT AT 31.12.2020</b>	<b>-</b>	<b>4</b>	<b>7</b>	<b>7</b>	<b>18</b>
<i>NET CARRYING AMOUNT AT 31.12.2019</i>	-	9	40	9	59

## 2.3. EXCHANGE RECEIVABLES & NON-EXCHANGE RECOVERABLES

Exchange transactions are transactions in which the entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange. Non-exchange transactions are transactions in which an entity either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange.

	Note	31.12.2020	EUR '000 31.12.2019
<b>Non-current</b>			
<i>Receivables from exchange transactions</i>		1	1
		<b>1</b>	<b>1</b>
<b>Current</b>			
<i>Recoverables from exchange transactions</i>	2.3.1	3 780	9 129
<i>Receivables from non-exchange transactions</i>	2.3.1	419	292
		<b>4 198</b>	<b>9 421</b>
<b>Total</b>		<b>4 199</b>	<b>9 422</b>

### 2.3.1. Current recoverables and receivables

	31.12.2020	EUR '000 31.12.2019
<b>Recoverables from non-exchange transactions</b>		
<i>Member States</i>	419	292
	<b>419</b>	<b>292</b>
<b>Receivables from exchange transactions</b>		
<i>Customers</i>	2	–
<i>Central treasury liaison accounts</i>	3 559	9 065
<i>Deferred charges relating to exchange transactions</i>	166	64
<i>Other</i>	53	0
	<b>3 780</b>	<b>9 129</b>
<b>Total</b>	<b>4 198</b>	<b>9 421</b>

The main element concerns the treasury liaison/intercompany accounts with the Commission that represents a virtual bank account of EIT. Following the appointment of the Accounting Officer of the Commission as the Accounting Officer of EIT, the treasury of EIT was integrated into the Commission's treasury system. Because of this, EIT 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 ending cash balance.

Deferred charges related to exchange transactions comprise school fees paid in advance for 2021.

Recoverables from Member States contain VAT amounts to be recovered from the Republic of Hungary. EIT benefits from an indirect exemption for VAT from the Republic of Hungary for purchases above the threshold amount of EUR 240.

## LIABILITIES

### 2.4. PAYABLES AND OTHER LIABILITIES

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

	<i>EUR '000</i>	
	31.12.2020	31.12.2019
<i>Pre-financing received from Commission</i>	1 660	9 761
<i>Current payables</i>	1	779
<i>Sundry payables</i>	(0)	(1)
<b>Total</b>	<b>1 661</b>	<b>10 539</b>

The outstanding amount for the pre-financing received represents the unused amount of the 2020 Commission subsidy. The amounts will be kept by EIT and used in the following year. The large decrease compared to last year relates to increase of activities of EIT that resulted in using up most of the 2020 subsidy, hence a low liability to the Commission.

The sub-heading current payables concerns amounts owed to suppliers. As the majority of the outstanding supplier invoices were paid at the year end, the liability decreased significantly compared to 2019.

### 2.5. ACCRUED CHARGES

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

	<i>EUR '000</i>	
	31.12.2020	31.12.2019
<i>Accrued charges</i>	152 661	125 488

Accrued charges are composed of estimated operational expenses of kEUR 150 642 related to grant agreements where no invoice or cost claim has been validated by 31 December 2020. This amount is net of accrued charges clearing pre-financing of kEUR 417 610. As a result, the whole pre-financing balance was cleared with estimated expenses and the open pre-financing amounted to nill at the year end.

Included under this heading are also accrued expenses for staff costs (kEUR 58), building, equipment and other administrative costs (kEUR 37), other services related to operational activities (kEUR 1 821) and charges for untaken leave of kEUR 103.

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

#### REVENUE

##### 3.1. NON-EXCHANGE REVENUE

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

	EUR '000	
	2020	2019
<i>Funds from the Commission</i>	550 510	414 693
<i>Recovery of expenses</i>	26	–
<b>Total</b>	<b>550 536</b>	<b>414 693</b>

The heading Funds from the Commission corresponds to the amounts of the balancing subsidy used during 2020. Unused amounts are recorded as pre-financing liabilities under accounts payable (see note 2.4) and are used in the following year. The increase compared to the prior year is due to the increase in EIT's activities – see also operational costs (note 3.3).

The ex-post audits of grants reports resulted in a recovery of unduly paid expenses for grants awarded in 2018. The ex-post audits of KIC grants awarded in 2019 were still on-going at the year end thus no amounts in this respect were recorded under the heading recovery of expenses.

##### 3.2. OTHER EXCHANGE REVENUE

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

	EUR '000	
	2020	2019
<i>Foreign exchange gains</i>	72	27
<i>Other</i>	8	7
<b>Total</b>	<b>80</b>	<b>34</b>

The foreign exchange gains include both amounts related to realised and unrealised exchange gains. The corresponding exchange losses are included under other expenses (see note 3.5).

#### EXPENSES

##### 3.3. OPERATIONAL COSTS

Included under this heading are expenses incurred in relation to operational activities.

	EUR '000	
	2020	2019
<i>Operational costs</i>	567 666	451 894

The increase of kEUR 115 772 in the operational costs is primarily due to an increase in value of the KIC grants awarded in the year. Both the amounts incurred and the amounts estimated to have been incurred

(see note 2.5) are included under this heading. The operational costs also include amounts related to expert fees, online events, online communication expenses and other operational activities.

### 3.4. STAFF COSTS

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

	EUR '000	
	2020	2019
<i>Staff costs</i>	5 062	4 939

### 3.5. OTHER EXPENSES

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

	EUR '000	
	2020	2019
<i>External IT services</i>	409	293
<i>External non IT services</i>	343	428
<i>Expenses with other consolidated entities</i>	200	275
<i>Experts expenses</i>	156	154
<i>Property, plant and equipment related expenses</i>	138	264
<i>Operating leasing expenses</i>	74	47
<i>Foreign exchange losses</i>	48	23
<i>Communications &amp; publications</i>	33	50
<i>Missions</i>	29	242
<i>Training costs</i>	8	22
<i>Other</i>	28	121
<b>Total</b>	<b>1 467</b>	<b>1 919</b>

The decrease of kEUR 452 in other expenses is mostly due to the COVID-19 crisis. A significant part of the budget for missions, property, plant and equipment related purchases was not used and transferred to other purposes contributing to the remote work of staff. In addition, the EIT Governing Board meetings were turned to digital that explains the lower amount of external non IT services costs.

Regarding the external IT services, the increase comes from the pandemic situation, namely increase in hardware and software purchases as well as from the introduction of more EC tools, like ARES for document management and Sysper for human resources management.



In 2018, EIT signed a new leasing contract for the office in Budapest for 11 years. An overview of the amounts to be committed and paid during the remaining term of this lease contract, including rent and related charges, is as follows:

EUR '000

	Future amounts to be paid			Total
	< 1 year	1- 5 years	> 5 years	
<i>Buildings</i>	59	225	165	449
<i>IT materials and other equipment</i>	7	11	-	18
<b>Total</b>	<b>66</b>	<b>235</b>	<b>165</b>	<b>467</b>

## 4. OTHER SIGNIFICANT DISCLOSURES

### 4.1. OUTSTANDING COMMITMENTS NOT YET EXPENSED

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

	<i>EUR '000</i>	
	31.12.2020	31.12.2019
<i>Outstanding commitments not yet expensed</i>	35 087	20 025

### 4.2. SERVICES IN KIND

According to the Article 3 of the Host Agreement between the Hungarian Government and EIT, entered in force in 2010 the headquarters building in Budapest and the related services (maintenance, security services, etc.) are provided to EIT free of charge. The contract is valid for 20 years and its yearly value is estimated to be kEUR 654.

### 4.3. RELATED PARTIES

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

### 4.4. KEY MANAGEMENT ENTITLEMENTS

The Director, or head of entity, is remunerated in accordance with the Staff Regulations of the European Union, which establish the rights and obligations of all officials of the EU. The Staff Regulations are published on the Europa website.

	31.12.2020	31.12.2019
<i>Director</i>	<i>AD 14</i>	<i>AD 14</i>

### 4.5. OTHER EVENTS

#### **Brexit**

On 1 February 2020 the United Kingdom ceased to be a Member State of the European Union. Following the conclusion of the Agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community (the 'Withdrawal Agreement') between the two parties, the United Kingdom committed to pay all its obligations under the current MFF and previous financial perspectives following from its membership of the Union. The United Kingdom has paid into the 2020 EU Budget during the year, and received payments, as if it were a Member State.

At the date of transmission of these accounts, and based on the Withdrawal Agreement concluded and already in operation, there is no financial impact to be reported in these accounts. For further information on the impact of the Withdrawal Agreement on the EU, please see the 2020 consolidated EU annual accounts.

## 5. FINANCIAL RISK MANAGEMENT

### 5.1. TYPES OF RISK

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

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

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

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

**Liquidity risk** is the risk that 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 the end of the year, the financial assets are composed of exchange receivables and non-exchange recoverables. The financial liabilities are composed of accounts payable. Their ending balances are mainly quoted in EUR, the entity is thus not exposed to currency risk.

### 5.3. CREDIT RISK

#### Financial assets that are neither past due nor impaired

At the end of the year, the financial assets comprise exchange receivables and non-exchange recoverables that are neither past due nor impaired, the entity is thus not exposed to credit risk.

#### Financial assets by risk category

At 31 December 2020 the financial assets are composed of receivables and recoverables from entities with a prime external credit rating amounting kEUR 3 559, from entities with lower medium grade amounting kEUR 419 and entities who never defaulted amounting kEUR 221.

### 5.4. LIQUIDITY RISK

#### Maturity analysis of financial liabilities by remaining contractual maturity

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

# **THE BUDGET IMPLEMENTATION REPORTS AND EXPLANATORY NOTES**

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

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# 1. BUDGETARY PRINCIPLES AND STRUCTURE

## 1.1 BUDGETARY PRINCIPLES

The establishment and implementation of the budget of EIT is governed by the following basic principles set out in the Title II of the EIT Financial Regulation:

### **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 EIT. 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 Regulation, EIT is subject to an exception to the annuality principle (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 by title and chapter. The chapters shall be further subdivided into articles and items.

### **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. A summary of the budget of the EIT and any amending budget of the EIT, as definitively adopted, shall be published in the Official Journal of the European Union within three months of their adoption. The budget and any amending budgets shall be published on EIT's internet site within four weeks of adoption and shall be transmitted for information to the European Parliament and the Council, to the Commission and the Court of Auditors.

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

EIT makes use of non-differentiated appropriations for its administrative expenditure and of differentiated appropriations for its operational expenditure.

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

### **Title 1**

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

### **Title 2**

Budget lines relating to all infrastructure, equipment, meetings, studies, and miscellaneous administrative expenditure.

### **Title 3**

Budget lines providing for the implementation of the activities and tasks assigned to EIT in accordance with its establishing Regulation (EC) No 294/2008 as amended by Regulation (EU) No 1292/2013.

### **Title 4**

These are cancelled appropriations that are not implemented during the financial year and can be re-entered in the following three financial years. Therefore, the implementation rate of Title 4 will be always zero.

## 2. RESULT OF THE IMPLEMENTATION OF THE BUDGET

EUR '000

	Title	2020	2019
<b>Revenue</b>		<b>550 031</b>	<b>416 031</b>
of which:			
European Union subsidy	2	497 631	378 564
Third countries contributions (including EFTA and candidate countries)	3	48 998	37 425
Revenue accruing from the administrative operation of the institution	5	17	8
Contribution and refunds in connection with the operational activities of the institution	7	3 385	34
<b>Expenditure</b>		<b>(541 891)</b>	<b>(405 988)</b>
of which:			
Staff expenditure	1	(5 668)	(5 596)
Administrative expenditure	2	(601)	(686)
Operational expenditure	3	(535 622)	(399 706)
<b>Payment appropriat. carried over to the following year</b>		<b>(605)</b>	<b>(517)</b>
of which:			
Staff expenditure	1	(434)	(233)
Administrative expenditure	2	(170)	(284)
<b>Cancellation of unused appropri. carried over from year n-1</b>		<b>886</b>	<b>137</b>
<b>Evolution of assigned revenue (B)-(A)</b>		<b>(3 384)</b>	<b>95</b>
Unused appropriations at the end of current year (A)		3 386	2
Unused appropriations at the end of previous year (B)		2	97
<b>Exchange rate differences</b>		<b>24</b>	<b>4</b>
<b>Budget result</b>		<b>5 061</b>	<b>9 761</b>



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

EUR '000

	2020	2019
<b>ECONOMIC RESULT OF THE YEAR</b>	<b>(23 581)</b>	<b>(44 025)</b>
<b>Adjustment for accrual items (items not in the budgetary result but included in the economic result)</b>	<b>27 595</b>	<b>44 659</b>
<i>Adjustments for accrual cut-off (net)</i>	27 173	44 675
<i>Unpaid invoices at year end but booked in expenses</i>	(1)	(779)
<i>Depreciation of intangible and tangible assets</i>	64	152
<i>Recovery orders issued in the year and not yet cashed</i>	3	-
<i>Correction of recovery orders issued last year</i>	-	-
<i>Payments made against carry-over of payment appropriations</i>	328	614
<i>Other individually immaterial items</i>	28	(3)
<b>Adjustment for budgetary items (item included in the budgetary result but not in the economic result)</b>	<b>1 046</b>	<b>9 126</b>
<i>New pre-financing received in the year and remaining open as at 31 December</i>	4 149	9 523
<i>Payment appropriations carried over to next year</i>	(3 991)	(520)
<i>Cancellation of unused carried over payment appropriations from previous year</i>	886	137
<i>Adjustment for carry-over of assigned revenue appropriations from previous year</i>	2	(2)
<i>Other individually immaterial items</i>	-	(12)
<b>BUDGET RESULT OF THE YEAR</b>	<b>5 061</b>	<b>9 761</b>

## 4. IMPLEMENTATION OF BUDGET REVENUE

### 4.1 Implementation of budget revenue – Title 2

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	
200 European Union subsidy	473 631	497 631	497 631	-	497 631	497 631	-	497 631	100 %	-
Total Chapter 20	473 631	497 631	497 631	-	497 631	497 631	-	497 631	100 %	-
<b>Total Title 2</b>	<b>473 631</b>	<b>497 631</b>	<b>497 631</b>	<b>-</b>	<b>497 631</b>	<b>497 631</b>	<b>-</b>	<b>497 631</b>	<b>100 %</b>	<b>-</b>

### 4.2 Implementation of budget revenue – Title 3

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	
300 EFTA Contribution	11 412	11 412	11 412	-	11 412	11 412	-	11 412	100 %	-
Total Chapter 30	11 412	11 412	11 412	-	11 412	11 412	-	11 412	100 %	-
310 Third countries	37 586	37 586	37 586	-	37 586	37 586	-	37 586	100 %	-
Total Chapter 31	37 586	37 586	37 586	-	37 586	37 586	-	37 586	100 %	-
<b>Total Title 3</b>	<b>48 998</b>	<b>48 998</b>	<b>48 998</b>	<b>-</b>	<b>48 998</b>	<b>48 998</b>	<b>-</b>	<b>48 998</b>	<b>100 %</b>	<b>-</b>

### 4.3 Implementation of budget revenue – Title 5

EUR '000

	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
570	Amounts wrongly paid	-	-	18	-	18	16	-	16	-	2
Total Chapter 57		-	-	18	-	18	16	-	16	-	2
590	Other admin revenue	-	-	1	-	1	1	-	1	-	-
Total Chapter 59		-	-	1	-	1	1	-	1	-	-
<b>Total Title 5</b>		-	-	<b>19</b>	-	<b>19</b>	<b>17</b>	-	<b>17</b>	-	<b>2</b>

### 4.4 Implementation of budget revenue – Title 7

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
700	UNUSED KICS GRANTS	-	-	3 360	-	3 360	3 360	-	3 360	-	-
701	Ex post audit revenue	-	-	26	-	26	26	-	26	-	-
Total Chapter 70		-	-	3 385	-	3 385	3 385	-	3 385	-	-
<b>Total Title 7</b>		-	-	<b>3 385</b>	-	<b>3 385</b>	<b>3 385</b>	-	<b>3 385</b>	-	-
<b>GRAND TOTAL</b>		<b>522 629</b>	<b>546 629</b>	<b>550 033</b>	-	<b>550 033</b>	<b>550 031</b>	-	<b>550 031</b>	<b>101 %</b>	<b>2</b>

## 5. IMPLEMENTATION OF BUDGET EXPENDITURE

### 5.1 Breakdown & changes in commitment appropriations

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

EUR '000

Item	Initial adopted budget	Budget appropriations			Final budget adopted	Additional appropriations			Total approp. available
		Amending budgets	Transfers	3		Carry-overs	Assigned revenue	Total	
	1	2	3	4=1+2+3	5	6	7=5+6	8=4+7	
1100 Basic salaries	2 700	-	-	2 700	-	-	-	2 700	
1101 Allowances	930	230	(47)	1 113	-	-	-	1 113	
1102 Employers charges	146	-	5	151	-	-	-	151	
1110 Contract agents	900	110	-	1 010	-	-	-	1 010	
1121 Entering / leaving	120	-	-	120	-	-	-	120	
1130 Schooling	310	-	26	336	-	16	16	352	
<b>Total Chapter 11</b>	<b>5 106</b>	<b>340</b>	<b>(16)</b>	<b>5 430</b>	<b>-</b>	<b>16</b>	<b>16</b>	<b>5 447</b>	
1200 Recruitment expenses	24	(18)	(1)	5	-	-	-	5	
<b>Total Chapter 12</b>	<b>24</b>	<b>(18)</b>	<b>(1)</b>	<b>5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5</b>	
1300 Mission expenses	220	(148)	(22)	50	-	1	1	51	
<b>Total Chapter 13</b>	<b>220</b>	<b>(148)</b>	<b>(22)</b>	<b>50</b>	<b>-</b>	<b>1</b>	<b>1</b>	<b>51</b>	
1400 Restaurants and canteens	1	(0)	-	0	-	-	-	0	
1401 Medical expenses	18	6	-	24	-	-	-	24	
1402 Childhood centre	100	(50)	-	50	-	-	-	50	
1403 Social contacts	13	(13)	-	-	-	-	-	-	
1404 Other social expenses	5	(2)	-	3	-	-	-	3	
<b>Total Chapter 14</b>	<b>137</b>	<b>(60)</b>	<b>-</b>	<b>77</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>77</b>	
1500 Training	60	(23)	4	41	-	-	-	41	
<b>Total Chapter 15</b>	<b>60</b>	<b>(23)</b>	<b>4</b>	<b>41</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>41</b>	
1600 Agency staff	260	325	-	585	-	-	-	585	
1601 Seconded national experts (SNE)	72	(52)	(7)	13	-	-	-	13	
1602 Trainees	80	-	31	111	-	-	-	111	
1603 IT support	117	-	-	117	-	-	-	117	
1604 Administrative assistance	263	(116)	(2)	145	-	-	-	145	
1611 Translation	20	(8)	-	12	-	-	-	12	
<b>Total Chapter 16</b>	<b>812</b>	<b>149</b>	<b>21</b>	<b>982</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>982</b>	
1700 Representation	2	-	-	2	-	-	-	2	
<b>Total Chapter 17</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2</b>	
<b>Total Title 1</b>	<b>6 361</b>	<b>240</b>	<b>(14)</b>	<b>6 587</b>	<b>-</b>	<b>17</b>	<b>17</b>	<b>6 604</b>	

## 5.1.2 Breakdown &amp; 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	
2000 Renting	72	(7)	–	65	–	–	–	65
2002 Building insurance	2	(2)	–	–	–	–	–	–
2003 Water, gas, electricity, heating	30	(4)	–	26	–	0	0	26
2004 Cleaning, maintenance	35	(2)	–	33	–	–	–	33
2005 Security and surveillance	29	(10)	–	20	–	–	–	20
2006 Fitting out of premises	9	(6)	–	3	–	–	–	3
2009 Other building expenditure	7	–	1	8	–	–	–	8
<b>Total Chapter 20</b>	<b>183</b>	<b>(30)</b>	<b>1</b>	<b>155</b>	<b>–</b>	<b>0</b>	<b>0</b>	<b>155</b>
2100 ICT equipment acquisition	129	11	11	151	–	–	–	151
2101 ICT maintenance	226	16	–	242	–	–	–	242
<b>Total Chapter 21</b>	<b>355</b>	<b>27</b>	<b>11</b>	<b>393</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>393</b>
2212 Transport cost	19	(8)	–	11	–	–	–	11
2220 Acquisition of furniture	60	(55)	–	6	–	–	–	6
<b>Total Chapter 22</b>	<b>79</b>	<b>(62)</b>	<b>–</b>	<b>17</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>17</b>
2300 Stationery	5	(4)	–	2	–	–	–	2
2301 Postage and delivery	6	(5)	–	1	–	–	–	1
2302 Telecommunication	40	6	–	46	–	–	–	46
2304 Handling and moving	2	(2)	–	–	–	–	–	–
2306 Honoraria for Governing Board (GB) members	158	–	2	160	–	–	–	160
2309 Other administrative expenditure	1	–	–	1	–	–	–	1
<b>Total Chapter 23</b>	<b>211</b>	<b>(5)</b>	<b>2</b>	<b>209</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>209</b>
2400 Official Journal	2	(2)	0	0	–	–	–	0
2402 Purchase information	–	17	–	17	–	–	–	17
<b>Total Chapter 24</b>	<b>2</b>	<b>15</b>	<b>0</b>	<b>17</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>17</b>
2500 Governing Board (GB) meetings and travels	170	(80)	–	90	–	–	–	90
2520 Internal meetings	5	(4)	–	2	–	–	–	2
<b>Total Chapter 25</b>	<b>175</b>	<b>(84)</b>	<b>–</b>	<b>92</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>92</b>
<b>Total Title 2</b>	<b>1 005</b>	<b>(138)</b>	<b>14</b>	<b>881</b>	<b>–</b>	<b>0</b>	<b>0</b>	<b>881</b>

## 5.1.3 Breakdown &amp; 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 Knowledge Innovation Communities (KIC) grants	532 757	1 223	(19)	533 962	66 074	3 419	69 494	603 455
<b>Total Chapter 30</b>	<b>532 757</b>	<b>1 223</b>	<b>(19)</b>	<b>533 962</b>	<b>66 074</b>	<b>3 419</b>	<b>69 494</b>	<b>603 455</b>
3111 Planning, reporting and audits	2 700	(474)	(146)	2 080	-	-	-	2 080
3112 Knowledge triangle integration	111	21	-	132	-	-	-	132
3113 Fostering growth and creating impact	50	-	-	50	-	-	-	50
3114 New Knowledge and Innovation Communities	200	(200)	-	-	-	-	-	-
<b>Total Chapter 31</b>	<b>3 061</b>	<b>(653)</b>	<b>(146)</b>	<b>2 262</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2 262</b>
3202 Communications and dissemination	1 500	(255)	160	1 405	-	-	-	1 405
3203 Alumni	295	(33)	-	262	-	-	-	262
3204 Stakeholder relations	710	(350)	(36)	324	-	-	-	324
3205 Awards	320	-	-	320	-	-	-	320
<b>Total Chapter 32</b>	<b>2 825</b>	<b>(638)</b>	<b>124</b>	<b>2 311</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2 311</b>
3301 EIT-KIC relations	45	-	41	86	-	-	-	86
3302 Simplification	67	(33)	-	34	-	-	-	34
3303 Monitoring and evaluation	230	(1)	-	229	-	-	-	229
<b>Total Chapter 33</b>	<b>342</b>	<b>(34)</b>	<b>41</b>	<b>348</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>348</b>
<b>Total Title 3</b>	<b>538 985</b>	<b>(102)</b>	<b>0</b>	<b>538 883</b>	<b>66 074</b>	<b>3 419</b>	<b>69 494</b>	<b>608 376</b>

## 5.1.4 Breakdown &amp; changes in commitment appropriations – Title 4

EUR '000

Item	Initial adopted budget	Budget appropriations			Additional appropriations			Total approp. available
		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
4001 Cancelled appropriations of year n-1	-	-	-	-	9 226	-	9 226	9 226
Total Chapter 40	-	-	-	-	9 226	-	9 226	9 226
<b>Total Title 4</b>	-	-	-	-	<b>9 226</b>	-	<b>9 226</b>	<b>9 226</b>
<b>GRAND TOTAL</b>	<b>546 350</b>	<b>0</b>	<b>0</b>	<b>546 350</b>	<b>75 301</b>	<b>3 437</b>	<b>78 738</b>	<b>625 088</b>

## 5.2 Breakdown & changes in payment appropriations

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

EUR '000

Item	Budget appropriations				Additional appropriations			Total approp. 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 Basic salaries	2 700	-	-	2 700	-	-	-	2 700
1101 Allowances	930	230	(47)	1 113	-	-	-	1 113
1102 Employers charges	146	-	5	151	-	-	-	151
1110 Contract agents	900	110	-	1 010	-	-	-	1 010
1121 Entering / leaving	120	-	-	120	-	-	-	120
1130 Schooling	310	-	26	336	-	16	16	352
<b>Total Chapter 11</b>	<b>5 106</b>	<b>340</b>	<b>(16)</b>	<b>5 430</b>	<b>-</b>	<b>16</b>	<b>16</b>	<b>5 447</b>
1200 Recruitment expenses	24	(18)	(1)	5	2	-	2	7
<b>Total Chapter 12</b>	<b>24</b>	<b>(18)</b>	<b>(1)</b>	<b>5</b>	<b>2</b>	<b>-</b>	<b>2</b>	<b>7</b>
1300 Mission expenses	220	(148)	(22)	50	17	1	18	68
<b>Total Chapter 13</b>	<b>220</b>	<b>(148)</b>	<b>(22)</b>	<b>50</b>	<b>17</b>	<b>1</b>	<b>18</b>	<b>68</b>
1400 Restaurants and canteens	1	(0)	-	0	-	-	-	0
1401 Medical expenses	18	6	-	24	2	-	2	26
1402 Childhood centre	100	(50)	-	50	-	-	-	50
1403 Social contacts	13	(13)	-	-	0	-	0	0
1404 Other social expenses	5	(2)	-	3	-	-	-	3
<b>Total Chapter 14</b>	<b>137</b>	<b>(60)</b>	<b>-</b>	<b>77</b>	<b>3</b>	<b>-</b>	<b>3</b>	<b>80</b>
1500 Training	60	(23)	4	41	21	-	21	61
<b>Total Chapter 15</b>	<b>60</b>	<b>(23)</b>	<b>4</b>	<b>41</b>	<b>21</b>	<b>-</b>	<b>21</b>	<b>61</b>
1600 Agency staff	260	325	-	585	108	-	108	693
1601 Seconded national experts (SNE)	72	(52)	(7)	13	-	-	-	13
1602 Trainees	80	-	31	111	5	-	5	116
1603 IT support	117	-	-	117	60	-	60	177
1604 Administrative assistance	263	(116)	(2)	145	16	-	16	161
1611 Translation	20	(8)	-	12	1	-	1	13
<b>Total Chapter 16</b>	<b>812</b>	<b>149</b>	<b>21</b>	<b>982</b>	<b>191</b>	<b>-</b>	<b>191</b>	<b>1 172</b>
1700 Representation	2	-	-	2	-	-	-	2
<b>Total Chapter 17</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2</b>
<b>Total Title 1</b>	<b>6 361</b>	<b>240</b>	<b>(14)</b>	<b>6 587</b>	<b>233</b>	<b>17</b>	<b>251</b>	<b>6 837</b>



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

EUR '000

Item	Budget appropriations				Additional appropriations			Total approp. 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	
2000 Renting	72	(7)	–	65	0	–	0	65
2002 Building insurance	2	(2)	–	–	–	–	–	–
2003 Water, gas, electricity, heating	30	(4)	–	26	16	0	16	42
2004 Cleaning, maintenance	35	(2)	–	33	28	–	28	61
2005 Security and surveillance	29	(10)	–	20	–	–	–	20
2006 Fitting out of premises	9	(6)	–	3	1	–	1	4
2009 Other building expenditure	7	–	1	8	1	–	1	10
<b>Total Chapter 20</b>	<b>183</b>	<b>(30)</b>	<b>1</b>	<b>155</b>	<b>46</b>	<b>0</b>	<b>46</b>	<b>201</b>
2100 ICT equipment acquisition	129	11	11	151	26	–	26	177
2101 ICT maintenance	226	16	–	242	57	–	57	299
<b>Total Chapter 21</b>	<b>355</b>	<b>27</b>	<b>11</b>	<b>393</b>	<b>83</b>	<b>–</b>	<b>83</b>	<b>476</b>
2200 Acquisition technical equipment	–	–	–	–	1	–	1	1
2212 Transport cost	19	(8)	–	11	0	–	0	11
2220 Acquisition of furniture	60	(55)	–	6	–	–	–	6
<b>Total Chapter 22</b>	<b>79</b>	<b>(62)</b>	<b>–</b>	<b>17</b>	<b>1</b>	<b>–</b>	<b>1</b>	<b>17</b>
2300 Stationery	5	(4)	–	2	3	–	3	4
2301 Postage and delivery	6	(5)	–	1	1	–	1	2
2302 Telecommunication	40	6	–	46	9	–	9	55
2303 Legal expenses and damages	–	–	–	–	116	–	116	116
2304 Handling and moving	2	(2)	–	–	–	–	–	–
2306 Honoraria for Governing Board (GB) members	158	–	2	160	2	–	2	162
2309 Other administrative expenditure	1	–	–	1	–	–	–	1
<b>Total Chapter 23</b>	<b>211</b>	<b>(5)</b>	<b>2</b>	<b>209</b>	<b>131</b>	<b>–</b>	<b>131</b>	<b>340</b>
2400 Official Journal	2	(2)	0	0	0	–	0	0
2402 Purchase information	–	17	–	17	–	–	–	17
2403 Studies and surveys	–	–	–	–	14	–	14	14
<b>Total Chapter 24</b>	<b>2</b>	<b>15</b>	<b>0</b>	<b>17</b>	<b>14</b>	<b>–</b>	<b>14</b>	<b>31</b>
2500 Governing Board (GB) meetings and travels	170	(80)	–	90	10	–	10	100
2520 Internal meetings	5	(4)	–	2	–	–	–	2
<b>Total Chapter 25</b>	<b>175</b>	<b>(84)</b>	<b>–</b>	<b>92</b>	<b>10</b>	<b>–</b>	<b>10</b>	<b>101</b>
<b>Total Title 2</b>	<b>1 005</b>	<b>(138)</b>	<b>14</b>	<b>881</b>	<b>285</b>	<b>0</b>	<b>285</b>	<b>1 167</b>

## 5.2.3 Breakdown &amp; changes in payment appropriations – Title 3

EUR '000

Item	Initial budget adopted	Budget appropriations			Additional appropriations			Total 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 Knowledge Innovation Communities (KIC) grants	508 237	26 662	–	534 899	9 637	3 385	13 022	547 921
<b>Total Chapter 30</b>	<b>508 237</b>	<b>26 662</b>	<b>–</b>	<b>534 899</b>	<b>9 637</b>	<b>3 385</b>	<b>13 022</b>	<b>547 921</b>
3111 Planning, reporting and audits	2 923	(700)	–	2 223	–	–	–	2 223
3112 Knowledge triangle integration	166	143	–	309	–	–	–	309
3113 Fostering growth and creating impact	50	–	–	50	–	–	–	50
3114 New Knowledge and Innovation Communities	5	–	–	5	–	–	–	5
<b>Total Chapter 31</b>	<b>3 144</b>	<b>(557)</b>	<b>–</b>	<b>2 587</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>2 587</b>
3202 Communications and dissemination	1 900	(940)	(15)	945	–	–	–	945
3203 Alumni	450	(330)	15	135	–	–	–	135
3204 Stakeholder relations	820	(370)	–	450	–	–	–	450
3205 Awards	320	(315)	–	5	–	–	–	5
<b>Total Chapter 32</b>	<b>3 490</b>	<b>(1 955)</b>	<b>–</b>	<b>1 535</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1 535</b>
3301 EIT-KIC relations	71	(35)	–	36	–	–	–	36
3302 Simplification	67	(33)	–	34	–	–	–	34
3303 Monitoring and evaluation	255	(185)	–	70	–	–	–	70
<b>Total Chapter 33</b>	<b>393</b>	<b>(253)</b>	<b>–</b>	<b>140</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>140</b>
<b>Total Title 3</b>	<b>515 264</b>	<b>23 898</b>	<b>–</b>	<b>539 161</b>	<b>9 637</b>	<b>3 385</b>	<b>13 022</b>	<b>552 183</b>
<b>GRAND TOTAL</b>	<b>522 629</b>	<b>24 000</b>	<b>0</b>	<b>546 629</b>	<b>10 155</b>	<b>3 403</b>	<b>13 558</b>	<b>560 187</b>

## 5.3 Implementation of commitment appropriations

### 5.3.1 Implementation of commitment appropriations - Title 1

EUR '000

Item	Total approp. available	Commitments made					Appropriations carried over to 2021			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
1100 Basic salaries	2 700	2 566	-	-	2 566	95 %	-	-	-	134	-	-	134
1101 Allowances	1 113	946	-	-	946	85 %	-	-	-	167	-	-	167
1102 Employers charges	151	149	-	-	149	99 %	-	-	-	2	-	-	2
1110 Contract agents	1 010	968	-	-	968	96 %	-	-	-	42	-	-	42
1121 Entering / leaving	120	67	-	-	67	56 %	-	-	-	53	-	-	53
1130 Schooling	352	336	-	16	352	100 %	-	-	-	-	-	-	-
<b>Total Chapter 11</b>	<b>5 447</b>	<b>5 032</b>	<b>-</b>	<b>16</b>	<b>5 048</b>	<b>93 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>398</b>	<b>-</b>	<b>-</b>	<b>398</b>
1200 Recruitment expenses	5	4	-	-	4	82 %	-	-	-	1	-	-	1
<b>Total Chapter 12</b>	<b>5</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>4</b>	<b>82 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>1</b>
1300 Mission expenses	51	40	-	-	40	79 %	-	-	-	10	-	1	11
<b>Total Chapter 13</b>	<b>51</b>	<b>40</b>	<b>-</b>	<b>-</b>	<b>40</b>	<b>79 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10</b>	<b>-</b>	<b>1</b>	<b>11</b>
1400 Restaurants and canteens	0	0	-	-	0	48 %	-	-	-	0	-	-	0
1401 Medical expenses	24	16	-	-	16	66 %	-	-	-	8	-	-	8
1402 Childhood centre	50	50	-	-	50	100 %	-	-	-	-	-	-	-
1404 Other social expenses	3	1	-	-	1	46 %	-	-	-	1	-	-	1
<b>Total Chapter 14</b>	<b>77</b>	<b>67</b>	<b>-</b>	<b>-</b>	<b>67</b>	<b>87 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10</b>	<b>-</b>	<b>-</b>	<b>10</b>
1500 Training	41	38	-	-	38	93%	-	-	-	3	-	-	3
<b>Total Chapter 15</b>	<b>41</b>	<b>38</b>	<b>-</b>	<b>-</b>	<b>38</b>	<b>93 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>3</b>
1600 Agency staff	585	536	-	-	536	92%	-	-	-	49	-	-	49
1601 Seconded national experts (SNE)	13	11	-	-	11	82%	-	-	-	2	-	-	2
1602 Trainees	111	94	-	-	94	85%	-	-	-	16	-	-	16
1603 IT support	117	117	-	-	117	100%	-	-	-	-	-	-	-
1604 Administrative assistance	145	139	-	-	139	96%	-	-	-	6	-	-	6
1611 Translation	12	8	-	-	8	63%	-	-	-	4	-	-	4
<b>Total Chapter 16</b>	<b>982</b>	<b>904</b>	<b>-</b>	<b>-</b>	<b>904</b>	<b>92 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>78</b>	<b>-</b>	<b>-</b>	<b>78</b>
1700 Representation	2	2	-	-	2	100%	-	-	-	-	-	-	-
<b>Total Chapter 17</b>	<b>2</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>100 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Title 1</b>	<b>6 604</b>	<b>6 087</b>	<b>-</b>	<b>16</b>	<b>6 104</b>	<b>92 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>499</b>	<b>-</b>	<b>1</b>	<b>500</b>

## 5.3.2 Implementation of commitment appropriations - Title 2

EUR '000

Item	Total approp. available	Commitments made					Appropriations carried over to 2021			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
2000 Renting	65	65	-	-	65	100%	-	-	-	0	-	-	0
2003 Water, gas, electricity, heating	26	26	-	-	26	100%	-	-	-	-	-	0	0
2004 Cleaning, maintenance	33	32	-	-	32	97%	-	-	-	1	-	-	1
2005 Security and surveillance	20	13	-	-	13	69%	-	-	-	6	-	-	6
2006 Fitting out of premises	3	2	-	-	2	76%	-	-	-	1	-	-	1
2009 Other building expenditure	8	8	-	-	8	100%	-	-	-	0	-	-	0
<b>Total Chapter 20</b>	<b>155</b>	<b>147</b>	<b>-</b>	<b>-</b>	<b>147</b>	<b>95 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8</b>	<b>-</b>	<b>0</b>	<b>8</b>
2100 ICT equipment acquisition	151	151	-	-	151	100%	-	-	-	0	-	-	0
2101 ICT maintenance	242	237	-	-	237	98%	-	-	-	5	-	-	5
<b>Total Chapter 21</b>	<b>393</b>	<b>388</b>	<b>-</b>	<b>-</b>	<b>388</b>	<b>99 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5</b>	<b>-</b>	<b>-</b>	<b>5</b>
2212 Transport cost	11	5	-	-	5	44%	-	-	-	6	-	-	6
2220 Acquisition of furniture	6	5	-	-	5	89%	-	-	-	1	-	-	1
<b>Total Chapter 22</b>	<b>17</b>	<b>10</b>	<b>-</b>	<b>-</b>	<b>10</b>	<b>59 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7</b>	<b>-</b>	<b>-</b>	<b>7</b>
2300 Stationery	2	0	-	-	0	9%	-	-	-	1	-	-	1
2301 Postage and delivery	1	1	-	-	1	100%	-	-	-	-	-	-	-
2302 Telecommunication	46	42	-	-	42	91%	-	-	-	4	-	-	4
2306 Honoraria for Governing Board (GB) members	160	160	-	-	160	100%	-	-	-	-	-	-	-
2309 Other administrative expenditure	1	0	-	-	0	52%	-	-	-	0	-	-	0
<b>Total Chapter 23</b>	<b>209</b>	<b>203</b>	<b>-</b>	<b>-</b>	<b>203</b>	<b>97 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6</b>	<b>-</b>	<b>-</b>	<b>6</b>
2400 Official Journal	0	0	-	-	0	71%	-	-	-	0	-	-	0
2402 Purchase information	17	17	-	-	17	99%	-	-	-	0	-	-	0
<b>Total Chapter 24</b>	<b>17</b>	<b>17</b>	<b>-</b>	<b>-</b>	<b>17</b>	<b>99 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>0</b>
2500 Governing Board (GB) meetings and travels	90	6	-	-	6	7%	-	-	-	84	-	-	84
2520 Internal meetings	2	1	-	-	1	70%	-	-	-	0	-	-	0
<b>Total Chapter 25</b>	<b>92</b>	<b>7</b>	<b>-</b>	<b>-</b>	<b>7</b>	<b>8 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>85</b>	<b>-</b>	<b>-</b>	<b>85</b>
<b>Total Title 2</b>	<b>881</b>	<b>771</b>	<b>-</b>	<b>-</b>	<b>771</b>	<b>87 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>110</b>	<b>-</b>	<b>0</b>	<b>110</b>

## 5.3.3 Implementation of commitment appropriations - Title 3

EUR '000

Item	Total approp. available	Commitments made					Appropriations carried over to 2021			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 Knowledge Innovation Communities (KIC) grants	603 455	533 962	66 026	34	600 022	99%	3 385	-	3 385	-	48	-	48
<b>Total Chapter 30</b>	<b>603 455</b>	<b>533 962</b>	<b>66 026</b>	<b>34</b>	<b>600 022</b>	<b>99 %</b>	<b>3 385</b>	<b>-</b>	<b>3 385</b>	<b>-</b>	<b>48</b>	<b>-</b>	<b>48</b>
3111 Planning, reporting and audits	2 080	2 079	-	-	2 079	100%	-	-	-	1	-	-	1
3112 Knowledge triangle integration	132	98	-	-	98	74%	-	-	-	34	-	-	34
3113 Fostering growth and creating impact	50	50	-	-	50	100%	-	-	-	0	-	-	0
<b>Total Chapter 31</b>	<b>2 262</b>	<b>2 227</b>	<b>-</b>	<b>-</b>	<b>2 227</b>	<b>98 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>35</b>	<b>-</b>	<b>-</b>	<b>35</b>
3202 Communications and dissemination	1 405	1 399	-	-	1 399	100%	-	-	-	6	-	-	6
3203 Alumni	262	207	-	-	207	79%	-	-	-	55	-	-	55
3204 Stakeholder relations	324	217	-	-	217	67%	-	-	-	107	-	-	107
3205 Awards	320	320	-	-	320	100%	-	-	-	-	-	-	-
<b>Total Chapter 32</b>	<b>2 311</b>	<b>2 143</b>	<b>-</b>	<b>-</b>	<b>2 143</b>	<b>93 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>168</b>	<b>-</b>	<b>-</b>	<b>168</b>
3301 EIT-KIC relations	86	86	-	-	86	100%	-	-	-	0	-	-	0
3302 Simplification	34	33	-	-	33	99%	-	-	-	0	-	-	0
3303 Monitoring and evaluation	229	217	-	-	217	95%	-	-	-	12	-	-	12
<b>Total Chapter 33</b>	<b>348</b>	<b>336</b>	<b>-</b>	<b>-</b>	<b>336</b>	<b>96 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12</b>	<b>-</b>	<b>-</b>	<b>12</b>
<b>Total Title 3</b>	<b>608 376</b>	<b>538 667</b>	<b>66 026</b>	<b>34</b>	<b>604 727</b>	<b>99 %</b>	<b>3 385</b>	<b>-</b>	<b>3 385</b>	<b>216</b>	<b>48</b>	<b>-</b>	<b>264</b>

## 5.3.4 Implementation of commitment appropriations - Title 4

EUR '000

Item	Total approp. available	Commitments made					Appropriations carried over to 2021			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
4001 Cancelled appropriations of year n-1	9 226	-	-	-	-	0%	-	-	-	-	9 226	-	9 226
Total Chapter 40	9 226	-	-	-	-	0 %	-	-	-	-	9 226	-	9 226
<b>Total Title 4</b>	<b>9 226</b>	-	-	-	-	<b>0 %</b>	-	-	-	-	<b>9 226</b>	-	<b>9 226</b>
<b>GRAND TOTAL</b>	<b>625 088</b>	<b>545 525</b>	<b>66 026</b>	<b>50</b>	<b>611 602</b>	<b>98 %</b>	<b>3 385</b>	<b>-</b>	<b>3 385</b>	<b>825</b>	<b>9 275</b>	<b>1</b>	<b>10 101</b>

**Title 4:** These are cancelled appropriations that are not used in the financial year and can be re-entered in the following three financial years. Therefore, the execution rate of Title 4 will be always zero percentage.

## 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 2021					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 Basic salaries	2 700	2 566	-	-	2 566	95 %	-	-	-	-	134	-	-	134	
1101 Allowances	1 113	946	-	-	946	85 %	-	-	-	-	167	-	-	167	
1102 Employers charges	151	149	-	-	149	99 %	-	-	-	-	2	-	-	2	
1110 Contract agents	1 010	968	-	-	968	96 %	-	-	-	-	42	-	-	42	
1121 Entering / leaving	120	67	-	-	67	56 %	-	-	-	-	53	-	-	53	
1130 Schooling	352	328	-	16	344	98 %	8	-	1	8	-	-	-	-	
<b>Total Chapter 11</b>	<b>5 447</b>	<b>5 024</b>	<b>-</b>	<b>16</b>	<b>5 040</b>	<b>93 %</b>	<b>8</b>	<b>-</b>	<b>1</b>	<b>8</b>	<b>398</b>	<b>-</b>	<b>-</b>	<b>398</b>	
1200 Recruitment expenses	7	4	2	-	6	84 %	0	-	-	0	1	-	-	1	
<b>Total Chapter 12</b>	<b>7</b>	<b>4</b>	<b>2</b>	<b>-</b>	<b>6</b>	<b>84 %</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>1</b>	
1300 Mission expenses	68	40	8	-	48	71 %	-	-	-	-	10	9	1	20	
<b>Total Chapter 13</b>	<b>68</b>	<b>40</b>	<b>8</b>	<b>-</b>	<b>48</b>	<b>71 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10</b>	<b>9</b>	<b>1</b>	<b>20</b>	
1400 Restaurants and canteens	0	0	-	-	0	48 %	-	-	-	-	0	-	-	0	
1401 Medical expenses	26	16	2	-	18	68 %	0	-	-	0	8	-	-	8	
1402 Childhood centre	50	38	-	-	38	75 %	12	-	-	12	-	-	-	-	
1403 Social contacts	0	-	0	-	0	96 %	-	-	-	-	-	0	-	0	
1404 Other social expenses	3	1	-	-	1	43 %	0	-	-	0	1	-	-	1	
<b>Total Chapter 14</b>	<b>80</b>	<b>54</b>	<b>3</b>	<b>-</b>	<b>57</b>	<b>72 %</b>	<b>13</b>	<b>-</b>	<b>-</b>	<b>13</b>	<b>10</b>	<b>0</b>	<b>-</b>	<b>10</b>	
1500 Training	61	23	6	-	29	47 %	15	-	-	15	3	15	-	18	
<b>Total Chapter 15</b>	<b>61</b>	<b>23</b>	<b>6</b>	<b>-</b>	<b>29</b>	<b>47 %</b>	<b>15</b>	<b>-</b>	<b>-</b>	<b>15</b>	<b>3</b>	<b>15</b>	<b>-</b>	<b>18</b>	
1600 Agency staff	693	251	75	-	325	47 %	285	-	-	285	49	33	-	82	
1601 Seconded national experts (SNE)	13	4	-	-	4	28 %	7	-	-	7	2	-	-	2	
1602 Trainees	116	74	5	-	79	68 %	20	-	-	20	16	-	-	16	
1603 IT support	177	49	60	-	109	61 %	68	-	-	68	-	-	-	-	
1604 Administrative assistance	161	122	12	-	134	83 %	16	-	-	16	6	5	-	11	
1611 Translation	13	8	1	-	9	66 %	-	-	-	-	4	-	-	4	
<b>Total Chapter 16</b>	<b>1 172</b>	<b>507</b>	<b>153</b>	<b>-</b>	<b>660</b>	<b>56 %</b>	<b>397</b>	<b>-</b>	<b>-</b>	<b>397</b>	<b>78</b>	<b>38</b>	<b>-</b>	<b>116</b>	
1700 Representation	2	-	-	-	-	0 %	2	-	-	2	-	-	-	-	
<b>Total Chapter 17</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0 %</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Total Title 1</b>	<b>6 837</b>	<b>5 653</b>	<b>171</b>	<b>16</b>	<b>5 839</b>	<b>85 %</b>	<b>434</b>	<b>-</b>	<b>1</b>	<b>435</b>	<b>499</b>	<b>62</b>	<b>1</b>	<b>563</b>	

## 5.4.2 Implementation of payment appropriations - Title 2

EUR '000

Item	Total approp. availab.	Payments made					Appropriations carried over to 2021					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	
		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 Renting	65	39	0	-	40	61 %	25	-	-	25	0	0	-	0	
2003 Water, gas, electricity, heating	42	14	16	-	30	71 %	12	-	-	12	-	0	0	0	
2004 Cleaning, maintenance	61	3	24	-	27	44 %	29	-	-	29	1	4	-	5	
2005 Security and surveillance	20	13	-	-	13	68 %	0	-	-	0	6	-	-	6	
2006 Fitting out of premises	4	2	0	-	2	67 %	-	-	-	-	1	0	-	1	
2009 Other building expenditure	10	8	1	-	10	100 %	-	-	-	-	0	-	-	0	
<b>Total Chapter 20</b>	<b>201</b>	<b>81</b>	<b>41</b>	<b>-</b>	<b>122</b>	<b>61 %</b>	<b>66</b>	<b>-</b>	<b>-</b>	<b>66</b>	<b>8</b>	<b>5</b>	<b>0</b>	<b>13</b>	
2100 ICT equipment acquisition	177	115	26	-	141	79 %	36	-	-	36	0	0	-	1	
2101 ICT maintenance	299	189	52	-	242	81 %	48	-	-	48	5	4	-	9	
<b>Total Chapter 21</b>	<b>476</b>	<b>304</b>	<b>78</b>	<b>-</b>	<b>382</b>	<b>80 %</b>	<b>84</b>	<b>-</b>	<b>-</b>	<b>84</b>	<b>5</b>	<b>5</b>	<b>-</b>	<b>10</b>	
2200 Acquisition technical equipment	1	-	0	-	0	79 %	-	-	-	-	-	0	-	0	
2212 Transport cost	11	5	0	-	5	44 %	-	-	-	-	6	0	-	6	
2220 Acquisition of furniture	6	-	-	-	-	0 %	5	-	-	5	1	-	-	1	
<b>Total Chapter 22</b>	<b>17</b>	<b>5</b>	<b>1</b>	<b>-</b>	<b>5</b>	<b>31 %</b>	<b>5</b>	<b>-</b>	<b>-</b>	<b>5</b>	<b>7</b>	<b>0</b>	<b>-</b>	<b>7</b>	
2300 Stationery	4	0	3	-	3	65 %	-	-	-	-	1	0	-	1	
2301 Postage and delivery	2	1	0	-	1	69 %	0	-	-	0	-	0	-	0	
2302 Telecommunication	55	30	7	-	37	67 %	12	-	-	12	4	2	-	6	
2303 Legal expenses and damages	116	-	9	-	9	8 %	-	-	-	-	-	108	-	108	
2306 Honoraria for Governing Board (GB) members	162	157	2	-	158	98 %	3	-	-	3	-	1	-	1	
2309 Other administrative expenditure	1	0	-	-	0	52 %	-	-	-	-	0	-	-	0	
<b>Total Chapter 23</b>	<b>340</b>	<b>187</b>	<b>21</b>	<b>-</b>	<b>208</b>	<b>61 %</b>	<b>15</b>	<b>-</b>	<b>-</b>	<b>15</b>	<b>6</b>	<b>110</b>	<b>-</b>	<b>116</b>	
2400 Official Journal	0	0	0	-	0	97 %	-	-	-	-	0	-	-	0	
2402 Purchase information	17	17	-	-	17	99 %	-	-	-	-	0	-	-	0	
2403 Studies and surveys	14	-	14	-	14	100 %	-	-	-	-	-	-	-	-	
<b>Total Chapter 24</b>	<b>31</b>	<b>17</b>	<b>14</b>	<b>-</b>	<b>31</b>	<b>100</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>0</b>	



EUR '000

Item	Total approp. availab.	Payments made					Appropriations carried over to 2021				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
						%								
2500 Governing Board (GB) meetings and travels	100	6	2	-	8	8 %	-	-	-	-	84	8	-	92
2520 Internal meetings	2	1	-	-	1	70 %	-	-	-	-	0	-	-	0
Total Chapter 25	101	7	2	-	9	9 %	-	-	-	-	85	8	-	93
<b>Total Title 2</b>	<b>1 167</b>	<b>601</b>	<b>157</b>	<b>-</b>	<b>757</b>	<b>65 %</b>	<b>170</b>	<b>-</b>	<b>-</b>	<b>170</b>	<b>110</b>	<b>129</b>	<b>0</b>	<b>239</b>

EUR '000

## 5.4.3 Implementation of payment appropriations - Title 3

Item	Total approp. availab.	Payments made					Appropriations carried over to 2021				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
		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 Knowledge Innovation Communities (KIC) grants	547 921	531 743	8 942	-	540 685	99 %	-	-	3 385	3 385	3 156	695	(34)	3 817
Total Chapter 30	547 921	531 743	8 942	-	540 685	99 %	-	-	3 385	3 385	3 156	695	(34)	3 817
3111 Planning, reporting and audits	2 223	2 187	-	-	2 187	98 %	-	-	-	-	36	-	-	36
3112 Knowledge triangle integration	309	207	-	-	207	67 %	-	-	-	-	102	-	-	102
3113 Fostering growth and creating impact	50	-	-	-	-	0 %	-	-	-	-	50	-	-	50
3114 New Knowledge and Innovation Communities	5	4	-	-	4	81 %	-	-	-	-	1	-	-	1
Total Chapter 31	2 587	2 399	-	-	2 399	93 %	-	-	-	-	188	-	-	188
3202 Communications and dissemination	945	822	-	-	822	87 %	-	-	-	-	123	-	-	123
3203 Alumni	135	126	-	-	126	94 %	-	-	-	-	9	-	-	9
3204 Stakeholder relations	450	442	-	-	442	98 %	-	-	-	-	8	-	-	8

Annual accounts of the European Institute of Innovation & Technology 2020

Item	Total approp. availab.	Payments made					Appropriations carried over to 2021				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
		2	3	4	5=2+3+4	6=5/1	7	8	9	10=7+8+9	11	12	13	14=11 + 12+13
3205 Awards	5	5	-	-	5	100 %	-	-	-	-	-	-	-	-
<b>Total Chapter 32</b>	<b>1 535</b>	<b>1 396</b>	<b>-</b>	<b>-</b>	<b>1 396</b>	<b>91 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>139</b>	<b>-</b>	<b>-</b>	<b>139</b>
3301 EIT-KIC relations	36	22	-	-	22	62 %	-	-	-	-	14	-	-	14
3302 Simplification	34	7	-	-	7	20 %	-	-	-	-	27	-	-	27
3303 Monitoring and evaluation	70	55	-	-	55	79 %	-	-	-	-	15	-	-	15
<b>Total Chapter 33</b>	<b>140</b>	<b>84</b>	<b>-</b>	<b>-</b>	<b>84</b>	<b>60 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>56</b>	<b>-</b>	<b>-</b>	<b>56</b>
<b>Total Title 3</b>	<b>552 183</b>	<b>535 622</b>	<b>8 942</b>	<b>-</b>	<b>544 564</b>	<b>99 %</b>	<b>-</b>	<b>-</b>	<b>3 385</b>	<b>3 385</b>	<b>3 539</b>	<b>695</b>	<b>(34)</b>	<b>4 200</b>
<b>GRAND TOTAL</b>	<b>560 187</b>	<b>541 876</b>	<b>9 269</b>	<b>16</b>	<b>551 160</b>	<b>98 %</b>	<b>605</b>	<b>-</b>	<b>3 386</b>	<b>3 991</b>	<b>4 149</b>	<b>886</b>	<b>(33)</b>	<b>5 002</b>

## 6. OUTSTANDING COMMITMENTS

### 6.1 Outstanding commitments – Title 1

EUR '000

Item	Commitments outstanding at the end of previous year				Commitments of the current year				Total commitm. outstanding at year-end
	Commitm. carried 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 Basic salaries	-	-	-	-	2 566	2 566	-	-	-
1101 Allowances	-	-	-	-	946	946	-	-	-
1102 Employers charges	-	-	-	-	149	149	-	-	-
1110 Contract agents	-	-	-	-	968	968	-	-	-
1121 Entering / leaving	-	-	-	-	67	67	-	-	-
1130 Schooling	-	-	-	-	352	344	-	8	8
<b>Total Chapter 11</b>	-	-	-	-	<b>5 048</b>	<b>5 040</b>	-	<b>8</b>	<b>8</b>
1200 Recruitment expenses	2	-	2	-	4	4	-	0	0
<b>Total Chapter 12</b>	<b>2</b>	<b>-</b>	<b>2</b>	<b>-</b>	<b>4</b>	<b>4</b>	<b>-</b>	<b>0</b>	<b>0</b>
1300 Mission expenses	17	(9)	8	-	40	40	-	-	-
<b>Total Chapter 13</b>	<b>17</b>	<b>(9)</b>	<b>8</b>	<b>-</b>	<b>40</b>	<b>40</b>	<b>-</b>	<b>-</b>	<b>-</b>
1400 Restaurants and canteens	-	-	-	-	0	0	-	-	-
1401 Medical expenses	2	-	2	-	16	16	-	0	0
1402 Childhood centre	-	-	-	-	50	38	-	12	12
1403 Social contacts	0	(0)	0	-	-	-	-	-	-
1404 Other social expenses	-	-	-	-	1	1	-	0	0
<b>Total Chapter 14</b>	<b>3</b>	<b>(0)</b>	<b>3</b>	<b>-</b>	<b>67</b>	<b>54</b>	<b>-</b>	<b>13</b>	<b>13</b>
1500 Training	21	(15)	6	-	38	23	-	15	15
<b>Total Chapter 15</b>	<b>21</b>	<b>(15)</b>	<b>6</b>	<b>-</b>	<b>38</b>	<b>23</b>	<b>-</b>	<b>15</b>	<b>15</b>
1600 Agency staff	108	(33)	75	-	536	251	-	285	285
1601 SNE national experts (SNE)	-	-	-	-	11	4	-	7	7
1602 Trainees	5	-	5	-	94	74	-	20	20
1603 IT support	60	-	60	-	117	49	-	68	68
1604 Administrative assistance	16	(5)	12	-	139	122	-	16	16
1611 Translation	1	-	1	-	8	8	-	-	-
<b>Total Chapter 16</b>	<b>191</b>	<b>(38)</b>	<b>153</b>	<b>-</b>	<b>904</b>	<b>507</b>	<b>-</b>	<b>397</b>	<b>397</b>
1700 Representation	-	-	-	-	2	-	-	2	2
<b>Total Chapter 17</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>2</b>
<b>Total Title 1</b>	<b>233</b>	<b>(62)</b>	<b>171</b>	<b>-</b>	<b>6 104</b>	<b>5 668</b>	<b>-</b>	<b>435</b>	<b>435</b>

## 6.2 Outstanding commitments – Title 2

EUR '000

Item	Commitments outstanding at the end of previous year				Commitments of the current year				Total commitm. outstanding at year-end
	Commitm. carried 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
2000 Renting	0	(0)	0	-	65	39	-	25	25
2003 Water, gas, electricity, heating	16	(0)	16	-	26	14	-	12	12
2004 Cleaning, maintenance	28	(4)	24	-	32	3	-	29	29
2005 Security and surveillance	-	-	-	-	13	13	-	0	0
2006 Fitting out of premises	1	(0)	0	-	2	2	-	-	-
2009 Other building expenditure	1	-	1	-	8	8	-	-	-
<b>Total Chapter 20</b>	<b>46</b>	<b>(5)</b>	<b>41</b>	<b>-</b>	<b>147</b>	<b>81</b>	<b>-</b>	<b>66</b>	<b>66</b>
2100 ICT equipment acquisition	26	(0)	26	-	151	115	-	36	36
2101 ICT maintenance	57	(4)	52	-	237	189	-	48	48
<b>Total Chapter 21</b>	<b>83</b>	<b>(5)</b>	<b>78</b>	<b>-</b>	<b>388</b>	<b>304</b>	<b>-</b>	<b>84</b>	<b>84</b>
2200 Acquisition technical equipment	1	(0)	0	-	-	-	-	-	-
2212 Transport cost	0	(0)	0	-	5	5	-	-	-
2220 Acquisition of furniture	-	-	-	-	5	-	-	5	5
<b>Total Chapter 22</b>	<b>1</b>	<b>(0)</b>	<b>1</b>	<b>-</b>	<b>10</b>	<b>5</b>	<b>-</b>	<b>5</b>	<b>5</b>
2300 Stationery	3	(0)	3	-	0	0	-	-	-
2301 Postage and delivery	1	(0)	0	-	1	1	-	0	0
2302 Telecommunication	9	(2)	7	-	42	30	-	12	12
2303 Legal expenses and damages	116	(108)	9	-	-	-	-	-	-
2306 Honoraria for Governing Board (GB) members	2	(1)	2	-	160	157	-	3	3
2309 Other administrative expenditure	-	-	-	-	0	0	-	-	-
<b>Total Chapter 23</b>	<b>131</b>	<b>(110)</b>	<b>21</b>	<b>-</b>	<b>203</b>	<b>187</b>	<b>-</b>	<b>15</b>	<b>15</b>
2400 Official Journal	0	-	0	-	0	0	-	-	-
2402 Purchase information	-	-	-	-	17	17	-	-	-
2403 Studies and surveys	14	-	14	-	-	-	-	-	-
<b>Total Chapter 24</b>	<b>14</b>	<b>-</b>	<b>14</b>	<b>-</b>	<b>17</b>	<b>17</b>	<b>-</b>	<b>-</b>	<b>-</b>
2500 Governing Board (GB) meetings and travels	10	(8)	2	-	6	6	-	-	-
2520 Internal meetings	-	-	-	-	1	1	-	-	-
<b>Total Chapter 25</b>	<b>10</b>	<b>(8)</b>	<b>2</b>	<b>-</b>	<b>7</b>	<b>7</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Title 2</b>	<b>285</b>	<b>(129)</b>	<b>157</b>	<b>-</b>	<b>771</b>	<b>601</b>	<b>-</b>	<b>170</b>	<b>170</b>

## 6.3 Outstanding commitments – Title 3

EUR '000

Item	Commitments outstanding at the end of previous year				Commitments of the current year				Total commitm. outstanding at year-end
	Commitm. carried forward from previous year	Decommit. Revaluation Cancellations	Pay-ments	Total	Commit-ments made during the year	Pay-ments	Cancel-lation of commit. which cannot be carried forward	Commit. outstand-ing at year-end	
	1	2	3	4=1+2-3	5	6	7	8=5-6-7	9=4+8
3000 Knowledge Innovation Communities (KIC) grants	141 018	(18 493)	122 526	–	600 022	418 159	–	181 863	181 863
<b>Total Chapter 30</b>	<b>141 018</b>	<b>(18 493)</b>	<b>122 526</b>	<b>–</b>	<b>600 022</b>	<b>418 159</b>	<b>–</b>	<b>181 863</b>	<b>181 863</b>
3111 Planning, reporting and audits	1 866	(64)	1 802	–	2 079	386	–	1 693	1 693
3112 Knowledge triangle integration	233	(14)	170	49	98	37	–	61	110
3113 Fostering growth and creating impact	–	–	–	–	50	–	–	50	50
3114 New Knowledge and Innovation Communities	4	(0)	4	–	–	–	–	–	–
<b>Total Chapter 31</b>	<b>2 103</b>	<b>(78)</b>	<b>1 976</b>	<b>49</b>	<b>2 227</b>	<b>423</b>	<b>–</b>	<b>1 804</b>	<b>1 853</b>
3202 Communications and dissemination	1 833	(111)	822	900	1 399	1	–	1 398	2 298
3203 Alumni	156	(29)	126	–	207	0	–	207	207
3204 Stakeholder relations	510	(80)	430	–	217	13	–	205	205
3205 Awards	5	–	5	–	320	–	–	320	320
<b>Total Chapter 32</b>	<b>2 503</b>	<b>(221)</b>	<b>1 383</b>	<b>900</b>	<b>2 143</b>	<b>14</b>	<b>–</b>	<b>2 129</b>	<b>3 029</b>
3301 EIT-KIC relations	26	(4)	22	–	86	–	–	86	86
3302 Simplification	–	–	–	–	33	7	–	27	27
3303 Monitoring and evaluation	25	(2)	23	–	217	32	–	184	184
<b>Total Chapter 33</b>	<b>51</b>	<b>(6)</b>	<b>45</b>	<b>–</b>	<b>336</b>	<b>39</b>	<b>–</b>	<b>297</b>	<b>297</b>
<b>Total Title 3</b>	<b>145 676</b>	<b>(18 798)</b>	<b>125 929</b>	<b>949</b>	<b>604 727</b>	<b>418 635</b>	<b>–</b>	<b>186 093</b>	<b>187 041</b>
<b>GRAND TOTAL</b>	<b>146 194</b>	<b>(18 989)</b>	<b>126 257</b>	<b>949</b>	<b>611 602</b>	<b>424 904</b>	<b>–</b>	<b>186 698</b>	<b>187 647</b>

## 7. GLOSSARY

### **Administrative appropriations**

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

### **Adopted budget**

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

### **Amending budget**

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

### **Appropriations**

Budget funding.

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

### **Assigned revenue**

Revenue dedicated to finance specific items of expenditure.

### **Budget result**

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

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

### **Budget implementation**

Consumption of the budget through expenditure and revenue operations.

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

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

### **Budgetary commitment**

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

### **Cancellation of appropriations**

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

### **Carryover of appropriations**

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

## **Commitment appropriations**

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

## **De-commitment**

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

## **Differentiated appropriations**

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

## **Economic result**

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

## **Entitlements established**

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

## **Exchange rate difference**

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

## **Expenditure**

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

## **Grants**

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

## **Lapsing appropriations**

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

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

## **Legal basis / basic act**

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

## **Legal commitment**

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

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

### **Non-differentiated appropriations**

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

### **Operational appropriations**

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

### **Outstanding commitments**

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

### **Payment appropriations**

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

### **RAL (Reste à liquider)**

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

### **Surplus**

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

### **Transfer between budget lines**

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