

**PART II - REPORT ON BUDGETARY AND FINANCIAL  
MANAGEMENT**

## REVENUE OUTTURN STATEMENT 08.06.2011 – 31.12.2011

<b>REVENUE</b>	
Commission subsidy	8 234 873,70
Host state contribution	1 560 000,00
Miscellaneous income	0,00
<b>TOTAL REVENUE</b>	<b>9 794 873,70</b>
<b>EXPENSES (FUND SOURCE C1, C2, C8, R0)</b>	
<b>Staff expenses - Budget title I</b>	
Payments (C1, C8, R0)	1 648 785,32
Carryforwards (C1-> C8)	211 995,68
Carryovers (R0->R0)	366 227,38
<b>Infrastructure expenses - Budget title II</b>	
Payments (C1 and C8)	568 259,83
Carryforwards (C1 -> C8)	492 062,22
<b>Operative expenses - Budget title III</b>	
Payments (C1 and C2)	4 508 131,06
Carryovers (C1 -> C2)	3 778 942,31
<b>TOTAL EXPENSES</b>	<b>11 574 403,80</b>
<b>REVENUE OUTTURN BEFORE SPECIAL ITEMS</b>	<b>-1 779 530,10</b>
Cancelled carryovers (C8 Title 1 and Title 2)	
Realised exchange rate differences (gain + / loss -)	-9 340,68
Unrealised exchange rate differences (gain + / loss -)	-36 085,03
	<b>-45 425,71</b>
<b>REVENUE OUTTURN</b>	<b>-1 824 955,81</b>

## RECONCILIATION BUDGETARY/ECONOMIC OUTTURN

<i>Reconciliation of accrual result with budgetary result</i>	<i>Amount</i>
<b>Economic result</b>	<b>-2 953 567,85</b>
<b><i>Adjustment for accrual items (items not in the budgetary result but included in the economic result)</i></b>	
Adjustments for Accrual Cut-off (reversal 31.12.N-1)	
Adjustments for Accrual Cut-off (cut- off 31.12.N)	11 831 336,43
Adjustments for Cut-off (cut- off 31.12.N) - allocation of Step1 invoices/cost claims	242 727,85
Adjustments for Cut-off (cut- off 31.12.N) - allocation of open pre-financing	43 994 939,29
Deferred income	366 227,38
Unpaid invoices at year end but booked in charges (class 6)	198 401,51
Depreciation of intangible and tangible assets	20 547,95
Provisions	66 946,55
Recovery Orders issued in 2011 in class 7 and not yet cashed	
Prefinancing given in previous year and cleared in the year	
Prefinancing received in previous year and cleared in the year	
Payments made from carry over of payment appropriations	
Opening balance: open pre-financings transferred from parent DG	-56 908 156,96
Opening balance: fixed asset revenue (fixed assets transferred from parent DG)	-164 623,27
Prepayments (deferrals)	-1 515,05
Interest	-22 013,24
<b><i>Ajustoment for budgetary items (item included in the budgetary result but not in the economic result)</i></b>	
Asset acquisitions (less unpaid amounts)	-29 266,14
New pre-financing paid in the year 2011 and remaining open as at 31.12.2011	-45 782,79
New pre-financing received in the year 2011 and remaining open as at 31.12.2011	
Budgetary recovery orders issued before 2011 and cashed in the year	
Budgetary recovery orders issued in 2011 on balance sheet accounts (not 7 or 6 accounts) and cashed	
Capital payments on financial leasing (they are budgetary payments but not in the economic result)	
Payment appropriations carried over to 2012	-4 849 227,59
Cancellation of unused carried over payment appropriations from previous year	
Adjustment for carry-over from the previous year of appropriations available at 31.12 arising from assigned revenue	
Opening balance: pre-financing from opening balance cleared in 2011	6 428 070,12
<b>Total</b>	<b>-1 824 955,81</b>
<b>Budgetary result</b>	<b>-1 824 955,81</b>
Delta not explained	0,00

# **BUDGETARY MANAGEMENT**

**1.1.2011 – 31.12.2011**

## **I. Introduction**

### **I.1. Legal basis — Financial Regulation applicable to the EIT**

The present budgetary and financial management report is drawn up in accordance with Article 76 of the Financial Rules of the European Institute of Innovation and Technology (EIT).

### **I.2. Budgetary principles**

**The general budget is governed by a number of basic principles:**

- **unity and budget accuracy universality:** all expenditure and revenue must be incorporated into a single budget document, must be booked on a budget line and expenditure must not exceed authorised appropriations;
- **universality:** this principle comprises two rules:
  - the rule of non-assignment, meaning that budget revenue must not be earmarked for specific items of expenditure (total revenue must cover total expenditure);
  - the gross budget rule, meaning that revenue and expenditure are entered in full into the budget without any adjustment against each other;
- **annuality:** the appropriations entered are authorized for a single year and must therefore be used during that year;
- **equilibrium:** the revenue and expenditure shown in the budget must be in balance;
- **specification:** each appropriation is assigned to a specific purpose and a specific objective;
- **unit of account:** the budget is drawn up and implemented in eur and the accounts are presented in EUR;
- **sound financial management:** budget appropriations are used in accordance with the principle of sound financial management, namely in accordance with the principles of economy, efficiency and effectiveness;
- **transparency:** the budget is established and implemented and the accounts presented in compliance with the principle of transparency; the budget and amending budgets are published in the Official Journal of the European Union.

### **I.3. Management information systems**

The budget accounting system was provided by ABAC Workflow from 8 June 2011.  
The financial accounting system (general ledger) was provided by SAP from 8 June 2011.  
The contract management system was provided by ABAC Contract from 8 June 2011.  
The assets management system was provided by ABAC Assets from 19 December 2011.  
The various budget and financial reports are produced using the Business Objects system.  
This integrated system is fully operational. It allows gains in productivity and reliability, together with the production of reports, statistics and alerts which make it possible to improve budgetary and financial management.

### **I.4. Nomenclature of appropriations**

The nomenclature of appropriations is as follows:

C1: Current appropriations

C2: Non-automatic carry-overs

C8: Automatic carried-over appropriations

R0: Assigned revenue — external and internal

### **I.5. Assessment and improvement of the management and internal control systems**

The Governing Board of the EIT (GB) adopted the minimum standards on internal management and control system on 4 June 2010<sup>3</sup> and the Director adopted the Internal Control Standards applicable to the European Commission on 7 May 2010<sup>4</sup>.

The financial controls and systems at the EIT are designed and operated in a controlled manner, the internal control environment has been established for procedures providing input into the financial statement and related internal policies/procedures are followed.

However, it is important to acknowledge that there are still some areas where further development is necessary to improve the established procedures and internal control, which are especially crucial as the business expands and number of transactions increase.

### **I.6. Financial autonomy**

In 2010 and 2011 the EIT and its parent DG (DG EAC) worked together to set up the appropriate internal structures and procedures to be able to manage EU funds in accordance with the principles of sound financial management and to fulfill the minimum conditions for EIT financial autonomy. These were defined as<sup>5</sup>:

- (1) establishing an effective segregation of duties of the authorising officer and accounting officer
- (2) an operational accounting system enabling the use of the funds to be verified and reflected in the EU accounts
- (3) an adequate procedure for payments which ensure sound financial management of the EU funds.

<sup>3</sup> Decision by the Governing Board of 4 June 2010 on minimum standards on internal management and control systems and procedures

<sup>4</sup> Director Decision No 3/2010

<sup>5</sup> Commission Decision C(2009) 10145 of 17 December 2009

These prerequisites were fulfilled and EIT obtained its financial autonomy on 8 June 2011<sup>6</sup> subject to the following conditions:

DG EAC will provide consultation and ex-ante verification in two areas:

1. KIC grant management
2. High value procurement procedures until the consolidation of EIT operational and financial capacity.

The present report therefore shows the execution of budget for two periods:

- for the entire year and
- for the period of the EIT financial autonomy, i.e. from 8 June to 31 December

The figures for the entire year can be retrieved from two systems:

- DG EAC accounting system (period of 1 January and 7 June)
- EIT accounting system (period of 8 June and 31 December).

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<sup>6</sup> Note of Jan Truszczyński to Dr Martin Schuurmans, Chairman of the EIT Governing Board on 8 June 2011

## II. Implementation of the budget

### II. 1. Summary of transfers of appropriations and budget amendments

The Governing Board adopted the budget on 14 December 2010 subject to the adoption of the EU general budget. Following the adoption of the EU budget on 15 December 2010, the EIT budget for 2011 had to be amended as the budgetary authorities decreased the payment appropriations on administrative and operational budget lines. The amendment also includes the changes deriving from the Host Member State's contribution. The amendment was adopted by the Governing Board on 16 February 2011.

The decision on the first transfer is due from the fact that the budgetary authorities, mentioned above, decreased the payment appropriations on administrative budget lines while commitment appropriations remained unchanged. To comply with Article 179 (1) of the Financial Regulation<sup>7</sup> transfer of payment appropriations from the operational budget lines to administrative budget lines had to be executed in order to ensure the equivalent level of commitment and payment appropriations in the administrative budget.

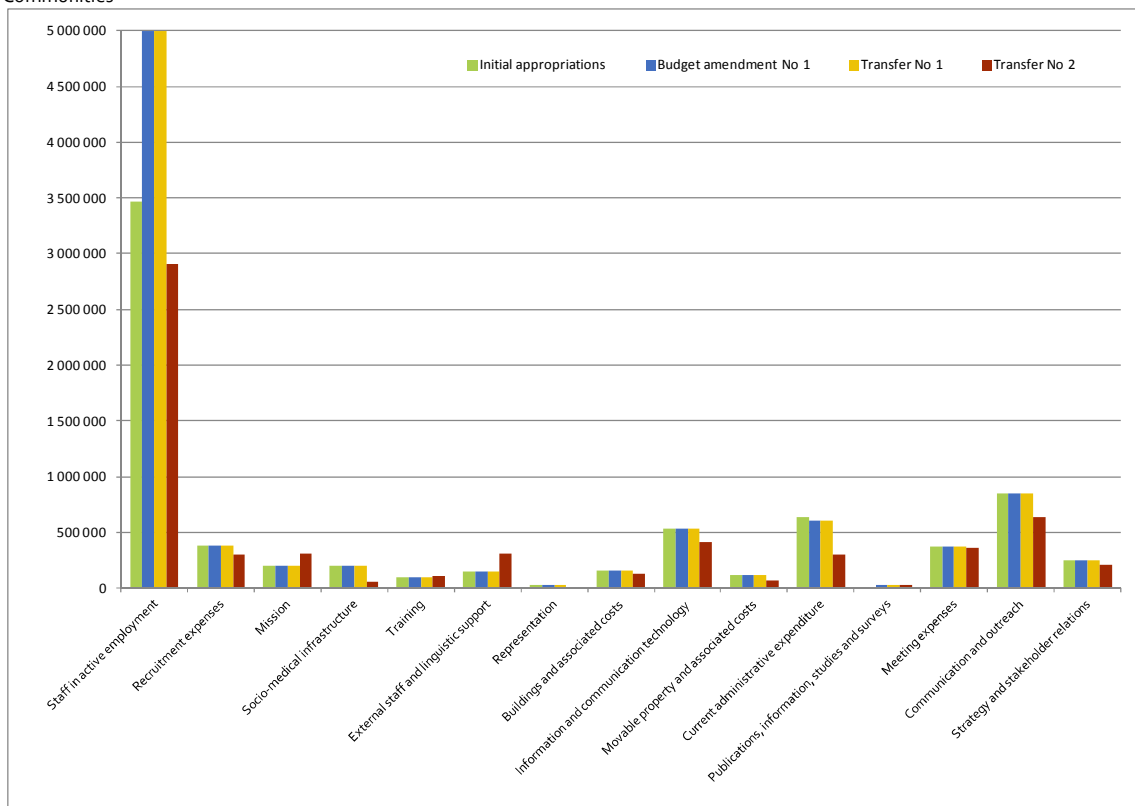
The autumn review of the budget implementation resulted in the decision on the second transfer on 28 August 2011. Due to the recruitment process slower than anticipated, a significant amount of the administrative budget was released for operational activities. Some procurement procedures resulted in savings on both budgets as well. The Governing Board determined in its decision of 16 February 2011 that the funds released by the Host Member State contribution of EUR 1 560 000 in 2011 should be transferred to the operational activities. The Hungarian contribution was received on 5 August 2011. The reallocation of the funds led to additional grants awarded to the KICs.

Table 1 - Summary of transfers of appropriations and budget amendments 01.01.2011 – 31.12.2011 (C1+Ro)

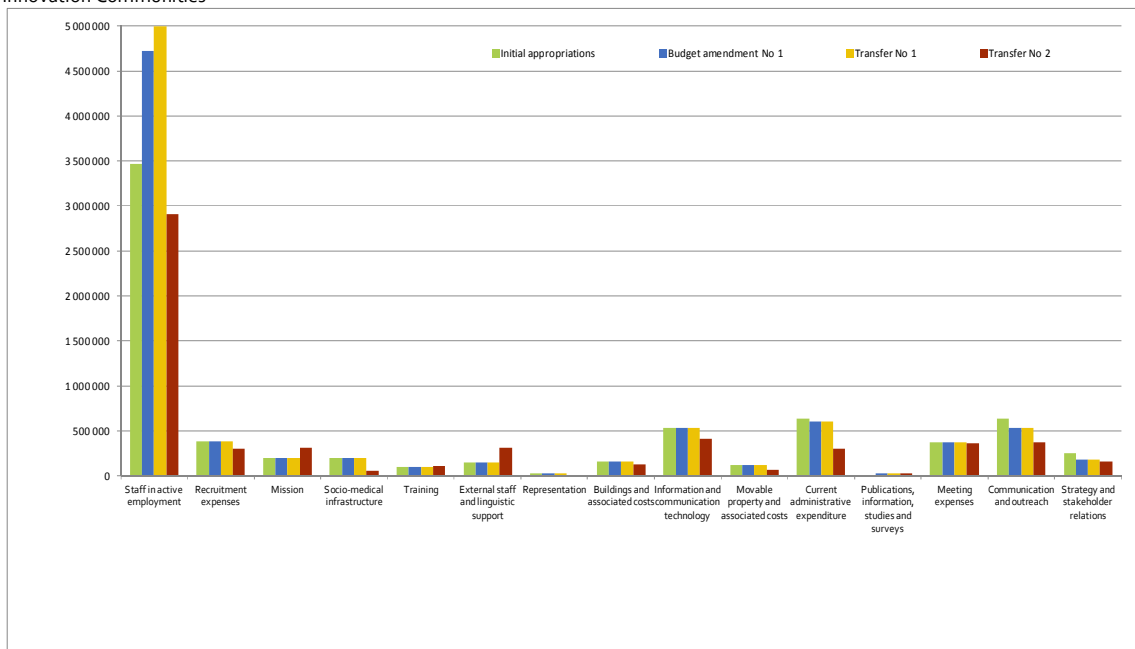
EXPENDITURE		Initial appropriations		Budget amendment No 1		Transfer No 1		Transfer No 2		Final appropriations	
Chapter	Heading	Commitment	Payment	Commitment	Payment	Commitment	Payment	Commitment	Payment	Commitment	Payment
<b>TITLE 1 - STAFF EXPENDITURE</b>											
11	Staff in active employment	3 467 560	3 467 560	1 560 000	1 256 454		303 546	-2 117 838	-2 117 838	2 909 722	2 909 722
12	Recruitment expenses	380 000	380 000					-80 000	-80 000	300 000	300 000
13	Mission	200 000	200 000					107 000	107 000	307 000	307 000
14	Socio-medical infrastructure	200 000	200 000					-140 000	-140 000	60 000	60 000
15	Training	100 000	100 000					9 000	9 000	109 000	109 000
16	External staff and linguistic support	150 000	150 000					165 000	165 000	315 000	315 000
17	Representation	30 000	30 000					-20 000	-20 000	10 000	10 000
	<b>TOTAL - Title 1</b>	<b>4 527 560</b>	<b>4 527 560</b>	<b>1 560 000</b>	<b>1 256 454</b>	<b>0</b>	<b>303 546</b>	<b>-2 076 838</b>	<b>-2 076 838</b>	<b>4 010 722</b>	<b>4 010 722</b>
<b>TITLE 2 - INFRASTRUCTURE AND OPERATING EXPENDITURE</b>											
20	Buildings and associated costs	160 000	160 000					-34 000	-34 000	126 000	126 000
21	Information and communication technology	537 300	537 300					-123 300	-123 300	414 000	414 000
22	Movable property and associated costs	117 500	117 500					-45 500	-45 500	72 000	72 000
23	Current administrative expenditure	635 200	635 200	-30 000	-30 000			-301 200	-301 200	304 000	304 000
24	Publications, information, studies and surveys	p.m.	p.m.	30 000	30 000			-3 000	-3 000	27 000	27 000
25	Meeting expenses	370 000	370 000					-12 000	-12 000	358 000	358 000
	<b>TOTAL - Title 2</b>	<b>1 820 000</b>	<b>1 820 000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-519 000</b>	<b>-519 000</b>	<b>1 301 000</b>	<b>1 301 000</b>
<b>TITLE 3 - OPERATIONAL EXPENDITURE</b>											
31	Knowledge and Innovation Communities	56 847 080	45 122 072		-2 017 724		-303 546	2 840 838	2 760 838	59 687 918	45 561 640
32	Communication and outreach	850 000	637 500		-107 500			-210 000	-154 000	640 000	376 000
33	Strategy and stakeholder relations	250 000	250 000		-75 000			-35 000	-11 000	215 000	164 000
	<b>TOTAL - Title 3</b>	<b>57 947 080</b>	<b>46 009 572</b>	<b>0</b>	<b>-2 200 224</b>	<b>0</b>	<b>-303 546</b>	<b>2 595 838</b>	<b>2 595 838</b>	<b>60 542 918</b>	<b>46 101 640</b>
	<b>TOTAL</b>	<b>64 294 640</b>	<b>52 357 132</b>	<b>1 560 000</b>	<b>-943 770</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>65 854 640</b>	<b>51 413 362</b>

<sup>7</sup> "Administrative appropriations shall be non-differentiated appropriations."

Graph 1 – Evolution of commitment appropriations after each amendment/transfer excluding budget line for Knowledge and Innovation Communities

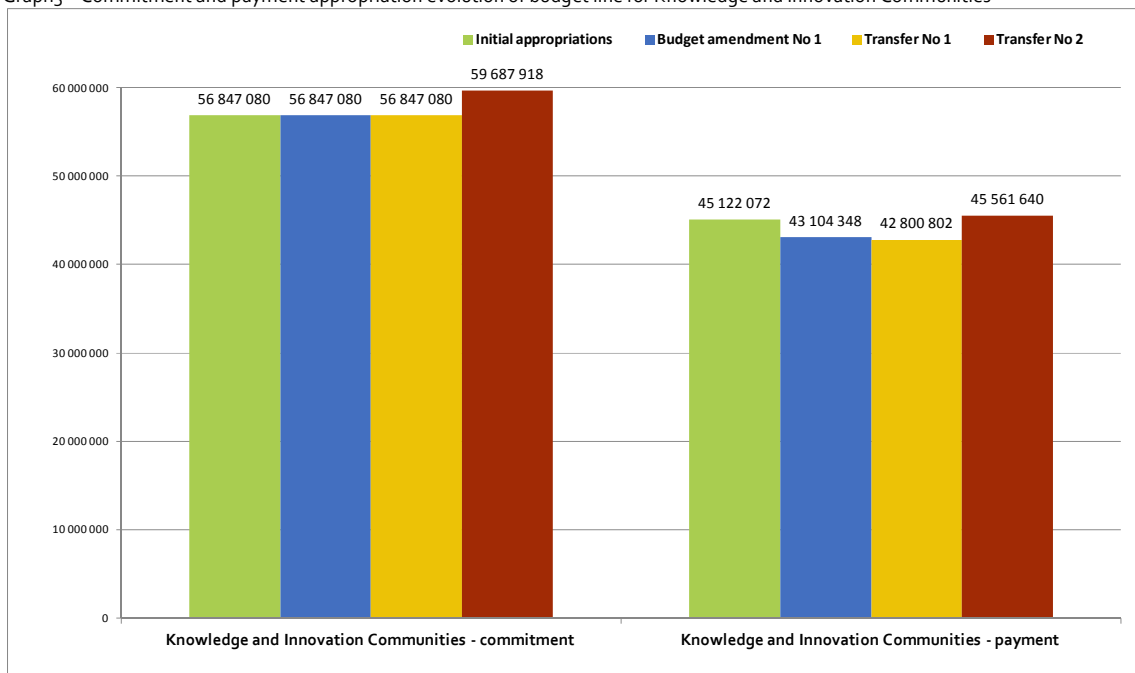


Graph 2 – Evolution of payment appropriations after each amendment/transfer transfer excluding budget line for Knowledge and Innovation Communities





Graph3 – Commitment and payment appropriation evolution of budget line for Knowledge and Innovation Communities



**COMPARISON OF BUDGET AND ACTUALS (C1)**  
8.6.2011-31.12.2011

		<b>Initial</b>	<b>Transfers</b>	<b>Final</b>	<b>Actual committed</b>	<b>Actual paid</b>
A-1100	C1	859 588,70	-685 734,36	173 854,34	0,00	0,00
A-1101	C1	520 000,00	-490 352,10	29 647,90	0,00	0,00
A-1102	C1	170 000,00	-160 600,25	9 399,75	0,00	0,00
A-1110	C1	815 759,80	-781 151,29	34 608,51	0,00	0,00
A-1130	C1	90 000,00	0,00	90 000,00	45 836,49	45 836,49
A-1200	C1	133 000,00	0,00	133 000,00	56 582,08	26 582,08
A-1201	C1	244 645,59	-80 000,00	164 645,59	65 983,72	65 983,72
A-1300	C1	138 854,90	107 000,00	245 854,90	225 854,90	174 241,23
A-1400	C1	30 000,00	-25 000,00	5 000,00	2 132,00	0,00
A-1410	C1	95 000,00	-70 000,00	25 000,00	526,19	526,19
A-1420	C1	30 000,00	-5 000,00	25 000,00	6 521,17	6 521,17
A-1430	C1	40 000,00	-35 000,00	5 000,00	5 000,00	0,00
A-1490	C1	5 000,00	-5 000,00	0,00	0,00	0,00
A-1500	C1	91 435,96	9 000,00	100 435,96	74 834,26	19 952,63
A-1600	C1	64 000,00	0,00	64 000,00	0,00	0,00
A-1601	C1	0,00	20 000,00	20 000,00	0,00	0,00
A-1603	C1	8 287,08	60 766,00	69 053,08	16 516,64	3 556,64
A-1604	C1	60 000,00	0,00	60 000,00	60 000,00	21 144,79
A-1611	C1	16 926,00	84 234,00	101 160,00	97 469,00	82 584,00
A-1700	C1	29 096,68	-20 000,00	9 096,68	2 096,68	428,51
A-2000	C1	0,00	2 000,00	2 000,00	0,00	0,00
A-2010	C1	3 000,00	0,00	3 000,00	0,00	0,00
A-2020	C1	100 000,00	0,00	100 000,00	93 350,00	
A-2030	C1	15 000,00	-3 000,00	12 000,00	12 000,00	5 229,86
A-2040	C1	10 000,00	-3 000,00	7 000,00	0,00	0,00
A-2050	C1	31 000,00	-29 000,00	2 000,00	0,00	0,00
A-2090	C1	1 000,00	-1 000,00	0,00	0,00	0,00
A-2100	C1	447 455,98	-125 752,00	321 703,98	171 138,60	71 222,50
A-2101	C1	85 000,00	2 452,00	87 452,00	81 452,52	31 538,20
A-2200	C1	78 500,00	-63 500,00	15 000,00	3 277,57	3 277,57
A-2201	C1	2 000,00	-1 000,00	1 000,00	0,00	0,00
A-2212	C1	4 923,88	0,00	4 923,88	4 923,88	305,06
A-2220	C1	30 000,00	20 000,00	50 000,00	1 058,97	1 058,97
A-2221	C1	2 000,00	-1 000,00	1 000,00	0,00	0,00
A-2300	C1	238 068,33	-209 428,27	28 640,06	6 645,20	6 073,20
A-2310	C1	15 000,00	-5 235,25	9 764,75	9 764,75	600,15
A-2320	C1	100 000,00	-55 536,48	44 463,52	43 849,27	22 716,59
A-2330	C1	15 000,00	0,00	15 000,00	0,00	0,00
A-2340	C1	5 000,00	-4 000,00	1 000,00	1 000,00	638,62
A-2350	C1	5 000,00	-1 000,00	4 000,00	1 000,00	99,04
A-2360	C1	134 088,05	-24 000,00	110 088,05	84 500,00	84 500,00
A-2390	C1	7 000,00	-2 000,00	5 000,00	5 000,00	1 886,49
A-2400	C1	5 000,00	0,00	5 000,00	0,00	0,00
A-2401	C1	15 000,00	-9 500,00	5 500,00	5 000,00	5 000,00
A-2410	C1	10 000,00	6 500,00	16 500,00	0,00	0,00
A-2500	C1	104 021,70	-8 021,70	96 000,00	65 637,49	32 522,18
A-2501	C1	257 720,32	521,70	258 242,02	257 720,32	89 995,19
A-2510	C1	5 000,00	-5 000,00	0,00	0,00	0,00
A-2520	C1	2 000,00	1 000,00	3 000,00	3 000,00	1 592,73
A-2521	C1	500,00	-500,00	0,00	0,00	0,00

		<b>Initial</b>	<b>Transfers</b>	<b>Final</b>	<b>Actual committed</b>	<b>Actual paid</b>
<b>B3-100</b>	<b>C1</b>	16 852 886,02	3 340 000,00	<b>20 192 886,02</b>	20 192 778,02	400 658,74
<b>B3-110</b>	<b>C1</b>	142 000,00	-127 000,00	<b>15 000,00</b>	1 278,54	1 278,54
<b>B3-120</b>	<b>C1</b>	320 000,00	-265 000,00	<b>55 000,00</b>	31 342,50	53 927,67
<b>B3-121</b>	<b>C1</b>	1 000,00	-1 000,00	<b>0,00</b>	0,00	0,00
<b>B3-130</b>	<b>C1</b>	107 500,00	-8 500,00	<b>99 000,00</b>	67 174,22	25 067,22
<b>B3-140</b>	<b>C1</b>	100 000,00	0,00	<b>100 000,00</b>	100 000,00	23 525,65
<b>B3-150</b>	<b>C1</b>	96 040,90	-9 662,00	<b>86 378,90</b>	47 040,90	17 978,18
<b>B3-151</b>	<b>C1</b>	157 000,00	-117 000,00	<b>40 000,00</b>	10 710,00	10 210,00
<b>B3-190</b>	<b>C1</b>	1 000,00	29 000,00	<b>30 000,00</b>	8 636,34	3 481,94
<b>B3-200</b>	<b>C1</b>	473 700,00	-244 700,00	<b>229 000,00</b>	201 278,01	23 702,87
<b>B3-201</b>	<b>C1</b>	36 300,00	-300,00	<b>36 000,00</b>	5 625,56	5 625,56
<b>B3-202</b>	<b>C1</b>	90 000,00	-60 000,00	<b>30 000,00</b>	0,00	0,00
<b>B3-203</b>	<b>C1</b>	250 000,00	95 000,00	<b>345 000,00</b>	237 976,36	101 939,85
<b>B3-300</b>	<b>C1</b>	223 640,55	-102 000,00	<b>121 640,55</b>	71 550,46	56 361,95
<b>B3-301</b>	<b>C1</b>	5 000,00	67 000,00	<b>72 000,00</b>	67 573,31	3 738,64
<b>TOTAL</b>		<b>24 025 940,44</b>	<b>0,00</b>	<b>24 025 940,44</b>	<b>22 552 635,92</b>	<b>1 533 110,61</b>

## II.2. Revenue

In 2011 the EIT budget comprises

- a subsidy granted by the European Union
- a contribution granted by the European Free Trade Association Member States (EFTA) and
- a contribution granted by the Host Member State.

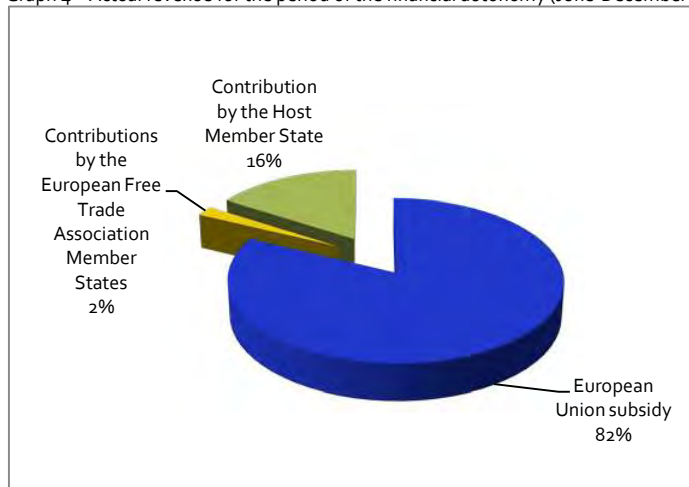
The major part of the revenues derives from the EU subsidy which is supplemented by the EFTA contribution by 2,38%. The EFTA contribution is collected by the European Commission who transfers it to the EIT together with the EU subsidy.

The EIT signed a Host Agreement with the Government of the Republic of Hungary on 23 March 2010. As laid down in the Host Agreement, the Host Member State undertakes to contribute to the staff costs of the EIT to cover the wage costs of 20 employees of the EIT for five years. The contribution is due from 2011 in five annual instalment of EUR 1 560 000.

Table 2 – EIT revenues for the period of the financial autonomy (June-December)

EIT revenues	Actual revenue
European Union subsidy	8 043 439,83
Contributions by the European Free Trade Association Member States	191 433,87
Contribution by the Host Member State	1 560 000,00
<b>Total</b>	<b>9 794 873,70</b>

Graph 4 – Actual revenue for the period of the financial autonomy (June-December 2011)



## II.3. Expenditure

### II.3.1. Overall analysis of expenditure concerning appropriations from the 2011 budget (C1 and R0)

The measures adopted in 2011 to improve the planning and execution of the EIT's annual work programme and budget had an overall effect of improving the execution rate of commitments and payment appropriations.

The execution rate for the entire year stands at 97,21 % for commitment appropriations, 83,83 % for payment appropriations and 67,33 % for payments against commitment.

Slower recruitment resulted in a lower execution rate on Title 1 Staff expenditure for both commitments (73,23%) and payment appropriations (68,00%).

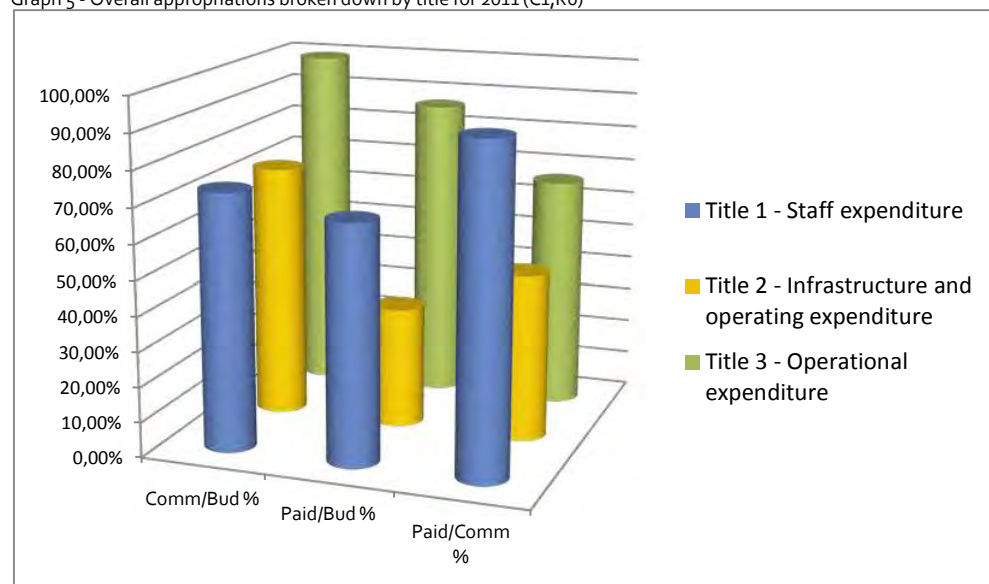
In 2009, when the 2011 budget was prepared, only draft estimates were available for infrastructure and administrative expenditure needs. The planned amounts were overestimated. Furthermore, a major part of the contracts for infrastructure and operating expenditure was concluded after the financial autonomy (in the second half of the year), owing to the shorter financial workflow. This also had an impact on the payments, the later start of the execution of the contracts resulted in the postponement of payments to the following year.

The ratio of 66,39% for payments against commitments for operational expenditure is explained by the fact that no pre-financing payment was executed for the additional grants coming from the second transfer in August.

Table 3 – Overall appropriations broken down by title for 2011 (C1,R0)

	Commitment appropriations			Payment appropriations			Paid/Comm %
	Final budget	Committed	Comm/Bud %	Final budget	Paid	Paid/Bud %	
Title 1 - Staff expenditure	4 010 722,00	2 939 091,04	73,28%	4 010 722,00	2 727 095,36	68,00%	92,79%
Title 2 - Infrastructure and operating expenditure	1 301 000,00	942 040,31	72,41%	1 301 000,00	449 978,09	34,59%	47,77%
Title 3 - Operational expenditure	60 542 918,00	60 133 976,41	99,32%	46 101 640,00	39 923 567,44	86,60%	66,39%
<b>Total</b>	<b>65 854 640,00</b>	<b>64 015 107,76</b>	<b>97,21%</b>	<b>51 413 362,00</b>	<b>43 100 640,89</b>	<b>83,83%</b>	<b>67,33%</b>

Graph 5 - Overall appropriations broken down by title for 2011 (C1,R0)

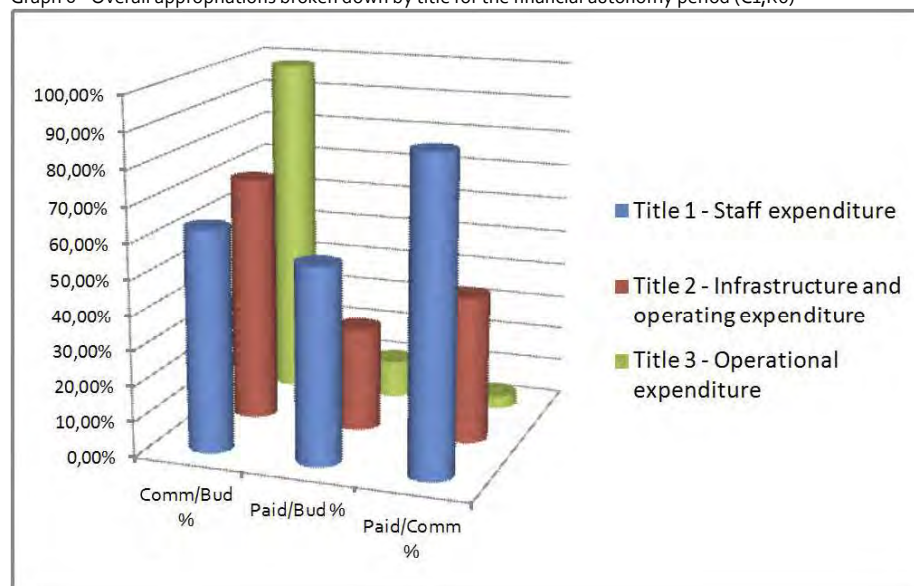


The execution rate for the period of financial autonomy (June – December) stands at 92,81 % for commitment appropriations, 24,70 % for payment appropriations against commitment and 11,48 % for payment against the commitment.

Table 4 – Overall appropriations broken down by title for the financial autonomy period (C1,Ro)

	Commitment appropriations			Payment appropriations			Paid/Comm %
	Final budget	Committed	Comm/Bud %	Final budget	Paid	Paid/Bud %	
Title 1 - Staff expenditure	2 924 756,71	1 853 125,75	63,36%	2 924 756,71	1 641 130,07	56,11%	88,56%
Title 2 - Infrastructure and operating expenditure	1 209 278,26	850 318,57	70,32%	1 209 278,26	358 256,35	29,63%	42,13%
Title 3 - Operational expenditure	21 451 905,47	21 042 964,22	98,09%	6 905 569,37	727 496,81	10,53%	3,46%
<b>Total</b>	<b>25 585 940,44</b>	<b>23 746 408,54</b>	<b>92,81%</b>	<b>11 039 604,34</b>	<b>2 726 883,23</b>	<b>24,70%</b>	<b>11,48%</b>

Graph 6 - Overall appropriations broken down by title for the financial autonomy period (C1,Ro)



## II.3. Analysis by type of expenditure

### II.3.1. Title 1 — staff expenditure

#### II.3.1.1. Title 1 — staff expenditure (C1, R0)

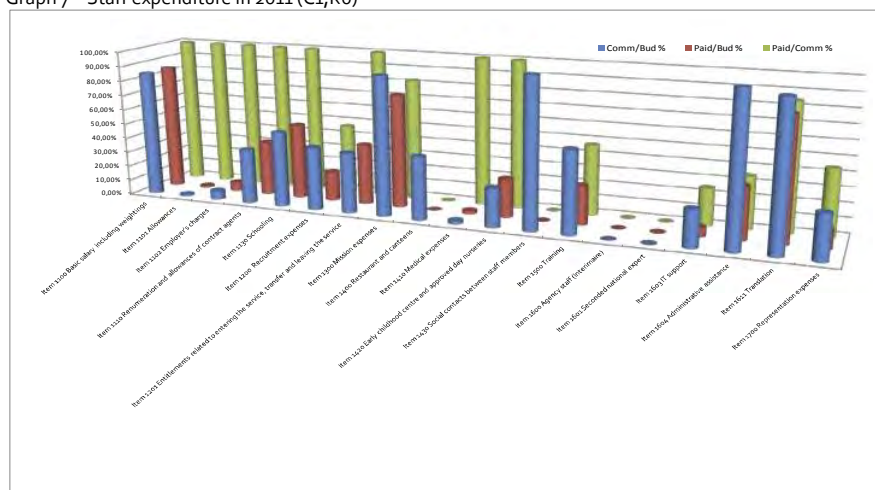
The execution rate of commitments for the entire year represents 73,28 % and the execution rate of payments against committed appropriations stands at 92,79 %.

Slower recruitment had an effect on the personnel costs like salary, allowances, employers' charges, schooling, recruitment, medical expenses, crèche etc. Before financial autonomy was obtained, interim agents were at the disposal at the EIT which was finally financed by the parent DG (EAC) thus the execution rate is zero. The delay in the finalisation of the call for seconded national experts also resulted in a non-execution of the budget concerned. Due to the re-organisation of the EIT certain IT projects were postponed to the following year therefore the budget execution for IT consultancy is lower than was planned.

Table 5 – Staff expenditure in 2011 (C1,R0)

	Commitment appropriations			Payment appropriations			Paid/Comm %
	Final budget	Committed	Comm/Bud %	Final budget	Paid	Paid/Bud %	
Item 1100 Basic salary including weightings	1 909 722,00	1 611 625,37	84,39%	1 909 722,00	1 611 625,37	84,39%	100,00%
Item 1101 Allowances	250 000,00	178 646,06	71,46%	250 000,00	178 646,06	71,46%	100,00%
Item 1102 Employer's charges	60 000,00	43 408,75	72,35%	60 000,00	43 408,75	72,35%	100,00%
Item 1110 Remuneration and allowances of contract agents	600 000,00	372 303,94	62,05%	600 000,00	372 303,94	62,05%	100,00%
Item 1130 Schooling	90 000,00	45 836,49	50,93%	90 000,00	45 836,49	50,93%	100,00%
Item 1200 Recruitment expenses	133 000,00	56 582,08	42,54%	133 000,00	26 582,08	19,99%	46,98%
Item 1201 Entitlements related to entering the service, transfer and leaving the service	167 000,00	68 338,13	40,92%	167 000,00	68 338,13	40,92%	100,00%
Item 1300 Mission expenses	307 000,00	287 000,00	93,49%	307 000,00	235 386,33	76,67%	82,02%
Item 1400 Restaurant and canteens	5 000,00	2 132,00	42,64%	5 000,00	0,00	0,00%	0,00%
Item 1410 Medical expenses	25 000,00	526,19	2,10%	25 000,00	526,19	2,10%	100,00%
Item 1420 Early childhood centre and approved day nurseries	25 000,00	6 521,17	26,08%	25 000,00	6 521,17	26,08%	100,00%
Item 1430 Social contacts between staff members	5 000,00	5 000,00	100,00%	5 000,00	0,00	0,00%	0,00%
Item 1500 Training	109 000,00	83 398,30	76,51%	109 000,00	28 516,67	26,16%	34,19%
Item 1600 Agency staff (Interimaire)	64 000,00	0,00	0,00%	64 000,00	0,00	0,00%	0,00%
Item 1601 Seconded national expert	20 000,00	0,00	0,00%	20 000,00	0,00	0,00%	0,00%
Item 1603 IT support	69 840,00	17 303,56	24,78%	69 840,00	4 343,56	6,22%	25,10%
Item 1604 Administrative assistance	60 000,00	60 000,00	100,00%	60 000,00	21 144,79	35,24%	35,24%
Item 1611 Translation	101 160,00	97 469,00	96,35%	101 160,00	82 584,00	81,64%	84,73%
Item 1700 Representation expenses	10 000,00	3 000,00	30,00%	10 000,00	1 331,83	13,32%	44,39%
<b>Total</b>	<b>4 010 722,00</b>	<b>2 939 091,04</b>	<b>73,28%</b>	<b>4 010 722,00</b>	<b>2 727 095,36</b>	<b>68,00%</b>	<b>92,79%</b>

Graph 7 – Staff expenditure in 2011 (C1,R0)

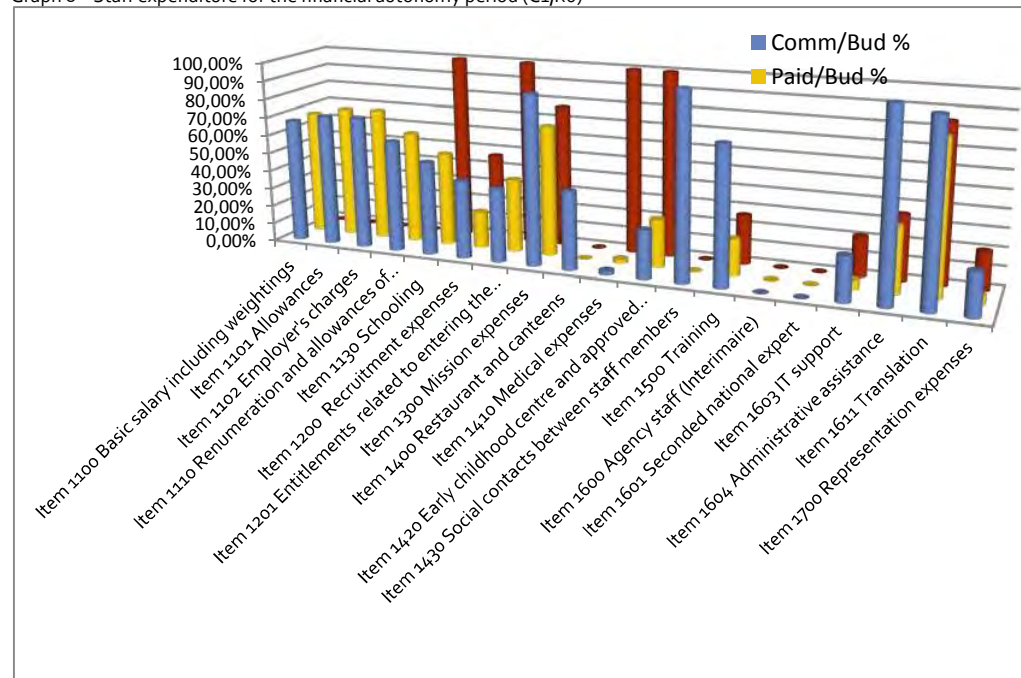


The execution rate of commitments for the period of the financial autonomy (June – December) represents 63,36 % and the execution rate of payments against the committed appropriations stands at 88,56 %.

Table 6 – Staff expenditure for the financial autonomy period (C1,Ro)

	Commitment appropriations			Payment appropriations			Paid/Com m %
	Final budget	Committed	Comm/Bud %	Final budget	Paid	Paid/Bud %	
Item 1100 Basic salary including weightings	918 854,34	620 757,71	67,56%	918 854,34	620 757,71	67,56%	0,00%
Item 1101 Allowances	249 647,90	178 293,96	71,42%	249 647,90	178 293,96	71,42%	0,00%
Item 1102 Employer's charges	59 399,75	42 808,50	72,07%	59 399,75	42 808,50	72,07%	0,00%
Item 1110 Remuneration and allowances of contract agents	579 608,51	351 912,45	60,72%	579 608,51	351 912,45	60,72%	0,00%
Item 1130 Schooling	90 000,00	45 836,49	50,93%	90 000,00	45 836,49	50,93%	100,00%
Item 1200 Recruitment expenses	133 000,00	56 582,08	42,54%	133 000,00	26 582,08	19,99%	46,98%
Item 1201 Entitlements related to entering the service, transfer and leaving the service	164 645,59	65 983,72	40,08%	164 645,59	65 983,72	40,08%	100,00%
Item 1300 Mission expenses	245 854,90	225 854,90	91,87%	245 854,90	174 241,23	70,87%	77,15%
Item 1400 Restaurant and canteens	5 000,00	2 132,00	42,64%	5 000,00	0,00	0,00%	0,00%
Item 1410 Medical expenses	25 000,00	526,19	2,10%	25 000,00	526,19	2,10%	100,00%
Item 1420 Early childhood centre and approved day nurseries	25 000,00	6 521,17	26,08%	25 000,00	6 521,17	26,08%	100,00%
Item 1430 Social contacts between staff members	5 000,00	5 000,00	100,00%	5 000,00	0,00	0,00%	0,00%
Item 1500 Training	100 435,96	74 834,26	74,51%	100 435,96	19 952,63	19,87%	26,66%
Item 1600 Agency staff (Interimaire)	64 000,00	0,00	0,00%	64 000,00	0,00	0,00%	0,00%
Item 1601 Seconded national expert	20 000,00	0,00	0,00%	20 000,00	0,00	0,00%	0,00%
Item 1603 IT support	69 053,08	16 516,64	23,92%	69 053,08	3 556,64	5,15%	21,53%
Item 1604 Administrative assistance	60 000,00	60 000,00	100,00%	60 000,00	21 144,79	35,24%	35,24%
Item 1611 Translation	101 160,00	97 469,00	96,35%	101 160,00	82 584,00	81,64%	84,73%
Item 1700 Representation expenses	9 096,68	2 096,68	23,05%	9 096,68	428,51	4,71%	20,44%
<b>Total</b>	<b>2 924 756,71</b>	<b>1 853 125,75</b>	<b>63,36%</b>	<b>2 924 756,71</b>	<b>1 641 130,07</b>	<b>56,11%</b>	<b>88,56%</b>

Graph 8 – Staff expenditure for the financial autonomy period (C1,Ro)





## II.3.2. Title 2 — infrastructure and operating expenditure (C 1)

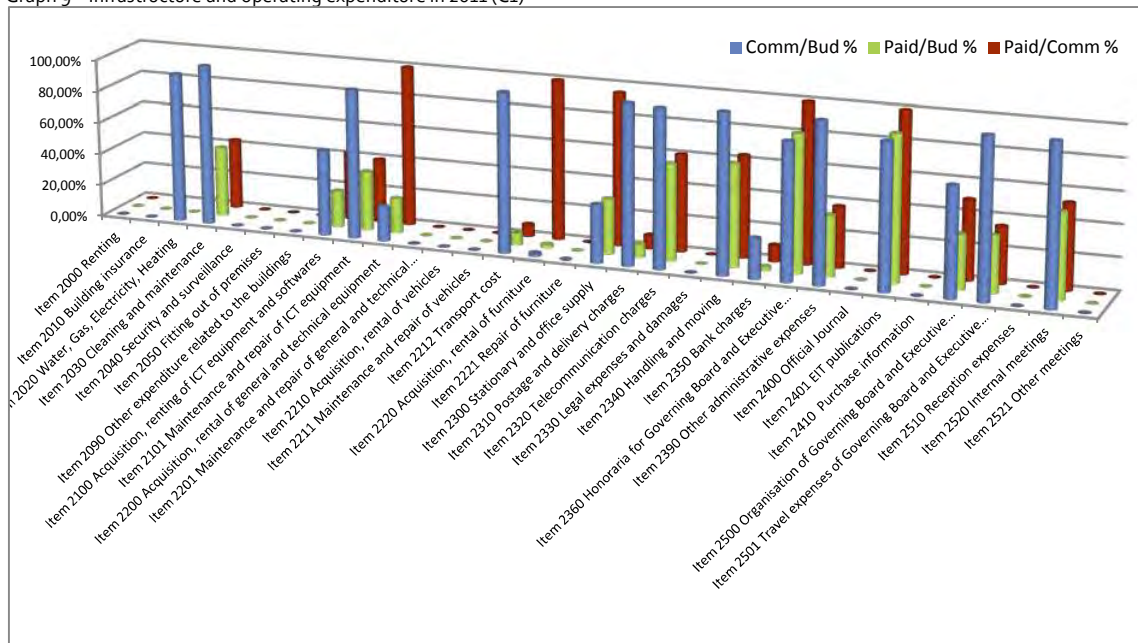
The ratio committed/budget at the end of 2011 was 72,41 %. The ratio paid/committed was 47,77 % at the end of 2011.

Several items of expenditure (such as renting, security, fitting out, repair, legal expenses, bank charges, OJ publication) that are part of the normal operation of an Institution and therefore have to be planned in its budget, were either partially or not incurred during the course of the year. The water, gas and electricity cost for 2011 are invoiced on a yearly basis thus the payment will not be executed until 2012. The payment of the cleaning service is executed on a bi-monthly basis which explains the low payment execution rate. IT, technical equipment and furniture were purchased by the Commission prior to the financial autonomy that proved to be sufficient to cover the EIT operational needs hence those appropriations were not utilised.

Table 7 – Infrastructure and operating expenditure in 2011 (C1)

	Commitment appropriations			Payment appropriations			Paid/Comm %
	Final budget	Committed	Comm/Bud %	Final budget	Paid	Paid/Bud %	
Item 2000 Renting	2 000,00	0,00	0,00%	2 000,00	0,00	0,00%	0,00%
Item 2010 Building insurance	3 000,00	0,00	0,00%	3 000,00	0,00	0,00%	0,00%
Item 2020 Water, Gas, Electricity, Heating	100 000,00	93 350,00	93,35%	100 000,00	0,00	0,00%	0,00%
Item 2030 Cleaning and maintenance	12 000,00	12 000,00	100,00%	12 000,00	5 229,86	43,58%	43,58%
Item 2040 Security and surveillance	7 000,00	0,00	0,00%	7 000,00	0,00	0,00%	0,00%
Item 2050 Fitting out of premises	2 000,00	0,00	0,00%	2 000,00	0,00	0,00%	0,00%
Item 2100 Acquisition, renting of ICT equipment and softwares	325 000,00	174 434,62	53,67%	325 000,00	74 518,52	22,93%	42,72%
Item 2101 Maintenance and repair of ICT equipment	89 000,00	83 000,52	93,26%	89 000,00	33 086,20	37,18%	39,86%
Item 2200 Acquisition, rental of general and technical equipment	15 000,00	3 277,57	21,85%	15 000,00	3 277,57	21,85%	100,00%
Item 2201 Maintenance and repair of general and technical equipment	1 000,00	0,00	0,00%	1 000,00	0,00	0,00%	0,00%
Item 2212 Transport cost	5 000,00	5 000,00	100,00%	5 000,00	381,18	7,62%	7,62%
Item 2220 Acquisition, rental of furniture	50 000,00	1 058,97	2,12%	50 000,00	1 058,97	2,12%	100,00%
Item 2221 Repair of furniture	1 000,00	0,00	0,00%	1 000,00	0,00	0,00%	0,00%
Item 2300 Stationary and office supply	34 500,00	12 505,14	36,25%	34 500,00	11 933,14	34,59%	95,43%
Item 2310 Postage and delivery charges	10 000,00	10 000,00	100,00%	10 000,00	835,40	8,35%	8,35%
Item 2320 Telecommunication charges	54 500,00	53 885,75	98,87%	54 500,00	32 753,07	60,10%	60,78%
Item 2330 Legal expenses and damages	15 000,00	0,00	0,00%	15 000,00	0,00	0,00%	0,00%
Item 2340 Handling and moving	1 000,00	1 000,00	100,00%	1 000,00	638,62	63,86%	63,86%
Item 2350 Bank charges	4 000,00	1 000,00	25,00%	4 000,00	99,04	2,48%	9,90%
Item 2360 Honoraria for Governing Board and Executive Committee members	180 000,00	154 411,95	85,78%	180 000,00	154 411,95	85,78%	100,00%
Item 2390 Other administrative expenses	5 000,00	5 000,00	100,00%	5 000,00	1 886,49	37,73%	37,73%
Item 2400 Official Journal	5 000,00	0,00	0,00%	5 000,00	0,00	0,00%	0,00%
Item 2401 EIT publications	5 500,00	5 000,00	90,91%	5 500,00	5 000,00	90,91%	100,00%
Item 2410 Purchase information	16 500,00	0,00	0,00%	16 500,00	0,00	0,00%	0,00%
Item 2500 Organisation of Governing Board and Executive Committee meetings	96 000,00	65 637,49	68,37%	96 000,00	32 522,18	33,88%	49,55%
Item 2501 Travel expenses of Governing Board and Executive Committee members	259 000,00	258 478,30	99,80%	259 000,00	90 753,17	35,04%	35,11%
Item 2520 Internal meetings	3 000,00	3 000,00	100,00%	3 000,00	1 592,73	53,09%	53,09%
<b>Total</b>	<b>1 301 000,00</b>	<b>942 040,31</b>	<b>72,41%</b>	<b>1 301 000,00</b>	<b>449 978,09</b>	<b>34,59%</b>	<b>47,77%</b>

Graph 9 – Infrastructure and operating expenditure in 2011 (C1)

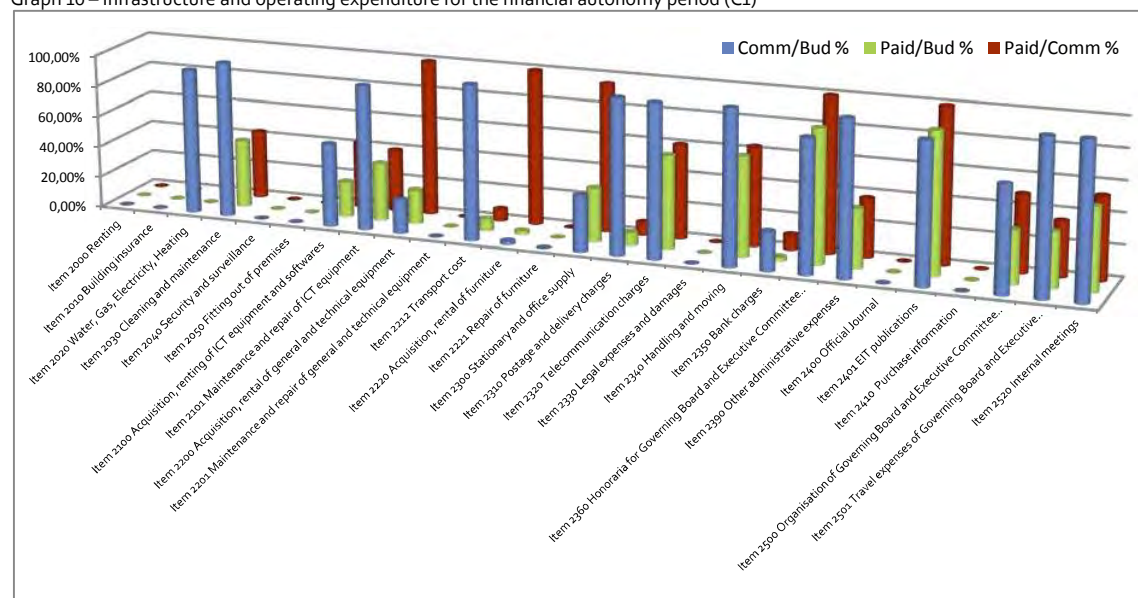


The execution rate of commitments for the period of the financial autonomy (June – December) represents 70,32 % and the execution rate of payments against the committed appropriations stands at 42,13%.

Table 8 – Infrastructure and operating expenditure for the financial autonomy period (C1)

	Commitment appropriations			Payment appropriations			Paid/Comm %
	Final budget	Committed	Comm/Bud %	Final budget	Paid	Paid/Bud %	
Item 2000 Renting	2 000,00	0,00	0,00%	2 000,00	0,00	0,00%	0,00%
Item 2010 Building insurance	3 000,00	0,00	0,00%	3 000,00	0,00	0,00%	0,00%
Item 2020 Water, Gas, Electricity, Heating	100 000,00	93 350,00	93,35%	100 000,00	0,00	0,00%	0,00%
Item 2030 Cleaning and maintenance	12 000,00	12 000,00	100,00%	12 000,00	5 229,86	43,58%	43,58%
Item 2040 Security and surveillance	7 000,00	0,00	0,00%	7 000,00	0,00	0,00%	0,00%
Item 2050 Fitting out of premises	2 000,00	0,00	0,00%	2 000,00	0,00	0,00%	0,00%
Item 2100 Acquisition, renting of ICT equipment and softwares	321 703,98	171 138,60	53,20%	321 703,98	71 222,50	22,14%	41,62%
Item 2101 Maintenance and repair of ICT equipment	87 452,00	81 452,52	93,14%	87 452,00	31 538,20	36,06%	38,72%
Item 2200 Acquisition, rental of general and technical equipment	15 000,00	3 277,57	21,85%	15 000,00	3 277,57	21,85%	100,00%
Item 2201 Maintenance and repair of general and technical equipment	1 000,00	0,00	0,00%	1 000,00	0,00	0,00%	0,00%
Item 2212 Transport cost	4 923,88	4 923,88	100,00%	4 923,88	305,06	6,20%	6,20%
Item 2220 Acquisition, rental of furniture	50 000,00	1 058,97	2,12%	50 000,00	1 058,97	2,12%	100,00%
Item 2221 Repair of furniture	1 000,00	0,00	0,00%	1 000,00	0,00	0,00%	0,00%
Item 2300 Stationary and office supply	28 640,06	6 645,20	23,20%	28 640,06	6 073,20	21,21%	91,39%
Item 2310 Postage and delivery charges	9 764,75	9 764,75	100,00%	9 764,75	600,15	6,15%	6,15%
Item 2320 Telecommunication charges	44 463,52	43 849,27	98,62%	44 463,52	22 716,59	51,09%	51,81%
Item 2330 Legal expenses and damages	15 000,00	0,00	0,00%	15 000,00	0,00	0,00%	0,00%
Item 2340 Handling and moving	1 000,00	1 000,00	100,00%	1 000,00	638,62	63,86%	63,86%
Item 2350 Bank charges	4 000,00	1 000,00	25,00%	4 000,00	99,04	2,48%	9,90%
Item 2360 Honoraria for Governing Board and Executive Committee members	110 088,05	84 500,00	76,76%	110 088,05	84 500,00	76,76%	100,00%
Item 2390 Other administrative expenses	5 000,00	5 000,00	100,00%	5 000,00	1 886,49	37,73%	37,73%
Item 2400 Official Journal	5 000,00	0,00	0,00%	5 000,00	0,00	0,00%	0,00%
Item 2401 EIT publications	5 500,00	5 000,00	90,91%	5 500,00	5 000,00	90,91%	100,00%
Item 2410 Purchase information	16 500,00	0,00	0,00%	16 500,00	0,00	0,00%	0,00%
Item 2500 Organisation of Governing Board and Executive Committee meetings	96 000,00	65 637,49	68,37%	96 000,00	32 522,18	33,88%	49,55%
Item 2501 Travel expenses of Governing Board and Executive Committee members	258 242,02	257 720,32	99,80%	258 242,02	89 995,19	34,85%	34,92%
Item 2520 Internal meetings	3 000,00	3 000,00	100,00%	3 000,00	1 592,73	53,09%	53,09%
<b>Total</b>	<b>1 209 278,26</b>	<b>850 318,57</b>	<b>70,32%</b>	<b>1 209 278,26</b>	<b>358 256,35</b>	<b>29,63%</b>	<b>42,13%</b>

Graph 10 – Infrastructure and operating expenditure for the financial autonomy period (C1)



### II.3.3. Title 3 — operational expenditure (C1)

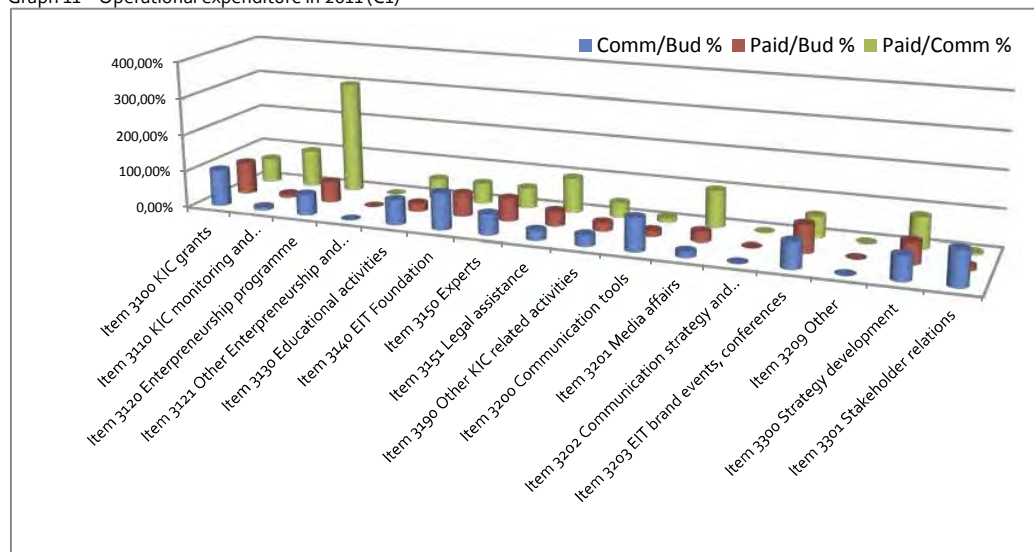
The execution rate of commitments for the entire year represents 99,32 % and the execution rate of payments against the committed appropriations stands at 66,39 %.

It should be noted that the execution rate of commitments for both the KIC grants and for the EIT Foundation stands at 100%. The ratio of 66,39% for payments against commitments for operational expenditure due to the fact that no pre-financing payment was executed for the additional grants coming from the second transfer in August. (The payment credits have been carried over and will be paid out in 2012.)

Table 9 – Operational expenditure in 2011 (C1)

	Commitment appropriations			Payment appropriations			Paid/Comm %
	Final budget	Committed	Comm/Bud %	Final budget	Paid	Paid/Bud %	
Item 3100 KIC grants	59 207 918,00	59 207 810,00	100,00%	44 994 640,00	39 415 690,72	87,60%	66,57%
Item 3110 KIC monitoring and performance measurement	15 000,00	1 278,54	8,52%	13 000,00	1 278,54	9,83%	100,00%
Item 3120 Entrepreneurship programme	55 000,00	31 342,50	56,99%	166 000,00	94 189,57	56,74%	300,52%
Item 3121 Other Entrepreneurship and innovation activities	0,00	0,00	0,00%	0,00	0,00	0,00%	0,00%
Item 3130 Educational activities	99 000,00	67 174,22	67,85%	167 500,00	37 515,62	22,40%	55,85%
Item 3140 EIT Foundation	150 000,00	150 000,00	100,00%	134 000,00	83 567,78	62,36%	55,71%
Item 3150 Experts	91 000,00	51 662,00	56,77%	46 500,00	28 599,28	61,50%	55,36%
Item 3151 Legal assistance	40 000,00	10 710,00	26,78%	25 000,00	10 210,00	40,84%	95,33%
Item 3190 Other KIC related activities	30 000,00	8 636,00	28,79%	15 000,00	3 481,94	23,21%	40,32%
Item 3200 Communication tools	229 000,00	201 278,01	87,89%	148 100,00	23 702,87	16,00%	11,78%
Item 3201 Media affairs	36 000,00	5 625,56	15,63%	20 800,00	5 625,56	27,05%	100,00%
Item 3202 Communication strategy and corporate identity	30 000,00	0,00	0,00%	20 000,00	0,00	0,00%	0,00%
Item 3203 EIT brand events, conferences	345 000,00	237 976,36	68,98%	187 100,00	138 245,52	73,89%	58,09%
Item 3209 Other	0,00	0,00	0,00%	0,00	0,00	0,00%	0,00%
Item 3300 Strategy development	143 000,00	92 909,91	64,97%	132 700,00	77 721,40	58,57%	83,65%
Item 3301 Stakeholder relations	72 000,00	67 573,31	93,85%	31 300,00	3 738,64	11,94%	5,53%
<b>Total</b>	<b>60 542 918,00</b>	<b>60 133 976,41</b>	<b>99,32%</b>	<b>46 101 640,00</b>	<b>39 923 567,44</b>	<b>86,60%</b>	<b>66,39%</b>

Graph 11 – Operational expenditure in 2011 (C1)

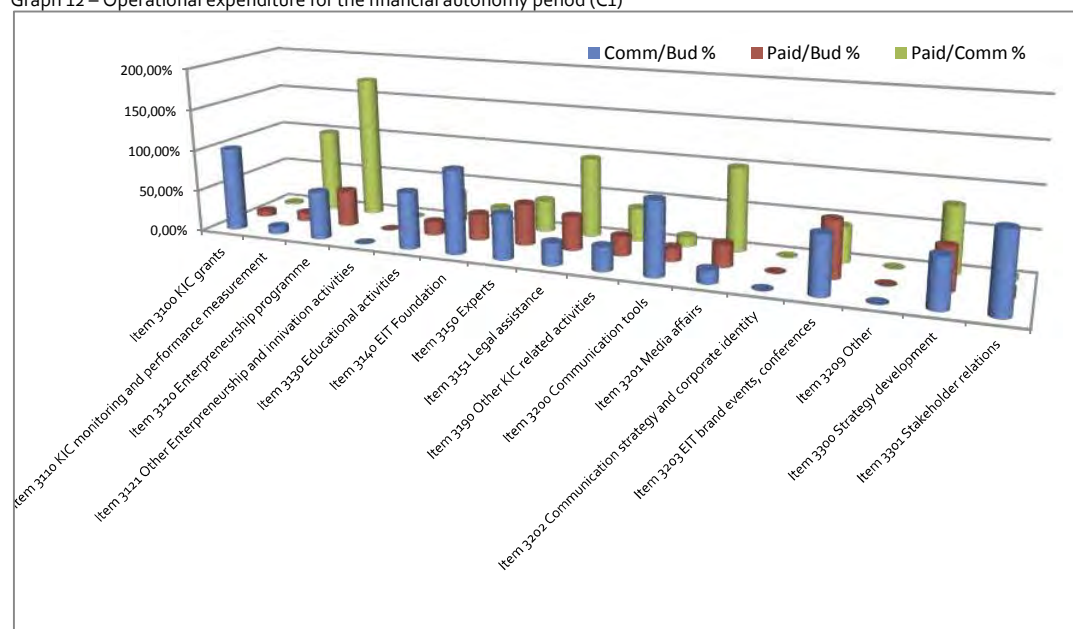


The execution rate of commitments for the period of financial autonomy (June – December) represents 98,09 % and the execution rate of payments against the committed appropriations stands at 3,46 %.

Table 10 – Operational expenditure for the financial autonomy period (C1)

	Commitment appropriations			Payment appropriations			Paid/Comm %
	Final budget	Committed	Comm/Bud %	Final budget	Paid	Paid/Bud %	
Item 3100 KIC grants	20 192 886,02	20 192 778,02	100,00%	5 979 608,02	400 658,74	6,70%	1,98%
Item 3110 KIC monitoring and performance measurement	15 000,00	1 278,54	8,52%	13 000,00	1 278,54	9,83%	100,00%
Item 3120 Entrepreneurship programme	55 000,00	31 342,50	56,99%	125 738,10	53 927,67	42,89%	172,06%
Item 3121 Other Entrepreneurship and innovation activities	0,00	0,00	0,00%	0,00	0,00	0,00%	0,00%
Item 3130 Educational activities	99 000,00	67 174,22	67,85%	155 051,60	25 067,22	16,17%	37,32%
Item 3140 EIT Foundation	100 000,00	100 000,00	100,00%	73 957,87	23 525,65	31,81%	23,53%
Item 3150 Experts	86 378,90	47 040,90	54,46%	35 878,90	17 978,18	50,11%	38,22%
Item 3151 Legal assistance	40 000,00	10 710,00	26,78%	25 000,00	10 210,00	40,84%	95,33%
Item 3190 Other KIC related activities	30 000,00	8 636,34	28,79%	15 000,00	3 481,94	23,21%	40,32%
Item 3200 Communication tools	229 000,00	201 278,01	87,89%	148 100,00	23 702,87	16,00%	11,78%
Item 3201 Media affairs	36 000,00	5 625,56	15,63%	20 800,00	5 625,56	27,05%	100,00%
Item 3202 Communication strategy and corporate identity	30 000,00	0,00	0,00%	20 000,00	0,00	0,00%	0,00%
Item 3203 EIT brand events, conferences	345 000,00	237 976,36	68,98%	150 794,33	101 939,85	67,60%	42,84%
Item 3209 Other	0,00	0,00	0,00%	0,00	0,00	0,00%	0,00%
Item 3300 Strategy development	121 640,55	71 550,46	58,82%	111 340,55	56 361,95	50,62%	78,77%
Item 3301 Stakeholder relations	72 000,00	67 573,31	93,85%	31 300,00	3 738,64	11,94%	5,53%
<b>Total</b>	<b>21 451 905,47</b>	<b>21 042 964,22</b>	<b>98,09%</b>	<b>6 905 569,37</b>	<b>727 496,81</b>	<b>10,53%</b>	<b>3,46%</b>

Graph 12 – Operational expenditure for the financial autonomy period (C1)



## II.4. Appropriations carried over automatically from 2010 to 2011 (NDA) — titles 1 and 2 (C8)

The execution rate for the period of financial autonomy (June – December) stands at 37,05 % of the appropriations carried over for Titles 1 and 2.

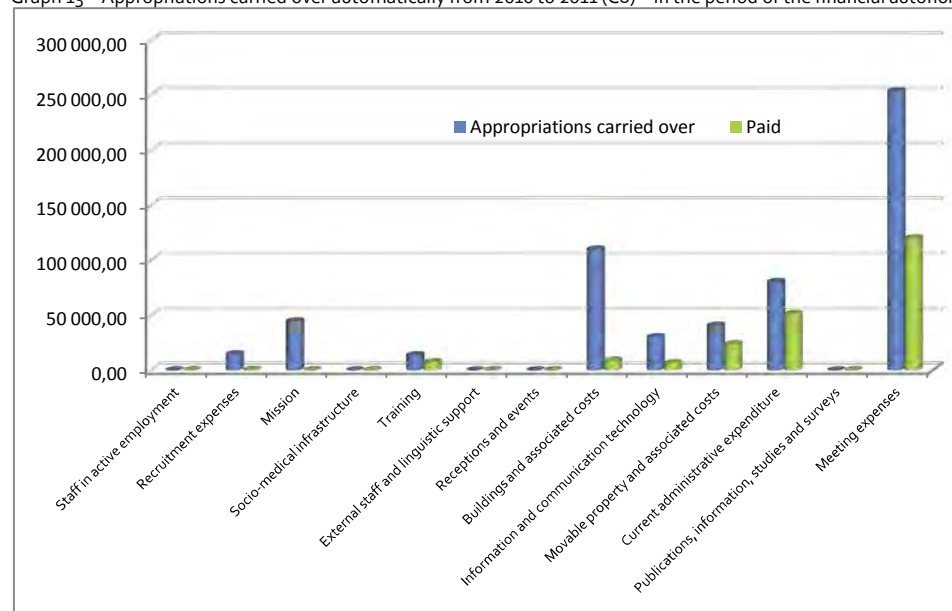
Only 7,97% of the appropriations reserved for utility cost was invoiced by the Host Member State due to the fact that the EIT moved to Budapest in April 2010 and the average number of staff was 15 at the start-up period.

The EIT started to use its premises for organising meetings which explains the low execution rate of the meeting expenses.

Table 11 – Appropriations carried over automatically from 2010 to 2011 (C8) – in the period of the financial autonomy

Chapter	Heading	Appropriations carried over	Paid	Paid/App. carried over %
<b>TITLE 1 - STAFF EXPENDITURE</b>				
11	Staff in active employment	0,00	0,00	0,00%
12	Recruitment expenses	14 712,80	317,20	2,16%
13	Mission	44 640,12	0,00	0,00%
14	Socio-medical infrastructure	0,00	0,00	0,00%
15	Training	13 659,25	7 338,05	53,72%
16	External staff and linguistic support	0,00	0,00	0,00%
17	Receptions and events	0,00	0,00	0,00%
	<b>TOTAL - Title 1</b>	<b>73 012,17</b>	<b>7 655,25</b>	<b>10,48%</b>
<b>TITLE 2 - INFRASTRUCTURE AND OPERATING EXPENDITURE</b>				
20	Buildings and associated costs	109 696,08	8 737,42	7,97%
21	Information and communication technology	30 220,47	6 386,60	21,13%
22	Movable property and associated costs	40 736,00	23 760,00	58,33%
23	Current administrative expenditure	80 049,78	51 264,96	64,04%
24	Publications, information, studies and surveys	0,00	0,00	0,00%
25	Meeting expenses	253 685,29	119 854,50	47,25%
	<b>TOTAL - Title 2</b>	<b>514 387,62</b>	<b>210 003,48</b>	<b>40,83%</b>
	<b>TOTAL</b>	<b>587 399,79</b>	<b>217 658,73</b>	<b>37,05%</b>

Graph 13 – Appropriations carried over automatically from 2010 to 2011 (C8) – in the period of the financial autonomy

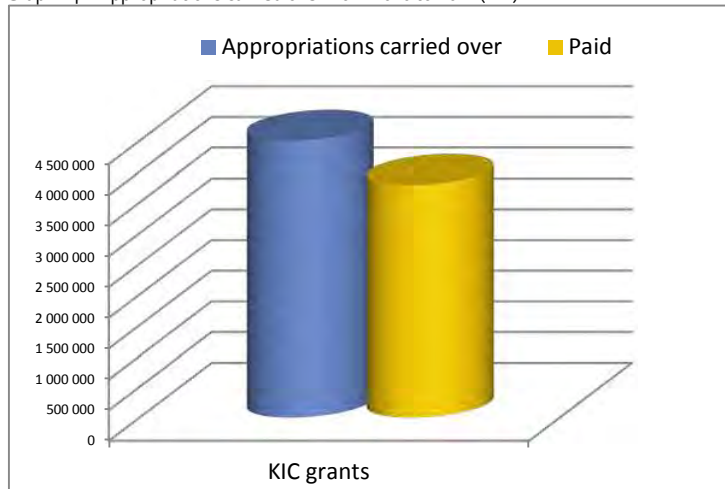


## II.5. Appropriations carried over from 2010 to 2011 (DA) — (C2)

An amount of EUR 4 500 000 of payment appropriations was carried over on the budget line 3100 (KIC grants) from 2010 to 2011. EUR 3 780 634,25 was paid which represents a ratio paid/budgeted of 84,01% at the end of year 2011.

The carried over payment appropriation corresponds to 75% of pre-financing payment of a grant. The carry-over was necessary as a result of the delay in the signature of the annual grant agreement.

Graph 14 – Appropriations carried over from 2010 to 2011 (DA)



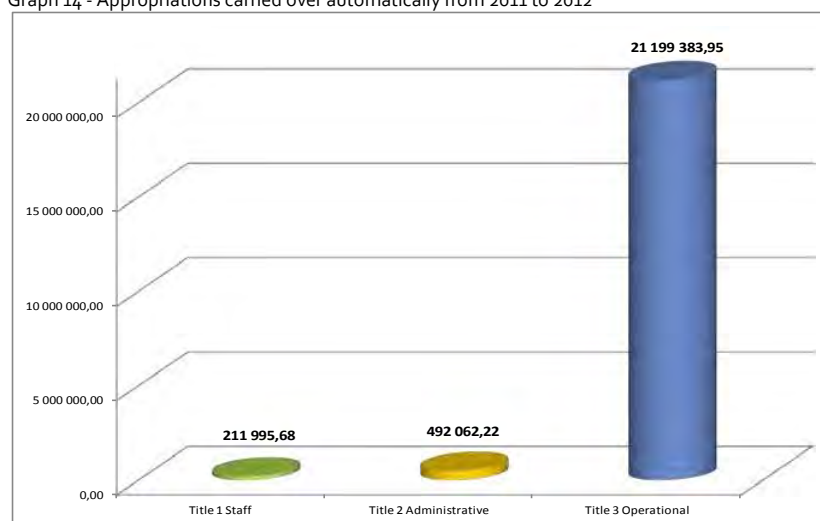
## II.6. Appropriations carried over automatically from 2011 to 2012

An amount of EUR 21 903 441,85 of appropriations was automatically carried over from 2011 to 2012. 0,97% of the carried over appropriations is for staff expenses, 2,25% of the carried over appropriations is for administrative expenses and the major part of the carried over appropriations, 96,79% is for operational expenses.

Table 12 - Appropriations carried over automatically from 2011 to 2012

Budget line (2011)	Budget line (2012)	Appropriations carried over (C1)	Appropriations carried over (C8)	Total
Item 1200 Recruitment expenses		30 000,00		30 000,00
Item 1300 Mission expenses		51 613,67		51 613,67
Item 1400 Restaurant and canteens		2 132,00		2 132,00
Item 1430 Social contacts between staff members		5 000,00		5 000,00
Item 1500 Training		54 881,63		54 881,63
Item 1603 IT support		12 960,00		12 960,00
Item 1604 Administrative assistance		38 855,21		38 855,21
Item 1611 Translation		14 885,00		14 885,00
Item 1700 Representation expenses		1 668,17		1 668,17
<b>Sub-total - Title 1</b>		<b>211 995,68</b>	<b>0,00</b>	<b>211 995,68</b>
Item 2020 Water, Gas, Electricity, Heating		93 350,00		93 350,00
Item 2030 Cleaning and maintenance		6 770,14		6 770,14
Item 2100 Acquisition, renting of ICT equipment and softwares		99 916,10		99 916,10
Item 2101 Maintenance and repair of ICT equipment		49 914,32		49 914,32
Item 2212 Transport cost		4 618,82		4 618,82
Item 2300 Stationary and office supply		572,00		572,00
Item 2310 Postage and delivery charges		9 164,60		9 164,60
Item 2320 Telecommunication charges		21 132,68		21 132,68
Item 2340 Handling and moving		361,38		361,38
Item 2350 Bank charges		900,96		900,96
Item 2390 Other administrative expenses		3 113,51		3 113,51
Item 2500 Organisation of Governing Board and Executive Committee		33 115,31		33 115,31
Item 2501 Travel expenses of Governing Board and Executive Committee		167 725,13		167 725,13
Item 2520 Internal meetings		1 407,27		1 407,27
<b>Sub-total - Title 2</b>		<b>492 062,22</b>	<b>0,00</b>	<b>492 062,22</b>
Item 3100 KIC grants	Item 3000 KIC Grants	20 192 119,28	200 000,00	20 392 119,28
Item 3120 Entrepreneurship programme		28 081,53	56 369,44	84 450,97
Item 3130 Educational activities		65 239,00	105 851,60	171 090,60
Item 3140 EIT Foundation		100 000,00	4 905,97	104 905,97
Item 3150 Experts		29 062,72		29 062,72
Item 3151 Legal assistance		500,00		500,00
Item 3190 Other KIC related activities		5 154,40		5 154,40
Item 3200 Communication tools		196 590,32	450,00	197 040,32
Item 3203 EIT brand events, conferences		136 036,51		136 036,51
Item 3300 Strategy development		15 188,51		15 188,51
Item 3301 Stakeholder relations		63 834,67		63 834,67
<b>Sub-total - Title 3</b>		<b>20 831 806,94</b>	<b>367 577,01</b>	<b>21 199 383,95</b>
<b>TOTAL</b>		<b>21 535 864,84</b>	<b>367 577,01</b>	<b>21 903 441,85</b>

Graph 14 - Appropriations carried over automatically from 2011 to 2012





## II.7. Appropriations carried over non-automatically from 2011 to 2012

An amount of EUR 3 778 942,31 of payment appropriations was carried over from 2011 to 2012.

At the end of the year 2011 EIT had several commitments corresponding to obligations duly contracted for which no payment or partial payment were executed in 2011. The table mentioned below lists those budget lines for which the payment was foreseen in 2011 but was not realized. As the payment was foreseen in 2011, no payment appropriation was estimated for these commitments for the year 2012. Therefore EIT carried over the payment appropriations in respect of amounts needed to cover the remaining amount of the contracts.

Table 13 - Appropriations carried over non-automatically from 2011 to 2012

Budget line (2011)	Budget line (2012)	Amount to be carried over
3100 GRANTS	3000 GRANTS	3 470 700,00
3130 EDUCATIONAL ACTIVITIES	3130 EDUCATIONAL ACTIVITIES	105 851,60
3140 EIT FOUNDATION	3140 EIT FOUNDATION	50 432,22
3200 COMMUNICATION TOOLS	3200 COMMUNICATION TOOLS	124 397,13
3301 STAKEHOLDER RELATIONS	3301 STAKEHOLDER RELATIONS	27 561,36
	<b>TOTAL</b>	<b>3 778 942,31</b>

## **ANNEX TO THE BUDGET ACCOUNTS**

## **LIST OF THE EIT GOVERNING BOARD MEMBERS 2011**

The Governing Board 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 Headquarters. It is independent and autonomous in its decision-making and is responsible for the selection, evaluation and support of the Knowledge and Innovation Communities (KICs).

The Governing Board brings together 22 high-calibre members balancing prominent expertise from the higher education, research, business and innovation fields. It consists of 18 Appointed Members and 4 Representative Members.

Dr. Alexander Ullrich VON GABAIN	Chairman of the Board from 16 September 2011
Dr. Martin Schuurmans	Chairman of the Board until 15 September 2011
Prof. Anders FLODSTRÖM	Vice-Chairman of the Board
Dr Giovanni COLOMBO	Member of the Executive Committee
Prof. Yrjö NEUVO	Member of the Executive Committee
Dr. Daria TATAJ	Member of the Executive Committee
Prof. João CARAÇA	Appointed member
Prof. Manuel CASTELLS	Appointed member
Dr. Bertrand COLLOMB	Appointed member
Dr. Ellen DE BRABANDER	Appointed member
Prof. Wolfgang HERRMANN	Appointed member
Prof. Julia KING	Appointed member
Prof. Jorma LAMMASNIEMI	Representative Member
Mr Morten LOKTU	Appointed member
Dr. Karen MAEX	Appointed member
Dr. Bálint MAGYAR	Appointed member
Dr. Erna MÖLLER	Appointed member
Ms. Christine PATTE	Representative Member
Prof. Alfons SAUQUET	Representative Member
Lord Nicholas STERN	Representative Member
Dr. Peter F. TROPSCHUH	Appointed member
Mr Linnar VIIK	Appointed member

**EIT DIRECTOR:** Jose Manuel Leceta (from 1 July 2011) / Ronald de Bruin (Acting) (until 30 June 2011)

## ESTABLISHMENT PLAN 2011

Function group and grade	2011			
	Authorised under the Community Budget		Filled as of 31/12/2011	
	Permanent posts	Temporary Posts	Permanent posts	Temporary Posts
AD 16		0		0
AD 15		0		0
AD 14		1		1
AD 13		0		0
AD 12		0		0
AD 11		1		1
AD 10		0		0
AD 9		3		2
AD 8		8		3
AD 7		2		1
AD 6		5		7
AD 5		1		1
<b>AD total</b>		<b>21</b>		<b>16</b>
AST 11		0		0
AST 10		0		0
AST 9		0		0
AST 8		0		0
AST 7		0		0
AST 6		0		0
AST 5		0		0
AST 4		4		4
AST 3		3		3
AST 2		0		0
AST 1		0		0
<b>AST total</b>		<b>7</b>		<b>7</b>
<b>GRAND TOTAL</b>		<b>28</b>		<b>23</b>