



# Final Annual Accounts

## European Research Executive Agency (REA)

### Financial Statements

### Reports on the implementation of the budget

### Financial year 2021

The opinion of the REA Steering Committee was given on 24.06.2022

The accounts are sent to the Commission's Accounting Officer, the European Court of Auditors, the European Parliament and the Council.

They will also be published on the REA website: [https://ec.europa.eu/info/publications/research-executive-agency-annual-budgets\\_en](https://ec.europa.eu/info/publications/research-executive-agency-annual-budgets_en)

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## 1. INTRODUCTION

### 1.1. Legal Basis

The financial statements of the European Research Executive Agency (hereinafter referred to as “REA” or “the Agency”) and its report on budget implementation for 2021 were prepared in accordance with:

- Commission Regulation (EC) No 1653/2004 of the Council of 21 September 2004, on a Standard Financial Regulation for the executive agencies pursuant to Council Regulation (EC) No 58/2003 laying down the Statute for executive agencies to be entrusted with certain tasks in the management of Community programmes, as last amended by Commission Regulation (EC) No 651/2008 of 09 July 2008;
- Regulation (EU, Euratom) 2018/1046 on the financial rules applicable to the general budget of the Union, repealing Regulation (EU, Euratom) No 966/2012 (2012 Financial Regulation);
- The Accounting Rules on accrual accounting adopted by the Accounting Officer of the Commission in December 2004 and last updated in December 2020.

### 1.2. Background Information

REA operates in accordance with Council Regulation (EC) No 58/2003 of 19 December 2002 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes, including budget implementation.

REA was established in December 2007 by Commission Decision 2008/46/EC<sup>1</sup>. This Decision was repealed and replaced by Commission Decision 2013/778/EU<sup>2</sup> of 13 December 2013 establishing REA for the period 01.01.2014 to 31.12.2024. The later was also repealed and replaced by Commission Decision 2021/173/EU<sup>3</sup> establishing REA for the period 01.04.2021 to 31.12.2028.

The REA Delegation Act and its Annexes, adopted on 12 February 2021 by Commission Decision C(2021) 952, lays down in detail the tasks delegated to REA and provides the framework for their implementation and for the relations between the Commission and the Agency.

Under the **current mandate**, REA manages:

- the following Horizon Europe activities:
  - Pillar I – Excellent Science: Marie Skłodowska-Curie Actions (MSCA) and Research Infrastructures
  - Pillar II – Global Challenges and European Industrial Competitiveness:
    - Cluster 2: Culture, Creativity and Inclusive Society
    - Cluster 3: Civil Security for Society
    - Cluster 6: Food, Bio-economy, Natural Resources, Agriculture and Environment
  - Part ‘Widening participation and strengthening the European Research Area’
    - Widening participation and spreading excellence
    - Reforming and enhancing the European R&I System’
- and the programme for the promotion of Agricultural Products
- the Research Programme of the Research Fund for Coal and Steel
- the legacy activities of the following parts of the Horizon 2020 Specific Programme (The Framework Programme for Research and Innovation 2014-2020):
  - under “Excellent Science”:
    - Marie Skłodowska-Curie Actions
    - Research Infrastructure

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<sup>1</sup> OJ L 11 of 15.1.2008, p.9.

<sup>2</sup> OJ L 346 of 20.12.2013, p.54.

<sup>3</sup> OJ L 50 of 15.02.2021, p.9

- under “Societal Challenges”:
  - Societal Challenge 2 – Food security, sustainable agriculture and forestry, marine & maritime and inland water research and the bio-economy
  - Societal Challenge 5 – Climate action, Environment, resource efficiency and raw materials
  - Societal Challenge 6 – Europe in a changing world: Inclusive, innovative and reflective societies
  - Societal Challenge 7 – Secure Societies – Protecting freedom and security of Europe and its citizens
- under “Horizon 2020 Specific Objectives”:
  - Spreading Excellence and Widening Participation
  - Science with and for Society
- the legacy of part of the Seventh Framework Programme for Research and Innovation (FP7):
  - Research Activities for the benefit of SMEs SME associations of the Capacities Specific Programme
  - Security theme of the Cooperation Specific Programme
  - The People Specific Programme
- the legacy of the Research Programme of the Research Fund for Coal and Steel and the programme for the promotion of agricultural products under the multiannual financial framework 2014-2020
- general administrative and logistical support services , in particular:
  - Central Participant Validation Service (SEDIA)
  - Call planning for all programmes and services participating in eGrants
  - Contracting and payment of expert evaluators

### **External Audit**

The European Court of Auditors is required to scrutinise REA's accounts in line with the requirements of Article 248 of the Treaty on the Functioning of the EU.

### **Discharge**

The European Parliament is the discharge Authority within the EU. This means that, following the audit and finalisation of the annual accounts, it falls to the Council to recommend and then to the European Parliament to give a discharge to the Director of REA for a given financial year.

## 2. FINANCIAL STATEMENTS 2021

### 2.1. REA balance sheet as of 31.12.2021 (in euros - rounded)

	Notes (section 2.5.2)	31.12.2021	31.12.2020	Variation Amount	Variation %
<b>ASSETS</b>		<b>13,210,090</b>	<b>13,260,955</b>	<b>-50,865</b>	<b>0%</b>
<b>NON CURRENT ASSETS</b>		<b>1,675,794</b>	<b>1,967,564</b>	<b>-291,770</b>	<b>-15%</b>
<b>INTANGIBLE FIXED ASSETS</b>	2.5.2.1	<b>1,040,277</b>	<b>695,496</b>	<b>344,781</b>	<b>50%</b>
Computer Software		486,602	136,482	350,120	257%
Intangible assets under construction		553,675	559,014	-5,339	-1%
<b>TANGIBLE FIXED ASSETS</b>	2.5.2.2	<b>635,517</b>	<b>1,272,068</b>	<b>-636,551</b>	<b>-50%</b>
Plant and equipment		957	0	957	
Furniture and vehicles		6,884	6,908	-24	0%
Computer hardware		13,314	31,885	-18,571	-58%
Others fixtures and fittings		614,362	1,115,539	-501,177	-45%
Computer hardware under finance lease		0	117,736	-117,736	-100%
<b>CURRENT ASSETS</b>		<b>11,534,297</b>	<b>11,293,391</b>	<b>240,906</b>	<b>2%</b>
<b>EXCHANGE RECEIVABLES</b>	2.5.2.3	<b>11,533,814</b>	<b>11,292,418</b>	<b>241,396</b>	<b>2%</b>
Current receivable customers		5,750	11,692	-5,942	-51%
Current receivable customers written down		-5,750	-5,750		
Deferred charges		2,635,920	2,565,934	69,985	3%
Deferred charges with consolidated entities		400,211	176,373	223,839	127%
Sundry receivables - staff		66,830	68,269	-1,438	-2%
Sundry receivables - Liaison account with Commission		8,396,353	8,475,900	-79,548	-1%
Accrued income		34,500	0	34,500	
<b>NON EXCHANGE RECEIVABLES</b>	2.5.2.4	<b>483</b>	<b>973</b>	<b>-490</b>	<b>-50%</b>
Other current receivable with consolidated entities		483	973	-490	
<b>TOTAL LIABILITIES AND NET ASSET</b>		<b>13,210,090</b>	<b>13,260,955</b>	<b>-50,865</b>	<b>0%</b>
<b>NON CURRENT LIABILITIES</b>		<b>0</b>	<b>90,242</b>	<b>-90,242</b>	<b>-100%</b>
<b>NON CURRENT FINANCIAL LIABILITIES</b>	2.5.2.5	<b>0</b>	<b>90,242</b>	<b>-90,242</b>	<b>-100%</b>
Long Term Lease		0	90,242	-90,242	-100%
<b>CURRENT LIABILITIES</b>		<b>7,146,070</b>	<b>5,730,664</b>	<b>1,415,405</b>	<b>25%</b>
<b>CURRENT PROVISIONS</b>	2.5.2.6	<b>120,960</b>	<b>0</b>	<b>120,960</b>	
Short Term Provisions		120,960.00	0	120,960	
<b>CURRENT FINANCIAL LIABILITIES</b>	2.5.2.7	<b>0</b>	<b>44,704</b>	<b>-44,704</b>	<b>-100%</b>
Short Term Lease		0	44,704	-44,704	-100%
<b>CURRENT PAYABLE</b>	2.5.2.8	<b>468,078</b>	<b>506,382</b>	<b>-38,303</b>	<b>-8%</b>
Current payable vendor		19,338	83,167	-63,829	-77%
Other current payable		0	44,827	-44,827	-100%
Current payable consolidated entities		448,741	378,387	70,353	19%
<b>SUNDRY PAYABLES</b>	2.5.2.9	<b>194</b>	<b>0</b>	<b>194</b>	
<b>ACCOUNT PAYABLE CONSOLIDATED ENTITIES</b>	2.5.2.10	<b>409,028</b>	<b>688,975</b>	<b>-279,947</b>	<b>-41%</b>
Prefinancing from consolidated entities		409,028	688,975	-279,947	-41%
<b>ACCRUED CHARGES AND DEFERRED INCOME</b>	2.5.2.11	<b>6,147,810</b>	<b>4,490,604</b>	<b>1,657,206</b>	<b>37%</b>
Accrued charges		3,175,818	2,215,914	959,904	43%
Accrued charges with consolidated entities		2,971,992	2,274,690	697,302	31%
<b>NET ASSET</b>		<b>6,064,020</b>	<b>7,440,049</b>	<b>-1,376,028</b>	<b>-18%</b>
<b>ACCUMULATED SURPLUS / (DEFICIT)</b>		<b>7,440,049</b>	<b>8,660,340</b>	<b>-1,220,291</b>	<b>-14%</b>
<b>ECONOMIC RESULT OF THE YEAR (profit+/-loss-)</b>		<b>-1,376,028</b>	<b>-1,220,291</b>	<b>-155,737</b>	<b>13%</b>

## 2.2. REA Statement of financial performance (in euros - rounded)

	Notes (section 2.5.3)	31.12.2021	31.12.2020	Variation Amount	Variation %
<b>ECONOMIC RESULT OF THE YEAR</b>		<b>-1,376,028</b>	<b>-1,220,291</b>	<b>(155,737)</b>	<b>-13%</b>
<b>OPERATING REVENUE</b>		<b>88,253,455</b>	<b>79,108,528</b>	<b>9,144,927</b>	<b>12%</b>
<b>NON-EXCHANGE REVENUES</b>		<b>88,157,324</b>	<b>78,519,882</b>	<b>9,637,442</b>	<b>12%</b>
Other non exchange revenue	2.5.3.1	126,136	0	126,136	
Subsidy of the Commission	2.5.3.2	88,031,188	78,519,882	9,511,306	12%
<b>EXCHANGE REVENUES</b>		<b>96,131</b>	<b>588,646</b>	<b>-492,515</b>	<b>-84%</b>
Fixed assets related revenue	2.5.3.3	20,810	0	20,810	
Income with consolidated entities	2.5.3.4	33,914	558,136	-524,221	-94%
Exchange rate differences gains	2.5.3.5	2,478	542	1,935	357%
Other miscellaneous revenues	2.5.3.6	38,929	29,968	8,961	30%
<b>OPERATING EXPENSES</b>		<b>89,629,483</b>	<b>80,328,819</b>	<b>9,300,664</b>	<b>12%</b>
<b>EXCHANGE EXPENSES</b>		<b>89,629,483</b>	<b>80,328,819</b>	<b>9,300,664</b>	<b>12%</b>
Staff expenses	2.5.3.7	64,593,465	58,309,283	6,284,182	11%
Interest expenses	2.5.3.8	682	3,239	-2,557	-79%
Financial expenses		0	5,750	-5,750	-100%
Administrative and IT expenses	2.5.3.9	9,820,736	8,570,829	1,249,907	15%
Assets related expenses	2.5.3.10	960,048	766,358	193,689	25%
Land and building	2.5.3.11	14,251,221	12,672,340	1,578,881	12%
Exchange rate differences losses	2.5.3.12	3,332	1,020	2,313	227%

### 2.3. REA Cash flow statement (in euros - rounded)

	NOTES (section 2.5.4)	31.12.2021	31.12.2020
<b>Economic result of the year</b>		<b>-1,376,028</b>	<b>-1,220,291</b>
<b>Operating activities</b>			
Amortization (intangible fixed assets) (+)		208,894	69,806
Depreciation (tangible fixed assets) (+)		624,535	696,552
Written off (tangible assets)		126,618	
other non cashed movements		-20,810	5,750
(Increase)/decrease in non exchange receivable - current		490	-83
(Increase)/decrease in exchange receivable - current		7,380	476,295
(Increase)/decrease in Receivables - Liaison Account with Commision -		79,548	-8,475,900
(Increase)/decrease in deferred charges and in exchange and not exchange accrued income		-328,324	314,056
Increase/(decrease) in provisions - non current			
Increase/(decrease) in provisions - current		120,960	
Increase/(decrease) in financial liabilities - non current		-90,242	-30,910
Increase/(decrease) in financial liabilities - current		-44,704	10,824
Increase/(decrease) in payables - current		-318,057	721,498
Increase/(decrease) in payables - sundry			
Increase/(decrease) in accrued charges		1,657,206	716,437
<b>Total Operating activities net cash Flow</b>		<b>647,467</b>	<b>-6,715,967</b>
<b>Investing activities</b>			
(Increase)/decrease in intangible assets		-553,675	-369,892
(Increase)/decrease in tangible assets		-93,792	-45,368
<b>Total Investing activities net cash Flow</b>		<b>-647,467</b>	<b>-415,260</b>
<b>NET CASHFLOW</b>		<b>0</b>	<b>-7,131,227</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>-</b>	<b>-7,131,227</b>
Cash and cash equivalents at the beginning of the period		-	7,131,227
Cash and cash equivalents at year end		-	-

#### 2.4. REA statement of changes in net assets (in euros - rounded)

	Accumulated Surplus (+) / Deficit (-)	Economic result of the year	Net assets (total)
<b>Balance as of 31 December 2020</b>	<b>8,660,340</b>	<b>-1,220,291</b>	<b>7,440,049</b>
Changes in accounting policies	0	0	0
<b>Balance as of 01 January 2021</b>	<b>8,660,340</b>	<b>-1,220,291</b>	<b>7,440,049</b>
Allocation 2020 economic result	-1,220,291	1,220,291	0
Economic result of the year	0	-1,376,028	<b>-1,376,028</b>
<b>Balance as of 31 December 2021</b>	<b>7,440,049</b>	<b>-1,376,028</b>	<b>6,064,020</b>



## **2.5. Notes to the financial statements**

These financial statements cover the period from 1 January 2021 until 31 December 2021.

### **2.5.1. Significant accounting policies**

#### ***Legal basis and accounting rules***

The accounts are kept in accordance with Commission Regulation (EC) No 1653/2004 of 21 September 2004 on a standard financial regulation for the executive agencies.

REA being fully consolidated in the Commission accounts, the 2021 REA financial statements and report on implementation of the budget have been established in accordance with the legal basis described in the introduction.

These financial statements are prepared on the basis of the EU Accounting Rules as adopted by the Commission's Accounting Officer which adapt the International Public Sector Accounting Standards (IPSAS) (and in some cases the International Financial Reporting Standards) to the specific environment of the EU. The reports on implementation of the budget continue to be primarily based on movements of cash.

The accounting system of REA comprises general accounts and budget accounts. These accounts are kept in euros and by calendar year. The budget accounts give a detailed picture of the implementation of the budget. They are based on the modified cash accounting principle<sup>4</sup>. The general accounts allow for the preparation of the financial statements as they show all charges and income for the financial year and are designed to establish the financial position in the form of a balance sheet at 31 December.

REA's financial statements have been drawn up using the methods of preparation as set out in the accounting rules laid down by the Commission's Accounting Officer.

#### ***Accounting principles***

The objective of the financial statements is to provide information about the financial position, performance and cash flows of an entity that is useful to a wide range of users. For a public sector entity such as REA, the objectives are more specifically to provide information useful for decision making and to demonstrate the accountability of the entity for the resources entrusted to it.

Article 53 of the standard financial regulation for executive agencies<sup>5</sup> sets out the accounting principles to be applied in drawing up the financial statements:

#### ***Going concern basis***

When preparing financial statements an assessment of an entity's ability to continue as a going concern shall be made. Financial statements shall be prepared on a going-concern basis unless there is an intention to liquidate the entity or to cease operating, or if there is no realistic alternative but to do so. These financial statements have been prepared in accordance with the going-concern principle, which means that the Agency is deemed to have been established for an indefinite duration.

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<sup>4</sup> This differs from cash-based accounting because of elements such as carryovers of appropriations.

<sup>5</sup> Commission Regulation (EC) No 1653/2004 of 21 September 2004 on a standard financial regulation for the executive agencies pursuant to Council Regulation (EC) No 58/2003 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes and amended by Commission Regulation (EC) No 651/2008 of 09 July 2008.

### *Prudence*

The principle of prudence means that assets and income shall not be overstated and liabilities and charges shall not be understated. However, the principle of prudence does not allow the creation of hidden reserves or undue provisions.

### *Consistent accounting methods*

The principle of consistent accounting methods means that the structure of the components of the financial statements and the accounting methods and valuation rules may not be changed from one year to the next.

The Agency's Accounting Officer may not depart from the principle of consistent accounting methods other than in exceptional circumstances, in particular:

- a) in the event of a significant change in the nature of the entity's operations;
- b) where the change made is for the sake of a more appropriate presentation of the accounting operations.

Where such exceptions apply, the impact of the change in accounting method shall be duly disclosed in the notes to the financial statements.

### *Comparability of information*

The principle of comparability of information means that for each item the financial statements shall also show the amount of the corresponding item in the previous year.

Where the presentation or the classification of one of the components of the financial statements is changed, the corresponding amounts for the previous year shall be made comparable and reclassified. Where it is impossible to reclassify items, this shall be explained in the notes to the financial statements.

### *Materiality*

The materiality principle means that all operations which are of significance for the information sought shall be taken into account in the financial statements. Materiality shall be assessed in particular by reference to the nature of the transaction or the amount.

Transactions may be aggregated where:

- a) the transactions are identical in nature, even if the amounts are large;
- b) the amounts are negligible; or
- c) aggregation offers more clarity in the financial statements.

### *No netting*

The no-netting principle means that receivables and debts may not be offset against each other, nor may charges and income, except where charges and incomes derive from the same transaction, from similar transactions or from hedging operations and provided that they are not individually material.

### *Reality over appearance*

The principle of reality over appearance means that accounting events recorded in the financial statements shall be presented by reference to their economic nature.

### *Accrual-based accounting*

The accrual-based accounting principle means that transactions and events shall be entered in the accounts when they occur and not when amounts are actually paid or recovered. They shall be booked to the financial years to which they relate.

### *Exception to the accounting principles*

Where, in a specific case, the Accounting Officer considers that an exception to the application of one of the accounting principles defined above should be made, this exception must be duly substantiated and reported in the annex to the financial statements.

In parallel, the overall considerations (or accounting principles) to be followed when preparing the financial statements are also laid down in EU Accounting Rule 1 and are the same as those described in IPSAS 1, that is: fair presentation, accrual basis, going concern basis, consistency of presentation, aggregation, no offsetting and comparative information.

### ***Basis of preparation***

#### *Functional and reporting currency*

The financial statements are presented in euros, which is the functional and reporting currency of the EU.

#### *Transactions and balances*

Foreign currency transactions are recorded using the exchange rates prevailing at the date of the transactions.

Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation of monetary items in foreign currency into euros at year-end are recognised in the statement of financial performance.

#### *Chart of Accounts*

The chart of accounts used by REA follows the structure of the chart of accounts of the European Commission.

#### *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 under 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 an accounting estimate shall be recognised in the surplus or deficit in the periods in which it becomes known.

### ***Balance sheet***

The balance sheet of REA is consisting of assets and liabilities.

#### *Assets*

Assets are non-physical/physical economically valued items owned and controlled by REA with the expectation that they will provide future benefit to the Agency.

### *Intangible assets*

An intangible asset is an asset that is not physical in nature.

In the balance sheet of REA, intangible assets are mostly consisting of software licences. They are stated at historical acquisition cost less accumulated depreciation and adjusted for eventual impairment. Intangible assets are amortised on a straight-line basis over the estimated useful life of the concerned asset.

According to EU Accounting Rule 6, internally developed intangible assets can be capitalised when the relevant capitalisation criteria are met. All costs directly attributable to the creation, production and preparation of the asset, to make it operational as intended by the management of the Agency, should be capitalised.

Costs associated with research activities, non-capitalisable development and maintenance are recognised (in the Statement of financial performance) as expenses when incurred.

REA considers a useful life of 4 years (25% amortisation rate) for its intangible assets.

### *Tangible assets (Property, plant and equipment)*

A tangible asset is an asset that has a physical form.

Tangible fixed assets are stated at historical acquisition cost less accumulated depreciation and adjusted for possible impairment.

The historical acquisition cost includes expenditures that are directly attributable to the acquisition or construction of the asset. Subsequent costs can be included in the asset's gross book value (or recognised as a separate asset), when these subsequent costs can be reliably measured and provide future economic benefit to the Agency.

Fixed asset repairs and maintenance costs are recognised as expenses (in the statement of financial performance) when incurred.

According to EU Accounting Rule 7, fixed assets are depreciated over their useful life and according to the straight-line depreciation method.

The following rates are applicable for the depreciation of fixed assets:

<b>Asset type</b>	<b>Depreciation rate</b>
Buildings	4%-10%
Plant and equipment	25%
Furniture and vehicles	10%-25%
Computer hardware	25%
Other fixed fixtures and fittings	10%-25%-33%

Pro-rata temporis depreciation is considered for assets acquired through the accounting year.

Assets under construction are not depreciated as long as not ready for use.

The gain/loss on the disposal of fixed assets is calculated by the difference between the proceeds of the sale of the asset and the net book value of the disposed asset. The gain/loss from the disposal of the asset is recognised in the Statement of financial performance.

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.

When entering a finance lease as a lessee, the assets acquired under the finance lease are recognised as assets and the associated lease obligations as liabilities as from the commencement of the lease term. Finance leases are leases where substantially all the risks and rewards incidental to ownership are transferred to the lessee. The assets and liabilities are recognised at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. Over the period of the lease term, the assets held under finance leases are

depreciated over the shorter of the asset's useful life and the lease term. The minimum lease payments are apportioned between the finance charge (the interest element) and the reduction of the outstanding liability (the capital element). The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability, which is presented as current/non-current, as applicable. Operating lease payments are charged as expenses in the period in which they are incurred.

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

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.

#### *Receivables*

The EU accounting rules require a separate presentation of exchange and non-exchange transactions. 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.

Receivables from exchange transactions meet the definition of financial instruments and are thus classified as loans and receivables and measured accordingly.

Current receivables (whose maturity is of less than 12 months at the balance sheet date) are included under current assets in the balance sheet.

Receivables are carried at their original value less a possible write-down for impairment. A receivable write-down is accounted for when there is an objective risk that the receivable will be only partially or will not (at all) be collected at the date it becomes due or later. The amount of the write-down is calculated as the difference between the asset's book value and the expected recoverable amount. The write-down is recognised in the Statement of financial performance.

#### *Cash and cash equivalents*

Cash and cash equivalents refer to the line item on the balance sheet that reports the value of the Agency's assets that are cash or can be converted into cash immediately. They include cash-at-hand and deposits at banks.

#### *Liabilities*

Liabilities in the balance sheet of the Agency represent financial debts or obligations that arise during the course of the Agency's operations.

#### *Provisions*

Provisions are recognised when REA has a present legal or constructive obligation towards third parties as a result of past events, it is more likely that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. The amount of the provision is the best estimate of the expenses expected to be required to settle the present obligation at the reporting date.

### *Payables*

Payables are recorded at their original amount when vendor invoices are received; related expenses are recognised in the Statement of financial performance when the goods and/or services are received and accepted by REA.

### *Accruals and deferrals*

In accordance with the EU Accounting Rules, which aim at ensuring that the financial statements reflect a true and fair view of the Agency's operations, transactions and events are recognised in the financial statements in the period they relate to.

Therefore, at the end of the accounting period, an accrued revenue will be recognised in the financial statements if an invoice is not yet issued but the service has been rendered, or the supplies have been delivered by the Agency. In addition, at the end of the accounting period, if an invoice is issued but the services have not yet been rendered or the goods have not yet been delivered, the revenue will be deferred and recognised in the subsequent accounting period.

At the end of the accounting period, accrued expenses are recognised based on an estimated amount of the incurred costs. The calculation of accrued expenses is done in accordance with detailed operational and practical guidelines issued by the Accounting Officer. 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.

### ***Statement of financial performance***

#### *Revenue*

Non-exchange revenue represents the vast majority of REA's revenues and mainly consists of subsidy from the EU.

Exchange revenue is the revenue from the sale of goods and services. It is recognised when the goods/services are delivered to the purchaser. If services are rendered over successive accounting periods, associated revenue is recognised based on the stage of completion at the reporting date.

#### *Expenses*

Expenses from exchange transactions arising from the purchase of goods and services are recognised when the related goods/services are delivered and accepted by the entity.

Non-exchange expenses relate to transfers to beneficiaries and can be of three types: entitlements, transfers under agreement and discretionary grants, contributions and donations

Transfers to beneficiaries are recognised as expenses in the accounting period during which the event giving rise to the transfer occurred under the condition that:

- the nature of the transfer is allowed by a regulation (Financial, Staff, other Regulation) and/or the transfer has been made according to a contract signed with the beneficiary;
- all eligibility criteria have been met by the beneficiary for the transfer to be made.

When a request for payment or cost claim is received and meets the above mentioned recognition criteria, it is expensed for the eligible amount. At the end of the accounting period, incurred eligible expenses (due to the beneficiaries but) not yet requested/claimed are estimated and recorded as accrued expenses.

### ***Contingent assets and liabilities***

#### *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 fully

within the control of REA. It is not recognised because the amount of the asset cannot be measured with sufficient reliability. A contingent asset is disclosed when an inflow of economic benefits or service potential is probable.

### *Contingent liabilities*

A contingent liability is a possible obligation that arises from past events and of which the existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not fully within the control of REA; or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation or, in the rare circumstances where the amount of the obligation cannot be estimated with sufficient reliability.

### *Consolidation*

According to Article 57 of the Standard Financial Regulation for the executive agencies, REA's accounts are consolidated with the Commission's annual accounts.

## **2.5.2. Notes to the Balance sheet**

### *Non current assets*

#### *(1) Intangible fixed assets*

The intangible fixed assets at REA consist of computer software and internally generated IT tools.

To be capitalised, computer software should have a purchase price above € 700.

In compliance with Accounting Rule 6, internally developed intangible assets are capitalised since January 2010. Considering the size of REA's administrative budget, the threshold amount for capitalisation of internally developed intangible assets has been set at € 100,000.

The variation of the intangible fixed assets in 2021 is detailed as follows (in euros):

Intangible Fixed Assets	Computer Software	Internally developed intangible fixed assets	Intangible assets under construction	Total
<b>Gross carrying amounts 31.12.2020</b>	<b>4,258,440</b>	<b>1,278,909</b>	<b>559,014</b>	<b>6,096,363</b>
Additions			553,675.24	553,675
Disposals				0
Transfer between headings		559,014	-559,014	0
<b>Gross carrying amounts 31.12.2021</b>	<b>4,258,440</b>	<b>1,837,923</b>	<b>553,675</b>	<b>6,650,039</b>
<b>Accumulated amortization and impairment 31.12.2020</b>	<b>-4,257,588</b>	<b>-1,143,279</b>		<b>-5,400,867</b>
Amortization	-310	-208,584		-208,894
Disposals				0
<b>Accumulated amortization and impairment 31.12.2021</b>	<b>-4,257,898</b>	<b>-1,351,863</b>	<b>0</b>	<b>-5,609,761</b>
<b>Net carrying amounts 31.12.2021 (EUR)</b>	<b>542</b>	<b>486,060</b>	<b>553,675</b>	<b>1,040,277</b>

In 2014, the Commission set up the Common Implementation Centre (CIC) in DG RTD, responsible for the implementation and support of IT systems for Horizon 2020. Following a partnership agreement, the CIC (representing the Research and Innovation DGs and DIGIT) has developed several IT tools (COMPASS, SYGMA,...). The development costs of these IT tools are shared among DGs without any financial participation of REA. DG Research and Innovation is the owner of these tools.

The Agency has nevertheless developed internally intangible assets for the management of the FP7 actions in order to cover functionalities that are not provided by the central tools. These assets are now fully amortised. They have not yet been decommissioned as they were still in use in 2021 as some FP7 projects are not yet fully closed.

Since 2018, the Agency is developing a new tool to facilitate the planning of the operational management of e-grants activities (OMEGA). This tool will be also used by other executive Agencies in the future. Some modules have already been put in production in 2018 and 2019. In 2021, the Agency has also started developing a new application for Dynamic Attendance Registration (DAR) that will complement the Expert Contracting and Budget Forecast application. It will provide new functionalities to facilitate registration of experts, optimise payment processes, and enable better monitoring and reporting. The solution will reduce reliance on paper-based systems.

At the end of 2021, intangible assets under constructions amounts to € 553,675. OMEGA modules under construction in 2019 and 2020 have been put in production in January 2021 (€ 559,014).

## (2) Tangible fixed assets

Tangible fixed assets at REA consist of technical equipment, furniture, computer hardware, leasehold improvements, telecommunication and audio-visual equipment. Leasehold improvements, telecommunication and audio-visual equipment are grouped under other fixtures and fittings.

To be capitalised, tangible fixed assets should have a purchase price above € 700. Items with lower value are treated as expenses of the year; however, they are registered in the physical inventory when the purchase price is greater than € 100.

The Agency has signed a usufruct contract for the Building COV2 covering the period 2008-2023 and a service-level agreement with OIB for the rent of COVE. The rent/usufruct instalments are paid annually and registered as expenses (not capitalised).

Nevertheless, the works made for the initial fitting out of the building COV2 have been capitalised over a useful life of 10 years under "other fixtures and fittings". These works are now fully depreciated.

The variation of the tangible fixed assets in 2021 is detailed as follows (in euros):

Tangible Fixed Assets	Plant and Equipment	Furniture and vehicles	Computer hardware	Other Fixtures and Fittings	Other PPE Under leasing	Total
<b>Gross carrying amounts 31.12.2020</b>	<b>2,420</b>	<b>34,636</b>	<b>971,684</b>	<b>7,807,302</b>	<b>181,015</b>	<b>8,997,058</b>
Additions		2,468.40		91,323.42	0.00	<b>93,792</b>
Disposals	0	0	-281,286	0	-181,015	<b>-462,301</b>
transfer from other EU entities	3,080	0	77,502	0	0	<b>80,582</b>
<b>Gross carrying amounts 31.12.2021</b>	<b>5,500</b>	<b>37,105</b>	<b>767,900</b>	<b>7,898,626</b>	<b>0</b>	<b>8,709,130</b>
<b>Accumulated amortization and impairment 31.12.2020</b>	<b>-2,420</b>	<b>-27,728</b>	<b>-939,799</b>	<b>-6,691,763</b>	<b>-63,279</b>	<b>-7,724,990</b>
Depreciation	-647	-2,492	-17,563	-592,501	-11,332	<b>-624,535</b>
Write off	0	0	-20,214	0	-106,404	<b>-126,618</b>
Disposals	0	0	281,286	0	181,015	<b>462,301</b>
transfer from other EU entities	-1,476	0	-58,296	0	0	<b>-59,772</b>
<b>Accumulated amortization and impairment 31.12.2021 (EUR)</b>	<b>-4,543</b>	<b>-30,221</b>	<b>-754,586</b>	<b>-7,284,264</b>	<b>0</b>	<b>-8,073,614</b>
<b>Net carrying amounts 31.12.2021 (EUR)</b>	<b>957</b>	<b>6,884</b>	<b>13,314</b>	<b>614,362</b>	<b>0</b>	<b>635,517</b>

The main movement in tangible fixed assets that calls for a comment concern the following categories:

### – Computer hardware:

Computer hardware was transferred from HADEA to REA with an acquisition value of € 77,502. The accumulated depreciation related to the material transferred amounted € 58,296. The difference of € 20,810 is a revenue for the Agency (see 2.5.3.3).

In the context of the integration of the DG DIGIT's Digital Workplace Solutions (DWP) services and according to the new Service Level Agreement SLA DIGIT-043-05 Appendix A-8 DWP<sup>6</sup>, all IT equipment and licences, registered in REA's inventory on 31.12.2020 (assets and non assets), identified to support the DWP Services, were transferred in 2021 to DIGIT with effect on 1.01.2021. The acquisition value of this IT equipment amounted to € 221,827 of which € 20,214 was not yet fully depreciated and has been, consequently, written off.

In addition, REA has carried out a decommissioning of obsolete IT equipment (fully depreciated), the acquisition price of the equipment concerned was € 59,549.

– **Other fixtures and fittings:**

Various offices and meeting rooms have been equipped with systems for hybrid meetings (€ 91,323€)

– **Other "PPE under leasing:**

In the framework of the new SLA, all the photocopiers were transferred to DG DIGIT on 01.04.2021. Their acquisition value amounted to € 181,015. As these copiers were not fully depreciated, the Agency booked a write down of € 106,404.

## **Current Assets**

### *(3) Exchange receivables*

#### *Current receivable customers (€ 5,750)*

At the end of 2021, one recovery order of € 5,750 is open since 2019. A write-down for bad debt has already been recognised in 2020 since the chances of recovering this amount are very low given that the debtor is bankrupt.

#### *Deferred charges (€ 2,635,920)*

The deferred charges include the part of the usufruct instalment for REA's premises (offices in COV2) related to 2022 and paid in 2021 (€ 2,541,202). This amount increased by € 61,981 compared to 2020. The other prepaid charges (€ 94,718) mainly relate to IT maintenance.

#### *Deferred charges consolidated entities (€400,211)*

The following amounts have already been invoiced to REA but the services/material not yet received:

- € 165,000 paid to SCIC for audio-visual equipment; this amount was already deferred end of 2020. The installation has been delayed as a result of the pandemic but it is expected to be completed in early 2022 with appropriate testing of the equipment.,
- € 235,211 paid to ERCEA for the rent of the 19<sup>th</sup> floor transferred to REA (period January to September 2022).

#### *Sundry Receivables (€ 66,830)*

The sundry receivables relate to salary regularisations or other regularisations linked to the payroll vis-à-vis staff.

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<sup>6</sup> ARES(2021)620510 of 26/1/2021

*Sundry Receivables with consolidated entities (€ 8,396,353)*

Since March 2020, REA treasury was integrated into the Commission's treasury system. Because of this, REA does not have any bank account. The subsidy received from DG Research and Innovation is booked on inter-company accounts (liaison account). All payments authorised and validated by the Agency as well as receipts are processed via the Commission's treasury and registered on inter-company accounts (liaison account). The amount of € 8,396,353 corresponds to the balance available on the liaison accounts and is considered as an amount receivable from the Commission.

*(4) Non exchange receivables (€ 483)*

The amount relates to regularisations with OIB for staff public transport.

***Non current liabilities***

*(5) Non current financial liabilities*

As mentioned above (see 2.5.2.2), the Agency's copiers were transferred to the DG DIGIT inventory on 01/04/2021. As these copiers were acquired under a financial lease contract, the portion of the non-current liability decreased following the transfer as the remaining amount due for the leasing was taken over by the Commission.

***Current liabilities***

*(6) Provision (€ 120,960)*

In april 2021, following the closure of CHAFEA and the new mandate of the Agency, some of the programmes managed by CHAFEA were transferred to REA along with the related staff. A provision of € 86.000 has been recognised to cover the requests for installation/resettlement allowances that could be introduced by the staff concerned until 2022. They are also entitled to reimbursement of their their removal expenses, however these cannot be quantified with precision because it depends on the distance and volume.

A provision of 34,960€ has also been booked for legal costs that could be re-invoiced to REA in the context of legal proceedings with beneficiaries of grants (granted on the operational budget).

*(7) Current financial liabilities*

As was the case with the long-term debt for the copiers, the short-term debt also decreased.

*(8) Current payables (€ 468,078)*

*Current payable vendor (€ 19,338)*

The amount relates to outstanding commercial invoices with suppliers of goods and services.

*Current payable with consolidated entities (€ 448,741)*

REA received, at the end of 2021, several debit notes from consolidated entitites that will be settled in 2022. These debit notes concern the services delivered by DG DIGIT in the context of the Service Level Agreement and the reimbursement of the prepaid rent by ERCEA for the 19<sup>th</sup> floor of the COV2 building transferred to REA.

*(9) Sundry payables (€ 194)*

The sundry payables relate to salary regularisations or other regularisations linked to the payroll vis-à-vis staff.

*(10) Accounts payable to consolidated entities*

*Prefinancing from consolidated entities (€ 409,028)*

The amount corresponds to the 2021 positive budgetary outturn to be reimbursed in 2022 to DG Research and Innovation, after adoption of the final 2021 accounts.

*(11) Accrued charges and deferred income*

*Accrued charges (€ 3,175,818)*

Accrued charges are expenses corresponding to goods and services provided to the Agency in 2021 but not invoiced at year end. The pending payment obligations of the Agency (called RAL – "Reste à Liquider") have been analysed to estimate the amount of accruals.

An amount of € 1,402,093 relates to goods and services delivered by third parties, such as IT consultancy, use of interim staff, IT maintenance, office supplies, legal support, trainings, staff perquisites. Compared to last year, there is an increase of € 879,669 mainly due to the accrual booked for the building taxes.

Moreover, an accrual is also recognised for untaken annual leave by staff for an amount of € 1,773,725. The amount increased by € 80,235 compared to 2020.

*Accrued charges with consolidated entities (€ 2,971,992)*

Accruals with consolidated entities concern goods and services provided by other EU institutions in 2021 in the framework of a Service Level Agreement and not yet invoiced as of 31.12.2021. The amount is mainly distributed between following Commission's services:

– OIB:	€ 2,597,306
– DG COMM :	€ 200,000
– PMO:	€ 45,806
– EPSO:	€ 40,000
– DG EAC:	€ 39,830
– DG HR:	€ 39,590
– CDT:	€ 9,460

The amount is higher than last year mainly because of the the accrual booked for the building taxes.

### **2.5.3. Notes to the Statement of financial performance**

#### ***Non-exchange revenues***

*(1) Other non exchange revenue (€ 126,136)*

This revenue results from the cancellation of the debt (open amount as of 31/03/2021 € 126,136) related to the leasing of the copiers that were transferred to DG DIGIT which also took over the balance of the corresponding debt (long term and short term) as of 01/04/2021.

*(2) Subsidy of the Commission (€ 88,031,188)*

The Commission's subsidy is equal to the part of the Commission's contribution to the operating budget, received in 2021 by REA, used to cover the total expenditure of the year (the payments done during the year as well as the outstanding payment obligations at year-end – called RAL), reduced by the cancellation of unused amounts carried over from the previous year (unused RAL from previous year) and the recovery of unduly paid amounts (other income) and increased by the exchange rate losses (see budget outturn table under section 3.2).

This method for determining revenue follows the modified cashed-based accounting principle and results from the budget outturn.

## ***Exchange revenues***

### *(3) Fixed assets related revenue (€ 20,810)*

Following the closure of CHAFEA, some of its assets were transferred to REA. The revenue corresponds to the residual value of assets (not fully depreciated at the date of transfer).

### *(4) Income with consolidated entities (€ 33,914)*

This corresponds to the recovery of part of the amount paid for various Service Level Agreements (SLAs) in excess of the services actually provided.

### *(5) Exchange rate differences (€ 2,478)*

The amount results from exchange gains on payments in foreign currency.

### *(6) Other miscellaneous revenues (€ 38,929)*

The miscellaneous revenues include the re-invoicing of:

- legal costs (€ 34,500) incurred by the Agency in the context of a legal proceeding against beneficiaries of grants (granted on the operational budget) and that will be re-invoiced to the concerned beneficiaries in 2022 as REA won the case.
- amounts unduly paid and booked in charges in 2020 and subsequently recovered in 2021.

## ***Expenses***

### *(7) Staff expenses (€ 64,593,465)*

Compared to last year, staff costs have increased by approximately € 6.3 million (11%). The number of positions occupied as of 31/12/2021 has also increased by 11% (+ 85 employees) compared to the end of 2020. The increase in salaries due to indexation, seniority progression had further impact.

Staff expenses include:

- the gross salaries, allowances, social and pension contributions, an accrual for untaken holidays and other staff costs (€ 64,109,644);
- the amount paid to DG EAC for the trainees employed by the Agency during 2021 (€ 88,082);
- The employer's contribution to the school transport, contribution to staff public transport passes and other staff perquisites (€ 395,739). This expenditure has remained stable compared to 2020, but is lower than in the "pre-pandemic" period.

### *(8) Interest expenses (€ 682)*

It represents the interest expenses paid for the 1<sup>st</sup> quarter 2021 for the financial leasing of photocopiers (before the transfer of copiers to DG DIGIT inventory).

### *(9) Administrative and IT expenses (€ 9,820,736)*

Compared to 2020, the total administrative and IT expenses increased by 15%.

- € 7,859,502 relate to services provided by consolidated entities (OIB, DG DIGIT, DG HR, DG BUDG, DG SCIC, PMO, EPSO, CDT, SG) in the framework of Service-Level agreements. These expenses have increased by € 1.8 million, mainly in the following areas:
  - € 1 million for the integration of the DIGIT's Digital Workplace Solutions (DWP) services,
  - € 0.5 million for the services provided by SCIC for the installation and maintenance of audio-visual equipment in the meeting rooms,
  - € 0.18 million for the services related to the document management systems provided by the Secretariat General.

Moreover, the cost of some SLAs has also been affected by the pandemic as there is less demand for certain services such as preventive medical check-ups and mission costs settlements. On the other hand, the costs for some services have increased as a result of the Covid 19 outbreak. In particular, the child care services since the parental contribution to the CPE decreased causing an automatic increase of the Institutions contribution to cover the fixed costs.

– € 1,961,234 relate to services or goods provided by external contractors in the following fields:

- material, office supplies, licence fees, maintenance (241,063);
- ICT support (€ 752,866);
- non IT services such as interim staff (€ 587,359);
- missions (12,969);
- legal assistance (€ 78,594);
- training (€ 110,698);
- communication (€173,219);
- recruitment (€ 4,133);
- other (€ 333).

These expenses have decreased by € 0.5 million, mainly because the expenditure on ICT material and maintenance and licence fees has been reduced.

To be noted that some expenditure items have further decreased due to the impact of the pandemic. Indeed, in 2021 there were no experts and related expenditure. Missions have decreased by € 120,000 and account only for € 13,000 in 2021.

The training and the communication expenditure have increased by € 44,000 and € 151,000 respectively but remain below the 2019 level ( “pre-Covid pandemic” period).

ICT support expenses for the grant management support services for experts have decreased due to the Covid 19 Pandemic, whereas they have increased in other areas (i.e. infrastructure and programme management).

#### *(10) Assets related expenses (€ 960,048)*

These expenses relate to:

- the depreciation charges of the Agency's tangible and intangible fixed assets (€ 833,430);
- the amount written off following the transfer of IT material and copiers to DG DIGIT (€ 126,618)

#### *(11) Land and Building (€ 14,251,221)*

Compared to last year, land and building expenses have increased by 12%.

– € 9,995,744€ relate to services provided by OIB. This amount includes the rent for REA's premises (the evaluation facility in COVE) and other building charges like building taxes, maintenance, electricity and heating, security and insurance. These expenses have increased by € 1.1 million out of which € 0.6 concerns the municipal tax on office space for the fiscal years 2019,2020 and 2021.

– € 4,255,477 relate to services or goods provided by external contractors. This amount includes the usufruct instalments for REA's premises (offices in COV2), the building taxes and insurance. These expenses have increased by €0.5m because the re-invoicing of the municipal tax on office space for the fiscal years 2019,2020 and 2021 was partially compensated by a reduction of the 2021 usufruct instalment.

The municipality of Saint-Josse-ten-Noode amended its office tax regulation and extended the concept of taxpayer, based on which the tax for the fiscal years 2019-2020-2021 has been charged to the bare owner of the Covent Garden building.

Pursuant to the usufruct agreement (Art.17.2), the municipal tax on office space is a cost rechargeable to the usufructuary. Therefore, the bare owner has claimed the reimbursement of the tax paid for an amount of € 793,162 for the COV2 building and € 646,025 for the COVE building (evaluation platform).

(12) *Exchange rate losses. (€ 3,332)*

Exchange rate losses result from payments in foreign currency.

#### **2.5.4. Notes to the Cash-flow statement**

Cashflow information is used to provide a basis for assessing the ability of an entity to generate cash and cash equivalents, and its needs use of cash.

Since March 2020, REA is using DG BUDG's treasury services. All payments and receipts are processed via the Commission's treasury system and booked on an inter-company account (liaison account). The latter shows the net treasury position of the Agency.

The variation on this inter-company account is reflected under (Increase)/decrease in Receivables – Liaison Account with Commission.

The cashflow statement is prepared using the indirect method. This means that the economic result for the financial year is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of revenue or expense associated with investing cashflows.

The cashflow statement reports cashflows during the period classified by operating and investing activities.

##### *(1) Operating activities*

Operating activities reflect the cash generated / (used) from regular activities of REA. These are the majority of the activities performed.

##### *(2) Investing activities*

Investing activities reflect the cash generated / (used) from the acquisition and disposal of intangible and tangible fixed assets. The objective is to show the real investments made by REA.

#### **2.5.5. Contingent assets and liabilities**

##### ***Contingent liabilities***

As mentioned under 2.2.2.6 above, following the closure of CHAFEA end of March 2021, part of the staff was transferred to REA along with the transfer of programmes. Staff moving to Belgium are entitled to be reimbursed for their removal costs, although these are difficult to quantify as they depend on the distance and volume.

### 2.5.6. Other disclosures

#### *Commitment for future expenditure*

<b>Commitments for future expenditure</b>	
Commitments made in 2021 and not yet paid as of 31.12.2021	3,232,260
Future charges related to the REA building	3,805,070
<b>Total</b>	<b>7,037,330</b>

Commitments made in 2021 and not yet paid as of 31.12.2021 correspond to the part of the budgetary RAL that will be used to pay for invoices related to services or goods that will be rendered in 2022. The amount decreased with €1,512,522 compared to 2020.

The total future charges relate to the usufruct contract signed with a third party for the building COV2. It amounts to € 3,805,070. The period covered runs until 23.09.2023.

#### *Covid 19 Pandemic*

The coronavirus outbreak that started in 2020 continued to impact the EU economy in 2021. Despite the challenges faced at the beginning of the pandemic, REA managed to quickly adapt its processes and way of working already in 2020. The procedures and control environment in place are robust and allowed the Agency to continue to deliver of its objectives in 2021.

Based on the information available at the date of signature of these annual accounts, the main financial effects of the coronavirus outbreak on the Agency's activities have been described in the reports on the implementation of the budget and in the notes to the financial statements.

The Agency had to reduce its 2021 budget and introduce budget transfers due to the prolonged impact of the pandemic but also due to other factors which are explained under point 3.4.1. of the reports on the implementation of the budget of REA.

With respect to the statement of financial performance, compared to 2020 annual accounts, some expenses decreased due to the pandemic while others increased. The detailed explanation is available in the notes related to the statement of financial performance under point 2.5.3.

#### *Municipal tax on office space*

As mentioned under 2.5.3.11 above, the municipality of Saint-Josse-ten-Noode amended its office tax regulation and extended the concept of taxpayer, based on which the tax the fiscal years 2019-2020-2021 has been charged to the bare owner of the Covent Garden building.

Pursuant to the usufruct agreement (Art.17.2), the municipal tax on office space is a cost rechargeable to the usufructuary. Therefore, the bare owner has claimed the reimbursement of the tax paid from REA for an amount of € 793,162 for the COV2 building. Similarly, based on the usufruct contract signed with OIB, the bare owner has claimed from OIB the reimbursement of the municipality tax on office space for the COVE building. As REA has been renting office space from OIB, OIB will re-invoice the Agency the related municipal tax for an amount estimated to be € 646,025.

However, OIB and REA will reimburse the bare owner 'without any prejudicial recognition and with reservation of rights', to be understood as:

- The bare owner undertakes to pursue the (legal) procedure started to contest the tax and will have to keep the usufructuary, represented by the Legal Service of the European Commission on behalf of OIB and the executives agencies concerned, closely informed;

- The usufructuary will reserve the right, at any time, to complete the argumentation and/or to intervene in the proceedings;
- The bare owner will in any case have to refund the sums that would appear to have been unduly reimbursed, should he finally win the case with the municipality.

Hence, in the event of a positive outcome of the legal proceedings, the bare owner would have to reimburse REA the amounts paid (i.e. € 793,162). Similarly, OIB, which would be reimbursed by the bare owner, would have to reimburse REA the amount paid (i.e. € 646,025).

### **2.5.7. Financial risk management**

Market risk is the risk that the fair value or future cashflows of a financial instrument will fluctuate, because of variations in market prices. Market risk embodies not only the potential for loss, but also the potential for gain. It comprises currency risk, interest rate risk and other price risk (REA has neither an interest rate risk nor an other price risk).

(1) Currency risk is the risk that the agency's 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.

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.

#### **currency risk**

As only very few transactions are in other currency and amounts are not significant, REA has no material foreign currency risk.

#### **Interest rate risk**

REA does not have any bonds thus it is not exposed to the interest rate risk.

#### **Credit risk**

In accordance with the revised EU Accounting Rule 11 (EAR 11), the age analysis of exchange receivables is presented hereunder:

Receivables (aging) 31.12.2021	Not past due	Past due 0-30 days	Past due 31-90 days	Past due 91 days - 1 year	Past due > 1 year	TOTAL
Receivables gross carrying amount	8,497,683				5,750	8,503,433
Impairment (-)					-5,750	-5,750
Net receivables	8,497,683	0	0	0	0	8,497,683

Out of the net receivables:

- € 8,396,353 concerns consolidated entities for which no credit risk can occur and therefore no impairment has been calculated,

- € 66,830 concerns receivables from staff, the amount is mainly recovered by deduction from the monthly salary, based on past experience and expected future events REA has no reason to recognise a loss,
- € 34,500 relates to accrued income with a third party, based on past experience and expected future events REA has no reason to recognise a loss.

### ***Liquidity risk***

Maturity analysis of financial liabilities by remaining contractual maturity:

The financial liabilities are composed of accounts payable (€ 877,300 out of which € 857,769 vis-à-vis consolidated entities). All the accounts payable have remaining contractual maturity of less than 1 year.

### **2.5.8. *Changes in accounting policies***

On 17 December 2020 the Accounting Officer of the European Commission adopted the revised EU Accounting Rule 11 ‘Financial Instruments’ (EAR 11) which is applicable as from 1 January 2021. It replaces the previous EAR 11 adopted in 2011. The revised EAR 11 is based on the new IPSAS 41 (International Public Sector Accounting Standards) on ‘Financial Instruments’, the amended IPSAS 28 “Financial instruments-presentation” and the amended IPSAS 30 “Financial instruments-disclosures” which were issued in August 2018. It establishes the financial reporting principles for financial assets and financial liabilities.

In accordance with the transition provisions of the revised EAR 11, the Agency accounts for any changes from the initial application, on 1 January 2021. The revised EAR 11 does not require the restatement of prior periods.

The only financial instruments of REA are the receivables from exchange transactions. In accordance with the revised EAR 11 requirements, the Agency has classified these receivables as ‘financial assets at amortised cost’. REA has applied the impairment requirements of the revised EAR 11 to the receivables.

### **2.5.9. *Related party disclosures***

#### ***Related parties***

The related parties of the entity are the EU consolidated entities and the senior management of these entities. Transactions between these entities take place as part of the normal operations of the Agency and no specific disclosure requirements are necessary for these transactions in accordance with the EU accounting rules.

#### ***Key management entitlements***

Further information on related party transactions concerning the senior management is presented below:

Highest grade description	Grade	Number of persons of this grade
Director, Heads of department	AD14	5

They are remunerated in accordance with the Staff Regulations of the EU that are published on the Europa website, which is the official document describing the rights and the obligations of all officials of the EU.

#### ***2.5.10. Post balance sheet events***

In accordance with EU accounting rule 19, Events after Reporting Date, the war in Ukraine that began in February 2022 is a non-adjusting event, thus not requiring any adjustments to the figures reported in these financial statements at 31 December 2021.

For subsequent reporting periods, the war may affect the recognition and measurement of some assets and liabilities on the balance sheet or some revenue and expenses recognised in the statement of financial performance.

Based on the facts and circumstances at the time of preparation of these financial statements, there is no financial impact to be reported.

### 3. REPORTS ON THE IMPLEMENTATION OF THE BUDGET

#### 3.1. Introduction

##### 3.1.1. Budgetary structure

The budgetary accounts are kept in accordance with the Standard Financial Regulation for executive agencies.

The budget is the instrument which, for each financial year, forecasts and authorises the revenue and expenditure considered necessary for the implementation of the Agency's activities.

The budget structure for REA consists only of non-differentiated administrative appropriations, meaning that the commitment and the payment appropriations are of the same amount. Non-differentiated appropriations are used to finance operations of an annual nature (which comply with the principle of annuality).

The appropriations are split into commitment and payment appropriations:

- Commitment appropriations (CA): cover the total cost of the legal obligations entered into for the current financial year;
- Payment appropriations (PA): cover expenditure arising from commitments entered into in the current financial year and/or the previous financial year.

The main sources of appropriations are:

- The budget for the current year, which corresponds to the initial adopted budget and its subsequent amending budgets and transfers (fund source C1);
- The non-differentiated payment appropriations carried over from the previous year (fund source C8).

The 2021 budget is distributed in the following budget titles:

Budget Title	2021 Commitment appropriations (C1)	Payment Appropriations carried over from 2020 (C8)	TOTAL
Title 1 - Staff expenditure	67,572,530	408,061	67,980,591
Title 2 - Infrastructure and operating expenditure	13,888,360	2,866,910	16,755,270
Title 3 - Programme support expenditure	7,013,565	4,587,786	11,601,351
TOTAL	88,474,455	7,862,757	96,337,212

Title 1 budget lines are related to staff expenditure:

- Chapter 11: remuneration, allowances and charges for the statutory staff of the Agency paid directly to the staff member and included in the salary pay slip as well as expenses for interim supportive staff and trainees;
- Chapter 12: specific staff related charges, costs for missions, training courses, medical service, staff perquisites (e.g. public transport reimbursements) and internal meeting expenses are included under this chapter. The cost of recruitments and change of personnel incurred by the Agency are also included.

Title 2 budget lines relate to infrastructure and operating expenditure:

- Chapter 21: Building expenditure. The rent is fixed through a usufruct contract signed by the Agency and/or the Commission following a tendering procedure. Charges for the maintenance, cleaning, security, heating, etc. of the building, and the cost of the fitting out of premises are also included under this chapter;
- Chapter 22: ICT expenditure. This includes the purchase of equipment, licences, support for maintenance, specific IT developments and IT services;

- Chapter 23: Movable property and current operating expenditure. This chapter covers the cost of furniture and office supplies for the Agency and its staff and other current operating expenditure.

Title 3 budget lines relate to programme support expenditure:

- Chapter 31: Programme management expenditure such as external communication, information and ICT expenses as well as external audits and missions. This budget chapter concerns administrative expenditure directly related to the management of operational activities delegated to the Agency.
- Chapter 32: Common support services expenditure, such as building and ICT expenses for the common evaluation platform and common support services as well as meetings of experts.

### **3.1.2. Budgetary principles**

The budget of REA has been established in compliance with the principles of unity, budget accuracy, annuality, equilibrium, unit of account, universality, specification, sound financial management and transparency as set out in the standard Financial Regulation for the executive agencies.

#### *Principle of annuality*

The appropriations entered in the budget shall be authorised for one financial year which shall run from 1 January to 31 December.

Commitments shall be entered in the accounts on the basis of the legal commitments entered into up to 31 December.

Payments shall be entered in the accounts for a financial year on the basis of the payments effected by the Accounting Officer by 31 December of that year at the latest.

#### *Principle of equilibrium*

The Agency's budget revenue and payment appropriations must be in balance.

Commitment appropriations may not exceed the amount of the Community subsidy, plus own revenue and any other revenue. The Agency may not raise loans.

#### *Principle of unit of account*

The budget shall be drawn up and implemented in Euro and the accounts shall be presented in Euro. However, for cash-flow purposes, the Accounting Officer and, in the case of imprest accounts, imprest administrators, shall be authorised to carry out operations in national currencies.

#### *Principle of universality*

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

#### *Principle of specification*

The appropriations in their entirety shall be earmarked for specific purposes by title and chapter; the chapters shall be further subdivided into articles and items.

The Executive Agency's Director, following an ex-ante agreement from the Steering Committee, may authorise transfers from one article to another within each chapter. Transfers between chapters/titles may be authorised by the Director after agreement from the Agency's Steering Committee.

#### *Principle of sound financial management*

Budget appropriations shall be used in accordance with the principle of sound financial management, i.e. in accordance with the principles of economy, efficiency and effectiveness.

The principle of economy requires that the resources used by the Agency for the pursuit of its activities shall be made available in due time, in appropriate quantity and quality and at the best price.

The principle of efficiency looks at the best relationship between resources employed and results achieved.

The principle of effectiveness aims at attaining the specific objectives set and achieving the intended results.

*Principle of transparency*

The budget shall be drawn up and implemented and the accounts presented in compliance with the principle of transparency. The budget, as finally adopted, shall be published in die Official Journal of the European Union and amending budgets shall be published in an appropriate way within two months of their adoption.

**3.1.3. Key data**

<b>Budget</b>	<b>€ 88,474,455</b>
<b>Commitments Appropriations (fund source C1)</b>	99.88% of the current year's commitment appropriations are implemented 9.10% of the appropriations are carried forward to 2022
<b>Payments</b>	90.77% of the current year's payment appropriations are implemented 96.28% of the payment appropriations carried-over from 2020 are implemented

**3.2. Budget Result**

The budgetary outturn account was prepared in accordance with the requirements of Article 244 of Commission Regulation (EU, Euratom) No 2018/1046 and in accordance with Article 56 of the Standard Financial Regulation for executive agencies.

The revenue entered in the accounts is the amount actually received during the course of the year. For the purpose of calculating the budget result for the year, expenditure comprises payments made against the year's appropriations plus any of the appropriations for that year that are carried over to the following year. Payments made against the year's appropriations mean payments that are made by the accounting officer by 31 December of the financial year.

The following are added to or deducted from the resulting figure:

- the cancellations of payment appropriations carried over from previous years (added),
- the balance of exchange-rate gains (added) and losses (deducted) recorded during the year.

**Budget outturn table in EUR**

		2021	2020	
<b>REVENUE</b>				
	Balancing Commission subsidy	+	88,440,215.60	79,208,856.79
	Revenue accruing from other EU bodies and institutions		0.00	457,310.21
	Other income	+	44,194.15	198,719.85
<b>TOTAL REVENUE (a)</b>			<b>88,484,409.75</b>	<b>79,864,886.85</b>
<b>EXPENDITURE</b>				
<i>Title I: Staff</i>				
	Payments	-	67,174,100.95	60,082,231.31
	Appropriations carried over	-	383,368.14	408,061.38
<i>Title II: Administrative Expenses</i>				
	Payments	-	10,883,966.07	8,850,186.10
	Appropriations carried over	-	2,965,766.07	2,866,909.75
<i>Title III: Operating Expenditure</i>				
	Payments	-	2,253,636.09	2,549,742.28
	Appropriations carried over	-	4,705,951.11	4,587,785.70
<b>TOTAL EXPENDITURE (b)</b>			<b>88,366,788.43</b>	<b>79,344,916.52</b>
<b>OUTTURN FOR THE FINANCIAL YEAR (a-b)</b>			<b>117,621.32</b>	<b>519,970.33</b>
	Cancellation of unused payment appropriations carried over from previous year	+	292,260.89	169,481.93
	Exchange differences for the year (gain +/-loss -)	+/-	-854.52	-477.22
<b>BALANCE OF THE OUTTURN ACCOUNT FOR THE FINANCIAL YEAR</b>			<b>409,027.69</b>	<b>688,975.04</b>

The 2021 budget result amounts to € 409,027.69 and corresponds to:

- € 107,666.57: current year commitment appropriations (C1) not used,
- € 9,954.75: miscellaneous revenue (recovery orders issued and cashed by the Agency) not used in the financing of the Agency's operating budget (out of € 44,194.15),
- € 292,260.89: appropriations carried over from 2019 to 2020 (C8) and not used,
- € - 854,52: exchange rate losses.

### Reconciliation of the 2021 economic result with the 2021 budgetary result

	2021	2020
<b>Economic result (+ for surplus and - for deficit)</b>	<b>-1,376,028.09</b>	<b>-1,220,291.06</b>
<b>Adjustment for accrual items (items included in the economic result but not in the budgetary result)</b>		
Adjustments for Accrued charges and deferred income (reversal previous year)	-4,586,860.05	-3,820,925.19
Adjustments for Accrued charges and deferred income (cut off current year)	6,147,780.20	4,586,860.05
Unpaid invoices at year end but booked in charges	213,529.76	224,471.05
Depreciation and write down of intangible and tangible assets	960,047.52	766,358.42
Provisions	120,960.00	
Amounts written off and losses on trade debtors		38,582.39
Recovery Orders issued and not yet cashed		-5,851.03
Payments made from carry over of payment appropriations	7,570,495.94	6,620,609.92
Adjustment for deferred charges and accrued income (cut off current year)	-2,805,973.75	-2,555,240.12
Adjustment for deferred charges and accrued income (reversal previous years)	2,546,678.86	3,036,603.37
Other (transfer of assets, cancellation debt leasing)	-146,946.21	
<b>Adjustment for budgetary items (item included in the budgetary result but not in the economic result)</b>		
Asset acquisitions (excluding unpaid amounts at year end and including paid amount in N for assets received in N-1)	-647,467.06	-408,680.24
New pre-financing received in the year and remaining open at year end (31/12)	409,027.69	688,975.04
Budgetary recovery orders issued in the previous years and cashed in the year	5,851.03	457,310.21
Capital payments on financial leasing for year N	-8,944.11	-26,532.87
Payment appropriations carried over to the next year	-8,055,085.32	-7,862,756.83
Cancellation of unused carried over payment appropriations from previous year	292,260.89	169,481.93
Invoices booked in charge in the previous year but paid in the current year	-224,471.05	0.00
Other (payroll regularisation)	-5,828.56	0.00
<b>total</b>	<b>409,027.69</b>	<b>688,975.04</b>
<b>Budgetary result including amount of exchange rate differences</b>	<b>409,027.69</b>	<b>688,975.04</b>
<b>Amount of exchange rate differences included in the budgetary result</b>	<b>-854.52</b>	<b>-477.22</b>
Delta not explained	0.00	0.00

The economic result shown in the Statement of financial performance (point 2.2) differs from the budgetary result shown in the budget outturn account (point 3.2) because the economic result is based on accrual accounting principles (revenues and expenses are recorded when they occur; income is reported in the period it is earned regardless of when it is received and expenses are reported in the period they are incurred whether they are paid or not) while the budget result is based on modified cash accounting rules (revenues are recorded in the period they are cashed and expenses are recorded in the period they are paid, carry-over of appropriations are also recorded).

The difference between the economic result and the budgetary result can be explained and reconciled inter alia by the following elements:

- The economic result takes into account accrued charges via cut off correction entries. Expenses related to services provided or goods delivered in the current year but not paid at 31/12/N are charged in the financial year while the budgetary result takes also into account amounts of invoices received and paid at 31/12/N relating to services still to be provided or goods still to be delivered in the next financial year.
- The movement in provisions linked to the end-of-year estimates following the accrual based principle (e.g. untaken holidays) only impact the economic result. The budget result is not impacted as long as these provisions are not paid.
- The economic result takes into account the depreciation expense of the fixed assets while the budgetary result takes into account the purchase cost of the fixed asset in the financial year it is paid.
- The economic result comprises all the revenues generated during the financial year even if entitlements established were not collected. The budgetary result takes into account the revenue collected from entitlement established in the course of the year and amounts collected from entitlements established in previous years. The entitlements established in the current year but not yet collected are not comprised in the budgetary result.
- The economic result takes into account expenses on carried over appropriations from the previous year when they are related to services provided or goods delivered in the current financial year while the budgetary result is not impacted by the payments done on carried over appropriations

from the previous year. However, the cancellation of unused appropriations carried over from the previous year increases the budgetary result.

- The economic result does not take into account deferred charges. Expenses that are prepaid in the current financial year but related to services to be provided in subsequent years are not charged in the current financial year but in the year to which they relate. The budgetary result is however impacted when the amount has been paid in the current financial year.

### 3.3. Budget Revenue

In accordance with Article 5 of the Standard Financial regulation for Executive Agencies, the revenue of the Agency shall comprise the subsidy awarded by the Commission and any other revenue, including assigned revenue within the meaning of Article 15 thereof.

Income Budget Line	Type of revenue	Budget 2021	Amendments	Amended Budget 2021	Entitlements established	Revenue received	Outstanding at year end
2000	European Commission subsidy	77,739,210.00	10,735,245.00	88,474,455.00	88,440,215.60	88,440,215.60	0.00
4000	revenues accruing from other EU Bodies	p.m.		p.m.	0.00	0.00	0.00
9000	Miscellaneous revenue	p.m.		p.m.	49,944.15	44,194.15	5,750.00
<b>TOTAL</b>		<b>77,739,210.00</b>	<b>10,735,245.00</b>	<b>88,474,455.00</b>	<b>88,490,159.75</b>	<b>88,484,409.75</b>	<b>5,750.00</b>

The balancing subsidy paid by DG Research and Innovation in 2021 amounts to € 88,440,215.60 out of which:

... from the General Budget of the European Union for 2021 (EU-27 credits - Contribution from "Horizon Europe" for the completion of previous programmes")	25,500,000.00
... from the General Budget of the European Union for 2021 (EU-27 credits - Contribution from "Horizon Europe")	54,406,325.25
... from the General Budget of the European Union for 2021 (EU-27 credits - Contribution from "European Agricultural Guarantee Fund")	2,330,335.35
... from the General Budget of the European Union for 2021 (EU-27 credits - Contribution for the completion of non-Research Programmes)	2,075,000.00
... from the General Budget of the European Union for 2021 (EU-27 credits - Contribution for the implementation of the research programme for coal and steel and non Research-Programmes)	1,638,663.00
... from the EFTA/EEA contribution for 2021	2,489,892.00

The miscellaneous revenue relates to the recovery of:

- amounts overpaid to the OIB and Medical Service under the SLAs for the year 2020 and subsequently recovered: € 33,914.42
- recovery of amounts overpaid to contractors: € 9,874.43
- legal costs incurred by the agency in the context of a legal proceeding against beneficiaries of a grant granted on the operational budget and to be recovered from the beneficiaries: € 5,750
- regularisation vis-à-vis staff: € 405.30

A recovery order already due in 2019 (€ 5,750€) was not cashed at the end of December.

	Open recovery orders by 01/01/2021		Recovery orders established by 31/12/2021		Recovery orders fully cashed by 31/12/2021		Recovery orders waived by 31/12/2021		Recovery orders fully cancelled 31/12/2021		Open recovery orders by 31/12/2021	
	#	€	#	€	#	€	#	€	#	€	#	€
2000			6	88,440,215.60	6	88,440,215.60					0	0.00
9000	2	11,601.03	6	38,343.12	7	44,194.15					1	5,750.00
<b>Total</b>	<b>2</b>	<b>11,601.03</b>	<b>12</b>	<b>88,478,558.72</b>	<b>13</b>	<b>88,484,409.75</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>1</b>	<b>5,750.00</b>

### 3.4. Budget Expenditure

#### 3.4.1. Overview 2021 budget and transfers

##### *Initial budget (IB)*

The REA Steering Committee adopted the 2021 administrative budget on 18 December 2020 for a total amount of € 77,739,210.

Compared to the final budget 2020, the initial budget 2021 is reduced by € 1,970,555, equivalent to 2.5% because it was established under the assumption of the previous mandate for the period 2014-2024. The subsidy to the Agency was limited to the legacy subsidy lines proposed in the Amending Letter (AL) No. 01/2021 to the Draft Budget 2021 of the EU General Budget<sup>7</sup>. The contribution of EFTA/EEA countries (E0 credits) of 2.70% was also taken into account but no Third Parties Appropriations (R0 credits) have been taken into account.

To cope with this budgetary constraint, the expenditure has been limited.

The staffing has been maintained at the 2020 level but expenses have nevertheless been increased to take into account:

- reclassifications,
- upgrades of contract staff from lower to higher function groups,
- the automatic advancement in steps and
- the salaries adjustments (salary indexation).

Expenditure related to interim staff has been budgeted only for the first semester, while translations for SEDIA only for the first quarter.

As the assumption of “*no new mandate*” was taken into account, expenditure related to the building for the Evaluation Platform has not been budgeted (rent and taxes, accounting for a large part of the reduction under chapter 32 listed above). This platform (COVE building) is rented by OIB and charged to REA via an SLA. In the absence of a new mandate, the Commission would have to take over the financing of the evaluation building.

##### *1<sup>st</sup> amended budget (AB1)*

The 1<sup>st</sup> amended budget of € 90,596,120 was then presented to and adopted by the Steering Committee on 24 March 2021. The appropriations were increased on all budget lines for a total amount of € 12,856,910 (16.54%) as the Specific Financial Statement (SFS) for the new REA mandate was adopted on 12 February 2021. The main changes are explained below:

- Increase by € 4,546,160 (7.51%) on budget chapter 11 “Remunerations, Allowances and Charges” to cover the increase in FTEs needed for the new mandate and the subsequent transfer of additional programmes to REA. The staff reclassification and automatic advancement in salary steps of the new incoming staff is also taken into account. On the other hand, the salary indexation rate has been reduced from 4.0% to 1.0%. The cost of the interim supportive agents and trainees has been budgeted for the full year.
- Increase by € 577,580 (22.14%) on budget chapter 12 “Professional Development and Social expenditure” in order to align the training costs and other staff related costs (i.e: support services from DG HR, PMO, medical services, reimbursement of teleworking material...) with the number of staff.
- Increase by € 1,547,700 (51.25%) on budget chapter 22 “ICT expenditure” as the budgetary cuts introduced in the initial budget have been reversed; among other things to cover the yearly cost related to the Service level agreement with DIGIT, the cost of IT services

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<sup>7</sup> Its direct is here : <https://eur-lex.europa.eu/budget/data/LR/2021/en/LR01.pdf>

providers. It was planned to equip some offices and meeting rooms with systems for hybrid meetings.

- Increase of € 1,342,330 (174.2%) on chapter 31 “Programme Management expenditure” because the needs for Communication activities were re-estimated, mainly for the organisation of Info days and cluster events. The budgetary cuts introduced in the initial budget for ICT and external audit missions have also been reversed (see above). The appropriations for mission expenses have been increased due a number of missions planned for the new programmes to be transferred to REA. Finally, the figures have also been increased as REA had opted for a very conservative estimate due to the pandemic when establishing the initial budget.
- Increase of € 4,677,355 (189.8%) on budget chapter 32 “Common Support Services expenditure” in order to take into account the expenses related to the support services that were excluded from the initial budget pending the adoption of REA’s mandate to support Horizon Europe evaluations. The main costs concern the rent of the COVE premises and the cost of the Service Level Agreement with DG COMM for the Research Enquiry Services. The budgetary cuts introduced in the initial budget for the translations related to the SEDIA services with respect to the participant portal multilingualism pilot project were also reversed.

To be noted that an internal transfer inside chapter 31 was authorised, beginning of January, by the Director to cover the MSCA Cluster Event on Cancer. The available appropriations on the concerned budget line were insufficient due to the constraints applied to the initial 2021 Budget.

### ***2nd amended budget (AB2)***

On 1<sup>st</sup> October 2021, the Steering Committee adopted the second amended budget for a total of € 88,474,155, which is € 2,121,665 (-2.3%) lower than the 1<sup>st</sup> amended Budget. Since REA had cashed € 34,239.40 of miscellaneous revenue, the total annual “Subsidy to REA” requested by the Agency is € 88,440,215.60.

The budget reduction is the result of the prolonged impact of the pandemic and other factors. The main changes and their reasons are explained below:

- Decrease by € 212,470 (-0.33%) on the budget chapter 11 “Remunerations, Allowances and Charges” because some recruitments on high-level position were postponed. On the other hand the salary indexation rate was adjusted from 1.0% to 2.6%. Some savings were done with respect to interim supportive agents.
- Decrease by € 221,215 (-6.94%) on the budget chapter 12 “Professional Development and Social expenditure” mainly due to the cancellation of all the “Team Buildings” and other events/internal meetings following the decision of DG HR that no events in presential mode would be possible in 2021 due the COVID-19 pandemic. Other staff related costs have also been updated in line with the actual staffing.
- Decrease by € 640,345 (-30.31%) on the budget chapter 31 “Programme Management expenditure” resulting essentially from savings in external communication because Horizon Europe Infodays were organised and financed centrally by DG Research and Innovation. Mission costs have been reduced due to the travel restrictions in the context of the pandemic. External audits initially forecasted for the programme “Promotion of Agricultural Products” (AGRIP) were decided not to be outsourced to an audit company but to be done in-house.
- Decrease by € 866,280 (-12.13%) on the budget chapter 32 “Common Support Services expenditure” is essentially due to the reduction of the translation expenses related to SEDIA. As the multilingualism project was in the start-up phase, it was difficult to anticipate the actual use of the service. ICT expenses for the grant management support services for experts were also cancelled because of the pandemic.

Concerning building expenditure and ICT expenditure, the decrease on title 2 has been compensated by an increase on title 3.

### ***Budget transfers***

An internal transfer inside chapter 11 was also authorised, in November, by the Director to cover the payment of the December 2021 salaries for temporary agents.

The Steering Committee was requested to approve the following budget transfer on 8 December 2021.

On the one hand, a reinforcement of the following budget lines was necessary to cover needs identified until the end of the year:

<b>Budget Line</b>	<b>Description</b>	<b>Amount (EUR)</b>	<b>Reason</b>
<b>2111</b>	<i>Rent / Usufruct instalments, Building Charges and associated expenses</i>	<b>+ 1,363,850</b>	inclusion of the municipal taxes for the years 2019, 2020 and 2021 on the COV2 building. These amounts need to be paid to the building owner without REA renouncing its claim that it should be exempted from paying these taxes. OIB will pursue this claim. If successful, the amounts paid will be recovered. Increase in building management support services in the framework of the SLA between REA and OIB. reallocation of office spaces in the 19th floor from ERCEA to REA
<b>3221</b>	<i>ICT, Logistics, Acquisition and Provision of Information, Current Operating expenditure and associated costs</i>	<b>+9,200</b>	Available appropriations are not sufficient for the replacement of obsolete audio-visual equipment of 15 small meeting rooms for the CEP (Common Evaluation Platform) to allow hybrid conference meetings. This action continues the upgrade exercise started in 2021 and covers 15 additional meeting rooms. This will bring the total of upgraded meeting rooms to 59 out of 77 in total. This increase is almost fully compensated by savings made within the other actions on this budget line.

On the other hand, the appropriations on the following budget lines can be decreased enabling to fund the above-mentioned needs:

<b>Budget Line</b>	<b>Description</b>	<b>Amount (EUR)</b>	<b>Reason</b>
<b>1121</b>	<i>Contract Agents – remuneration, allowances and charges</i>	<b>- 75,335</b>	Salaries of Contract Agents lower than expected, taking into account the update of the recruitment plan.
<b>1211</b>	<i>Specific Staff-related Charges, Support Services for the management of Staff Rights and Payroll, Charges relating to Recruitment and Change of Personnel</i>	<b>-65,060</b>	Savings on the SLA between REA and PMO related to the salaries calculations and the determination of individual entitlements. There are also savings on the reimbursement of the costs for travel, installation costs, moves and other exceptional expenses related to the recruitment of staff.
<b>1221</b>	<i>Training Courses for the Professional and Personal Development of Staff</i>	<b>-29,530</b>	Further reduction of teambuilding actions due to the pandemic and savings in external training.
<b>1223</b>	<i>Medical Service</i>	<b>-68,585</b>	Cost of the SLA between REA and DG HR/ Medical service is lower than expected.
<b>1224</b>	<i>Mobility and Other Social expenses</i>	<b>-70,990</b>	Lower reimbursements of public transport costs to the staff due to the pandemic.
<b>2211</b>	<i>ICT Environment (Infrastructure, Systems and Services)</i>	<b>-278,585</b>	Savings on ICT expenses for the REA staff and building (COV2), most of which were made on the Global DIGIT SLA (updated according to the latest chargeback calculations). Also, the Qlik Sense platform from RTD/DIGIT will not be charged to REA in 2021.
<b>2221</b>	<i>Data Processing and application development and associated expenditure</i>	<b>-42,975</b>	Lower costs of the ICT experts supporting REA, due to late recruitment.
<b>2321</b>	<i>Office Supplies and Other Current Operating expenditure</i>	<b>-50,505</b>	Savings on the SLA between REA and DG HR for support from IDOC and functioning of the Disciplinary board. In addition, there are lower legal assistance expenses related

Budget Line	Description	Amount (EUR)	Reason
			to the Agency and its staff.
3112	<i>ICT Infrastructure, Environment and Systems related to the Programme Management and associated expenses</i>	-50,830	Lower expenses for ICT experts supporting Programme Management due to a reduced number of days contracted in the Budget 2021 for Java Developer for OMEGA and for REA Reporting.
3122	<i>Missions and Other expenses related to the Administrative Management of Programmes</i>	-37,840	Additional savings on Missions expenses, due to travel restrictions under Covid-19 confinement. However, the costs of the SLA between REA and PMO for the treatment of missions increased despite having fewer missions. This is due to the staff costs of PMO working on Missions that should be considered “fix”.
3211	<i>Building Rent / Usufruct instalments, Building charges and associated expenses for the Common Support Services and Evaluation Platform</i>	- 582,005	The main saving is on the rent of the COVE building (sublet by OIB). OIB received a commercial discount for the period March 2022 – September 2022, which is payable by REA in its Budget 2021. A significant part of this saving is compensated by the inclusion of the municipal taxes for the years 2019, 2020 and 2021 (see also above), and by an increase in the building charges (e.g. water, gas, electricity, heating and building maintenance costs) that increased (payable through the SLA with OIB)
3231	<i>Meetings of Experts and associated costs</i>	-20,810	Savings on the expenses for meetings with expert evaluators (e.g. drinks, etc.) due to the Covid-19 pandemic.

The Steering Committee was also requested to approve on the same day a “last minute” transfer due to unexpected additional costs identified just before the date the meeting of the Steering Committee. As these costs were due for the current budget year, REA performed an ultimate budget clearing on its 2021 expenses to find additional savings.

Appropriations on budget line 1211 “Specific Staff-related Charges, Support Services for the management of Staff Rights and Payroll, Charges relating to Recruitment and Change of Personnel” should be reinforced with € 219,200 for the day-care (CPE – Centre de la Petite Enfance). These extra costs are due to the COVID-19 pandemic since the parental contribution to the CPE decreased (as a result of a lower use of the child care services) causing an automatic increase of the EU Institutions contribution (including REA). These extra costs concern a regularisation for 2020 and a re-estimation of the 2021 costs.

The following additional savings have been identified enabling to fund the increased above-mentioned need:

Budget Line	Description	Amount (EUR)	Reason
1111	<i>Temporary Agents – remuneration, allowances and charges</i>	- 90,000	Savings from the margin created in the salaries (Temporary and Contract Staff), which was confirmed once the December salaries were paid by the PMO (on 01 December 2021, end of day). These margins were necessary to avoid a blockage of December payment of salaries since several “regularisations” had to be made by PMO due to the high number of staff leaving and arriving in the Agency.
1121	<i>Contract Agents – remuneration, allowances and charges</i>	- 20,000	
1132	<i>Interim Supportive Agents and Trainees</i>	-25,000	fewer days worked by some of the Interim Agents due to earlier departures, sick leaves and annual leaves.
2221	<i>Data Processing and application development and associated expenditure</i>	- 32,100	Postponement to 2022 of the recruitment of a new Service provider for REA REPORTING, which was budgeted 50% on budget line 2221 and 50% on budget line 3112. No candidates were available beginning of December.
3112	<i>ICT Infrastructure, Environment and Systems related to the Programme</i>	- 32,100	

<b>Budget Line</b>	<b>Description</b>	<b>Amount (EUR)</b>	<b>Reason</b>
	<i>Management and associated expenses</i>		
<b>3122</b>	<i>Missions and Other expenses related to the Administrative Management of Programmes</i>	<b>- 20,000</b>	Decrease of costs paid via the SLA between REA and PMO due to the final number of missions that was less than expected.

The initial 2021 budget, amended budgets and the transfers are presented in the table hereafter in EUR



Expenditure Titles, Chapters, Articles and Items	Official Name of the Expenditure Budget Lines	Initial Budget 2021	TRANSFER 2021/01 [internal transfer REA.1778 of 08.01.2021]	BUDGET 2021 following the Budget Transfer No. 2021/01	1st Amended 2021 Administrative Budget (adopted by the Steering Committee on 24.03.2021) [Document REA/SC(2021)2.3 .2 and 2.3.3]	2nd Amended 2021 Administrative Budget (adopted by the Steering Committee on 01.10.2021) [Document REA/SC(2021) WP.4.2 and WP.4.3]	Transfer No. 2021-02 [internal transfer REA.1899 of 22.11.2021]	BUDGET 2021 following the Budget Transfer No. 2021/02	Transfer 2021-03 [SC(2021) 5.3.2 and 5.3.2a of 08.12.2021] - REA.1901	BUDGET 2021 following the Administrative Budget Transfer 2021/03	Transfer 2021-04 [SC(2021) 5.3.8 and 5.3.8a of 08.12.2021] - REA.1910	BUDGET 2021 following the Transfer 2021/04	
<b>TOTAL EXPENDITURE</b>		<b>77,739,210</b>	<b>0</b>	<b>77,739,210</b>	<b>90,596,120</b>	<b>88,474,455</b>	<b>0</b>	<b>88,474,455</b>	<b>0</b>	<b>88,474,455</b>	<b>0</b>	<b>88,474,455</b>	
<b>Title</b>	<b>1</b>	<b>STAFF EXPENDITURE</b>	<b>63,107,775</b>	<b>0</b>	<b>63,107,775</b>	<b>68,231,515</b>	<b>67,797,830</b>	<b>0</b>	<b>67,797,830</b>	<b>-309,500</b>	<b>67,488,330</b>	<b>84,200</b>	<b>67,572,530</b>
<b>Chapter</b>	<b>11</b>	<b>Remunerations, Allowances and Charges</b>	<b>60,499,485</b>	<b>0</b>	<b>60,499,485</b>	<b>65,045,645</b>	<b>64,833,175</b>	<b>0</b>	<b>64,833,175</b>	<b>-75,335</b>	<b>64,757,840</b>	<b>-135,000</b>	<b>64,622,840</b>
<b>Article</b>	<b>111</b>	<b>Staff occupying an employment in the establishment plan</b>	<b>23,541,580</b>	<b>0</b>	<b>23,541,580</b>	<b>25,004,635</b>	<b>24,605,740</b>	<b>11,305</b>	<b>24,617,045</b>	<b>0</b>	<b>24,617,045</b>	<b>-90,000</b>	<b>24,527,045</b>
Item	1111	Temporary Agents - Remuneration, Allowances and Charges	23,541,580	0	23,541,580	25,004,635	24,605,740	11,305	24,617,045	0	24,617,045	-90,000	24,527,045
<b>Article</b>	<b>112</b>	<b>Contract Agents</b>	<b>36,629,805</b>	<b>0</b>	<b>36,629,805</b>	<b>39,268,815</b>	<b>39,494,170</b>	<b>-11,305</b>	<b>39,482,865</b>	<b>-75,335</b>	<b>39,407,530</b>	<b>-20,000</b>	<b>39,387,530</b>
Item	1121	Contract Agents - Remuneration, Allowances and Charges	36,629,805	0	36,629,805	39,268,815	39,494,170	-11,305	39,482,865	-75,335	39,407,530	-20,000	39,387,530
<b>Article</b>	<b>113</b>	<b>Other Staff Remunerations, Allowances and Charges</b>	<b>328,100</b>	<b>0</b>	<b>328,100</b>	<b>772,195</b>	<b>733,265</b>	<b>0</b>	<b>733,265</b>	<b>0</b>	<b>733,265</b>	<b>-25,000</b>	<b>708,265</b>
Item	1131	Seconded National Experts - Allowances and Charges	0	0	0	0	0	0	0	0	0	0	0
Item	1132	Interim supportive agents and Trainees	328,100	0	328,100	772,195	733,265	0	733,265	0	733,265	-25,000	708,265
<b>Chapter</b>	<b>12</b>	<b>Professional Development and Social expenditure</b>	<b>2,608,290</b>	<b>0</b>	<b>2,608,290</b>	<b>3,185,870</b>	<b>2,964,655</b>	<b>0</b>	<b>2,964,655</b>	<b>-234,165</b>	<b>2,730,490</b>	<b>219,200</b>	<b>2,949,690</b>
<b>Article</b>	<b>121</b>	<b>Specific Staff-related Charges, Support Services for the management of Staff Rights and Payroll, Charges relating to Recruitment and Change of Personnel</b>	<b>1,834,295</b>	<b>0</b>	<b>1,834,295</b>	<b>2,091,065</b>	<b>2,081,980</b>	<b>0</b>	<b>2,081,980</b>	<b>-65,060</b>	<b>2,016,920</b>	<b>219,200</b>	<b>2,236,120</b>
Item	1211	Specific Staff-related Charges, Support Services for the management of Staff Rights and Payroll, Charges relating to Recruitment and Change of Personnel	1,834,295	0	1,834,295	2,091,065	2,081,980	0	2,081,980	-65,060	2,016,920	219,200	2,236,120
<b>Article</b>	<b>122</b>	<b>Professional and Personal Development and Social expenses for Staff</b>	<b>758,465</b>	<b>0</b>	<b>758,465</b>	<b>1,032,305</b>	<b>872,175</b>	<b>0</b>	<b>872,175</b>	<b>-169,105</b>	<b>703,070</b>	<b>0</b>	<b>703,070</b>
Item	1221	Training Courses for the Professional and Personal Development of Staff	400,890	0	400,890	494,850	378,300	0	378,300	-29,530	348,770	0	348,770
Item	1222	Missions related to the Professional and Personal Development of Staff	0	0	0	0	0	0	0	0	0	0	0
Item	1223	Medical Service	176,765	0	176,765	269,475	248,935	0	248,935	-68,585	180,350	0	180,350
Item	1224	Mobility and Other Social expenses	180,810	0	180,810	267,980	244,940	0	244,940	-70,990	173,950	0	173,950
<b>Article</b>	<b>123</b>	<b>Representation expenses, Events and Internal meetings</b>	<b>15,530</b>	<b>0</b>	<b>15,530</b>	<b>62,500</b>	<b>10,500</b>	<b>0</b>	<b>10,500</b>	<b>0</b>	<b>10,500</b>	<b>0</b>	<b>10,500</b>
Item	1231	Representation expenses, Events and Internal meetings	15,530	0	15,530	62,500	10,500	0	10,500	0	10,500	0	10,500

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<b>Title</b>	<b>2</b>	<b>INFRASTRUCTURE AND OPERATING EXPENDITURE</b>	<b>11,396,545</b>	<b>0</b>	<b>11,396,545</b>	<b>13,110,030</b>	<b>12,928,675</b>	<b>0</b>	<b>12,928,675</b>	<b>991,785</b>	<b>13,920,460</b>	<b>-32,100</b>	<b>13,888,360</b>
<b>Chapter</b>	<b>21</b>	<b>Building expenditure</b>	<b>7,988,275</b>	<b>0</b>	<b>7,988,275</b>	<b>8,068,235</b>	<b>7,985,330</b>	<b>0</b>	<b>7,985,330</b>	<b>1,363,850</b>	<b>9,349,180</b>	<b>0</b>	<b>9,349,180</b>
<b>Article</b>	<b>211</b>	<b>Rent / Usufruct instalments and Building Charges</b>	<b>7,988,275</b>	<b>0</b>	<b>7,988,275</b>	<b>8,068,235</b>	<b>7,985,330</b>	<b>0</b>	<b>7,985,330</b>	<b>1,363,850</b>	<b>9,349,180</b>	<b>0</b>	<b>9,349,180</b>
Item	2111	Rent / Usufruct instalments, Building Charges and associated expenses	7,988,275	0	7,988,275	8,068,235	7,985,330	0	7,985,330	1,363,850	9,349,180	0	9,349,180
<b>Chapter</b>	<b>22</b>	<b>ICT expenditure</b>	<b>3,019,895</b>	<b>0</b>	<b>3,019,895</b>	<b>4,567,595</b>	<b>4,504,530</b>	<b>0</b>	<b>4,504,530</b>	<b>-321,560</b>	<b>4,182,970</b>	<b>-32,100</b>	<b>4,150,870</b>
<b>Article</b>	<b>221</b>	<b>ICT Environment</b>	<b>2,563,870</b>	<b>0</b>	<b>2,563,870</b>	<b>3,902,835</b>	<b>3,867,275</b>	<b>0</b>	<b>3,867,275</b>	<b>-278,585</b>	<b>3,588,690</b>	<b>0</b>	<b>3,588,690</b>
Item	2211	ICT Environment (Infrastructure, Systems and Services)	2,563,870	0	2,563,870	3,902,835	3,867,275	0	3,867,275	-278,585	3,588,690	0	3,588,690
<b>Article</b>	<b>222</b>	<b>Data Processing and application development</b>	<b>456,025</b>	<b>0</b>	<b>456,025</b>	<b>664,760</b>	<b>637,255</b>	<b>0</b>	<b>637,255</b>	<b>-42,975</b>	<b>594,280</b>	<b>-32,100</b>	<b>562,180</b>
Item	2221	Data Processing and application development and associated expenditure	456,025	0	456,025	664,760	637,255	0	637,255	-42,975	594,280	-32,100	562,180
<b>Chapter</b>	<b>23</b>	<b>Movable property and Current Operating expenditure</b>	<b>388,375</b>	<b>0</b>	<b>388,375</b>	<b>474,200</b>	<b>438,815</b>	<b>0</b>	<b>438,815</b>	<b>-50,505</b>	<b>388,310</b>	<b>0</b>	<b>388,310</b>
<b>Article</b>	<b>231</b>	<b>Furniture, Materials and Technical Installations</b>	<b>97,685</b>	<b>0</b>	<b>97,685</b>	<b>99,080</b>	<b>95,080</b>	<b>0</b>	<b>95,080</b>	<b>0</b>	<b>95,080</b>	<b>0</b>	<b>95,080</b>
Item	2311	Furniture, Materials and Technical Installations and associated expenditure	97,685	0	97,685	99,080	95,080	0	95,080	0	95,080	0	95,080
<b>Article</b>	<b>232</b>	<b>Current Operating expenditure</b>	<b>290,690</b>	<b>0</b>	<b>290,690</b>	<b>375,120</b>	<b>343,735</b>	<b>0</b>	<b>343,735</b>	<b>-50,505</b>	<b>293,230</b>	<b>0</b>	<b>293,230</b>
Item	2321	Office Supplies and Other Current Operating expenditure	290,690	0	290,690	375,120	343,735	0	343,735	-50,505	293,230	0	293,230

Expenditure Titles, Chapters, Articles and Items	Official Name of the Expenditure Budget Lines	Initial Budget 2021	TRANSFER 2021/01 [internal transfer REA.1778 of 08.01.2021]	BUDGET 2021 following the Budget Transfer No. 2021/01	1st Amended 2021 Administrative Budget (adopted by the Steering Committee on 24.03.2021) [Document REA/SC(2021)2.3 .2 and 2.3.3]	2nd Amended 2021 Administrative Budget (adopted by the Steering Committee on 01.10.2021) [Document REA/SC(2021) WP.4.2 and WP.4.3]	Transfer No. 2021-02 [internal transfer REA.1899 of 22.11.2021]	BUDGET 2021 following the Budget Transfer No. 2021/02	Transfer 2021-03 [SC(2021) 5.3.2 and 5.3.2a of 08.12.2021] - REA.1901	BUDGET 2021 following the Administrative Budget Transfer 2021/03	Transfer 2021-04 [SC(2021) 5.3.8 and 5.3.8a of 08.12.2021] - REA.1910	BUDGET 2021 following the Transfer 2021/04	
<b>Title</b>	<b>3</b>	<b>PROGRAMME SUPPORT EXPENDITURE</b>	<b>3,234,890</b>	<b>0</b>	<b>3,234,890</b>	<b>9,254,575</b>	<b>7,747,950</b>	<b>0</b>	<b>7,747,950</b>	<b>-682,285</b>	<b>7,065,665</b>	<b>-52,100</b>	<b>7,013,565</b>
<b>Chapter</b>	<b>31</b>	<b>Programme Management expenditure</b>	<b>770,590</b>	<b>0</b>	<b>770,590</b>	<b>2,112,920</b>	<b>1,472,575</b>	<b>0</b>	<b>1,472,575</b>	<b>-88,670</b>	<b>1,383,905</b>	<b>-52,100</b>	<b>1,331,805</b>
<b>Article</b>	<b>311</b>	<b>Communication, Information and ICT expenditure related to the Management of Delegated Programmes</b>	<b>511,890</b>	<b>40,000</b>	<b>551,890</b>	<b>1,578,065</b>	<b>1,274,210</b>	<b>0</b>	<b>1,274,210</b>	<b>-50,830</b>	<b>1,223,380</b>	<b>-32,100</b>	<b>1,191,280</b>
Item	3111	Communication, Information, Publications, Linguistic Services and Training Courses for the Management of Programmes and associated expenses	50,605	40,000	90,605	874,000	490,945	0	490,945	0	490,945	0	490,945
Item	3112	ICT Infrastructure, Environment and Systems related to the Programme Management and associated expenses	461,285	0	461,285	704,065	783,265	0	783,265	-50,830	732,435	-32,100	700,335
<b>Article</b>	<b>312</b>	<b>External Audits, Missions and Other expenses related to the Management of Delegated Programmes</b>	<b>258,700</b>	<b>-40,000</b>	<b>218,700</b>	<b>534,855</b>	<b>198,365</b>	<b>0</b>	<b>198,365</b>	<b>-37,840</b>	<b>160,525</b>	<b>-20,000</b>	<b>140,525</b>
Item	3121	External Audits	0	0	0	30,750	750	0	750	0	750	0	750
Item	3122	Missions and Other expenses related to the Administrative Management of Programmes	258,700	-40,000	218,700	504,105	197,615	0	197,615	-37,840	159,775	-20,000	139,775
<b>Chapter</b>	<b>32</b>	<b>Common Support Services expenditure</b>	<b>2,464,300</b>	<b>0</b>	<b>2,464,300</b>	<b>7,141,655</b>	<b>6,275,375</b>	<b>0</b>	<b>6,275,375</b>	<b>-593,615</b>	<b>5,681,760</b>	<b>0</b>	<b>5,681,760</b>
<b>Article</b>	<b>321</b>	<b>Common Support Services and Evaluation Platform – Building expenditure</b>	<b>1,633,950</b>	<b>0</b>	<b>1,633,950</b>	<b>5,218,190</b>	<b>5,324,505</b>	<b>0</b>	<b>5,324,505</b>	<b>-582,005</b>	<b>4,742,500</b>	<b>0</b>	<b>4,742,500</b>
Item	3211	Building Rent / Usufruct instalments, Building charges and associated expenses for the Common Support Services and Evaluation Platform	1,633,950	0	1,633,950	5,218,190	5,324,505	0	5,324,505	-582,005	4,742,500	0	4,742,500
<b>Article</b>	<b>322</b>	<b>Common Support Services and Evaluation Platform – ICT, Logistics, Information and Current Operating expenditure</b>	<b>783,350</b>	<b>0</b>	<b>783,350</b>	<b>1,851,465</b>	<b>927,260</b>	<b>0</b>	<b>927,260</b>	<b>9,200</b>	<b>936,460</b>	<b>0</b>	<b>936,460</b>
Item	3221	ICT, Logistics, Acquisition and Provision of Information, Current Operating expenditure and associated costs	783,350	0	783,350	1,851,465	927,260	0	927,260	9,200	936,460	0	936,460
<b>Article</b>	<b>323</b>	<b>Meetings of Experts</b>	<b>47,000</b>	<b>0</b>	<b>47,000</b>	<b>72,000</b>	<b>23,610</b>	<b>0</b>	<b>23,610</b>	<b>-20,810</b>	<b>2,800</b>	<b>0</b>	<b>2,800</b>
Item	3231	Meetings of Experts and associated costs	47,000	0	47,000	72,000	23,610	0	23,610	-20,810	2,800	0	2,800



### 3.4.2. Implementation of 2021 commitment and payment appropriations – fund source C1

Although the pandemic continued in 2021, the Agency managed to maintain a high rate of implementation in both commitment and payment appropriations. Indeed, the overall implementation rate reaches 99.9% in commitment appropriations (99.5% in 2020) and 90.8% in payment appropriations (90.1% in 2020). Only 0.1% (€ 107,667) of the commitment appropriations remains unused and 9.1% (€ 8,055,085) of the non-differentiated appropriations are carried forward to 2022 to cover the payment of services/goods delivered in 2021 or to be delivered early 2022.

Out of the € 7,862,757 carried forward:

- € 3,262,280 relates to the rent for 2022, the taxes and other building charges for the evaluation platform that OIB did not invoice in 2021 (budget line 3211),
- € 2,375,029 relates to the part of the building charges not yet invoiced by OIB, the taxes, the rent for the 19<sup>th</sup> floor to be reimbursed to ERCEA and the security expenses still to be invoiced by DG HR (budget line 2111),
- € 532,452 relates to the replacement of audio-visual equipment in the evaluation platform in 2022, the services provided by DG COMM and the campaign to attract horizon Europe evaluators (budget line 3221),
- € 347,687 relates to IT services providers (budget line 3112)
- € 297,771 relates to translations, an infoday and an audience analysis (budget line 3111),

The total budget amounts to € 88,474,455 out of which € 88,366,788 are committed and € 80,311,703 are paid. Appropriations are distributed as follows:

- 76.38% on title 1 "Staff expenditure" (+0.4% compared to 2020);
- 15.70% on title 2 "Infrastructure and operating expenditure" (+0.8% compared to 2020);
- 7.93% on title 3 "Programme support expenditure" (-1.19% compared to 2020).

As regards title 1, 94.59% (+0.1% compared to 2020) of the amount committed covers the remuneration, allowances and charges of the staff (interim supportive agents and trainees excluded). 4.37% (-0.2% compared to 2020) of the committed amount is related to professional development and social expenditure. The remaining balance concerns the use of "interimaires" to compensate for long term absences, parental leave and part time work. The ratios are stable compared to last year.

With respect to title 2, the building expenditure (rent/usufruct instalments, building charges and associated costs) and the ICT expenditure (IT equipment and services) represent respectively 67.32% (-1.16% compared to 2020) and 29.89% (+2.76% compared to 2020) of the amount committed under this title. The remaining amount concerns movable property and current operating expenditure.

In comparison with last year, the higher ratio of ICT expenditure is mainly due to the extended services (integration of the DG DIGIT Digital Workplace Solutions services) foreseen in the new SLA and the cost increase of the SLA with the Secretariat-General for the services related to the document management systems.

As regards title 3, 81.01% (88.91% in 2019) of the amount is committed to cover the expenditure related to the provision of administrative and logistical support services to participants, Commission services, other agencies and joint undertakings. The expenditure consists mainly in building expenses and ICT expenses incurred for the provision of Common Support Services and the management of the Evaluation Platform.

The execution rate for title 3 is lower than last year because the building expenditure are reduced by € 0.57m compared to 2020 and ICT, Logistics, information and current operating expenditure are reduced by € 0.17m.

The programme management expenditure represents 18.99% (11.09% in 2020) of the amount committed under this title and relates to communication activities, ICT environment, audits of FP7 beneficiaries carried out by external contractors and missions carried out as part of the management of projects subsidised by the Agency.

The needs to be financed by this chapter increased compared to last year due to the higher number of translations, the organisation of events and specific activities (e.g. audience analyses, campaign to attract expert evaluators, service of a web editor).

The detailed 2021 budget implementation is provided in the table hereafter.

Expenditure Titles, Chapters, Articles and Items	Official Name of the Expenditure Budget Lines	Appropriations 2021 (C1)	Commitment Appropriations (CA)				Payment Appropriations (PA)				
			Implemented Commitment appropriations		Unused Commitment appropriations		Implemented Payment appropriations		Outstanding RAL to carry forward to 2021		
			value	%	value	%	value	%	value	%	
		A	B	C = B/A	D = A-B	E = D/A	F	G = F/A	H = B-F	I = H/A	
<b>TOTAL EXPENDITURE</b>		<b>88,474,455.00</b>	<b>88,366,788.43</b>	<b>99.9%</b>	<b>107,666.57</b>	<b>0.1%</b>	<b>80,311,703.11</b>	<b>90.8%</b>	<b>8,055,085.32</b>	<b>9.1%</b>	
<b>Title</b>	<b>1</b>	<b>STAFF EXPENDITURE</b>	<b>67,572,530.00</b>	<b>67,557,469.09</b>	<b>100.0%</b>	<b>15,060.91</b>	<b>0.0%</b>	<b>67,174,100.95</b>	<b>99.4%</b>	<b>383,368.14</b>	<b>0.6%</b>
<b>Chapter</b>	<b>11</b>	<b>Remunerations, Allowances and Charges</b>	<b>64,622,840.00</b>	<b>64,616,148.14</b>	<b>100.0%</b>	<b>6,691.86</b>	<b>0.0%</b>	<b>64,413,715.23</b>	<b>99.7%</b>	<b>202,432.91</b>	<b>0.3%</b>
<b>Article</b>	<b>111</b>	<b>Staff occupying an employment in the establishment plan</b>	<b>24,527,045.00</b>	<b>24,523,016.97</b>	<b>100.0%</b>	<b>4,028.03</b>	<b>0.0%</b>	<b>24,523,016.97</b>	<b>100.0%</b>	<b>0.00</b>	<b>0.0%</b>
Item	1111	Temporary Agents - Remuneration, Allowances and Charges	24,527,045.00	24,523,016.97	100.0%	4,028.03	0.0%	24,523,016.97	100.0%	0.00	0.0%
<b>Article</b>	<b>112</b>	<b>Contract Agents</b>	<b>39,387,530.00</b>	<b>39,384,868.29</b>	<b>100.0%</b>	<b>2,661.71</b>	<b>0.0%</b>	<b>39,384,868.29</b>	<b>100.0%</b>	<b>0.00</b>	<b>0.0%</b>
Item	1121	Contract Agents - Remuneration, Allowances and Charges	39,387,530.00	39,384,868.29	100.0%	2,661.71	0.0%	39,384,868.29	100.0%	0.00	0.0%
<b>Article</b>	<b>113</b>	<b>Other Staff Remunerations, Allowances and Charges</b>	<b>708,265.00</b>	<b>708,262.88</b>	<b>100.0%</b>	<b>2.12</b>	<b>0.0%</b>	<b>505,829.97</b>	<b>71.4%</b>	<b>202,432.91</b>	<b>28.6%</b>
Item	1131	Seconded National Experts - Allowances and Charges	p.m.	p.m.	-	p.m.	-	p.m.	-	p.m.	-
Item	1132	Interim supportive agents and Trainees	708,265.00	708,262.88	100.0%	2.12	0.0%	505,829.97	71.4%	202,432.91	28.6%
<b>Chapter</b>	<b>12</b>	<b>Professional Development and Social expenditure</b>	<b>2,949,690.00</b>	<b>2,941,320.95</b>	<b>99.7%</b>	<b>8,369.05</b>	<b>0.3%</b>	<b>2,760,385.72</b>	<b>93.6%</b>	<b>180,935.23</b>	<b>6.1%</b>
<b>Article</b>	<b>121</b>	<b>Specific Staff-related Charges, Support Services for the management of Staff Rights and Payroll, Charges relating to Recruitment and Change of Personnel</b>	<b>2,236,120.00</b>	<b>2,236,120.00</b>	<b>100.0%</b>	<b>0.00</b>	<b>0.0%</b>	<b>2,213,422.65</b>	<b>99.0%</b>	<b>22,697.35</b>	<b>1.0%</b>
Item	1211	Specific Staff-related Charges, Support Services for the management of Staff Rights and Payroll, Charges relating to Recruitment and Change of Personnel	2,236,120.00	2,236,120.00	100.0%	0.00	0.0%	2,213,422.65	99.0%	22,697.35	1.0%
<b>Article</b>	<b>122</b>	<b>Professional and Personal Development and Social expenses for Staff</b>	<b>703,070.00</b>	<b>694,713.45</b>	<b>98.8%</b>	<b>8,356.55</b>	<b>1.2%</b>	<b>536,530.14</b>	<b>76.3%</b>	<b>158,183.31</b>	<b>22.5%</b>
Item	1221	Training Courses for the Professional and Personal Development of Staff	348,770.00	340,659.54	97.7%	8,110.46	2.3%	262,348.91	75.2%	78,310.63	22.5%
Item	1223	Medical Service	180,350.00	180,345.84	100.0%	4.16	0.0%	138,778.00	76.9%	41,567.84	23.0%
Item	1224	Mobility and Other Social expenses	173,950.00	173,708.07	99.9%	241.93	0.1%	135,403.23	77.8%	38,304.84	22.0%
<b>Article</b>	<b>123</b>	<b>Representation expenses, Events and Internal meetings</b>	<b>10,500.00</b>	<b>10,487.50</b>	<b>99.9%</b>	<b>12.50</b>	<b>0.1%</b>	<b>10,432.93</b>	<b>99.4%</b>	<b>54.57</b>	<b>0.5%</b>
Item	1231	Representation expenses, Events and Internal meetings	10,500.00	10,487.50	99.9%	12.50	0.1%	10,432.93	99.4%	54.57	0.5%

Expenditure Titles, Chapters, Articles and Items	Official Name of the Expenditure Budget Lines	Appropriations 2021 (C1)	Commitment Appropriations (CA)				Payment Appropriations (PA)				
			Implemented Commitment appropriations		Unused Commitment appropriations		Implemented Payment appropriations		Outstanding RAL to carry forward to 2021		
			value	%	value	%	value	%	value	%	
		A	B	C = B/A	D = A-B	E = D/A	F	G = F/A	H = B-F	I = H/A	
<b>Title</b>	<b>2</b>	<b>INFRASTRUCTURE AND OPERATING EXPENDITURE</b>	<b>13,888,360.00</b>	<b>13,849,732.14</b>	<b>99.7%</b>	<b>38,627.86</b>	<b>0.3%</b>	<b>10,883,966.07</b>	<b>78.4%</b>	<b>2,965,766.07</b>	<b>21.4%</b>
<b>Chapter</b>	<b>21</b>	<b>Building expenditure</b>	<b>9,349,180.00</b>	<b>9,349,177.27</b>	<b>100.0%</b>	<b>2.73</b>	<b>0.0%</b>	<b>6,974,147.77</b>	<b>74.6%</b>	<b>2,375,029.50</b>	<b>25.4%</b>
<b>Article</b>	<b>211</b>	<b>Rent / Usufruct instalments and Building Charges</b>	<b>9,349,180.00</b>	<b>9,349,177.27</b>	<b>100.0%</b>	<b>2.73</b>	<b>0.0%</b>	<b>6,974,147.77</b>	<b>74.6%</b>	<b>2,375,029.50</b>	<b>25.4%</b>
<b>Item</b>	<b>2111</b>	<b>Rent / Usufruct instalments, Building Charges and associated expenses</b>	<b>9,349,180.00</b>	<b>9,349,177.27</b>	<b>100.0%</b>	<b>2.73</b>	<b>0.0%</b>	<b>6,974,147.77</b>	<b>74.6%</b>	<b>2,375,029.50</b>	<b>25.4%</b>
<b>Chapter</b>	<b>22</b>	<b>ICT expenditure</b>	<b>4,150,870.00</b>	<b>4,122,383.96</b>	<b>99.3%</b>	<b>28,486.04</b>	<b>0.7%</b>	<b>3,690,611.08</b>	<b>88.9%</b>	<b>431,772.88</b>	<b>10.4%</b>
<b>Article</b>	<b>221</b>	<b>ICT Environment</b>	<b>3,588,690.00</b>	<b>3,571,126.94</b>	<b>99.5%</b>	<b>17,563.06</b>	<b>0.5%</b>	<b>3,386,162.61</b>	<b>94.4%</b>	<b>184,964.33</b>	<b>5.2%</b>
<b>Item</b>	<b>2211</b>	<b>ICT Environment (Infrastructure, Systems and Services)</b>	<b>3,588,690.00</b>	<b>3,571,126.94</b>	<b>99.5%</b>	<b>17,563.06</b>	<b>0.5%</b>	<b>3,386,162.61</b>	<b>94.4%</b>	<b>184,964.33</b>	<b>5.2%</b>
<b>Article</b>	<b>222</b>	<b>Data Processing and application development</b>	<b>562,180.00</b>	<b>551,257.02</b>	<b>98.1%</b>	<b>10,922.98</b>	<b>1.9%</b>	<b>304,448.47</b>	<b>54.2%</b>	<b>246,808.55</b>	<b>43.9%</b>
<b>Item</b>	<b>2221</b>	<b>Data Processing and application development and associated expenditure</b>	<b>562,180.00</b>	<b>551,257.02</b>	<b>98.1%</b>	<b>10,922.98</b>	<b>1.9%</b>	<b>304,448.47</b>	<b>54.2%</b>	<b>246,808.55</b>	<b>43.9%</b>
<b>Chapter</b>	<b>23</b>	<b>Movable property and Current Operating expenditure</b>	<b>388,310.00</b>	<b>378,170.91</b>	<b>97.4%</b>	<b>10,139.09</b>	<b>2.6%</b>	<b>219,207.22</b>	<b>56.5%</b>	<b>158,963.69</b>	<b>40.9%</b>
<b>Article</b>	<b>231</b>	<b>Furniture, Materials and Technical Installations</b>	<b>95,080.00</b>	<b>95,079.64</b>	<b>100.0%</b>	<b>0.36</b>	<b>0.0%</b>	<b>24,764.98</b>	<b>26.0%</b>	<b>70,314.66</b>	<b>74.0%</b>
<b>Item</b>	<b>2311</b>	<b>Furniture, Materials and Technical Installations and associated expenditure</b>	<b>95,080.00</b>	<b>95,079.64</b>	<b>100.0%</b>	<b>0.36</b>	<b>0.0%</b>	<b>24,764.98</b>	<b>26.0%</b>	<b>70,314.66</b>	<b>74.0%</b>
<b>Article</b>	<b>232</b>	<b>Current Operating expenditure</b>	<b>293,230.00</b>	<b>283,091.27</b>	<b>96.5%</b>	<b>10,138.73</b>	<b>3.5%</b>	<b>194,442.24</b>	<b>66.3%</b>	<b>88,649.03</b>	<b>30.2%</b>
<b>Item</b>	<b>2321</b>	<b>Office Supplies and Other Current Operating expenditure</b>	<b>293,230.00</b>	<b>283,091.27</b>	<b>96.5%</b>	<b>10,138.73</b>	<b>3.5%</b>	<b>194,442.24</b>	<b>66.3%</b>	<b>88,649.03</b>	<b>30.2%</b>

Expenditure Titles, Chapters, Articles and Items	Official Name of the Expenditure Budget Lines	Appropriations 2021 (C1)	Commitment Appropriations (CA)				Payment Appropriations (PA)				
			Implemented Commitment appropriations		Unused Commitment appropriations		Implemented Payment appropriations		Outstanding RAL to carry forward to 2021		
			value	%	value	%	value	%	value	%	
		A	B	C = B/A	D = A-B	E = D/A	F	G = F/A	H = B-F	I = H/A	
<b>Title</b>	<b>3</b>	<b>PROGRAMME SUPPORT EXPENDITURE</b>	<b>7,013,565.00</b>	<b>6,959,587.20</b>	<b>99.2%</b>	<b>53,977.80</b>	<b>0.8%</b>	<b>2,253,636.09</b>	<b>32.1%</b>	<b>4,705,951.11</b>	<b>67.1%</b>
<b>Chapter</b>	<b>31</b>	<b>Programme Management expenditure</b>	<b>1,331,805.00</b>	<b>1,284,436.66</b>	<b>96.4%</b>	<b>47,368.34</b>	<b>3.6%</b>	<b>541,788.28</b>	<b>40.7%</b>	<b>742,648.38</b>	<b>55.8%</b>
<b>Article</b>	<b>311</b>	<b>Communication, Information and ICT expenditure related to the Management of Delegated Programmes</b>	<b>1,191,280.00</b>	<b>1,174,639.97</b>	<b>98.6%</b>	<b>16,640.03</b>	<b>1.4%</b>	<b>503,315.17</b>	<b>42.2%</b>	<b>671,324.80</b>	<b>56.4%</b>
Item	3111	Communication, Information, Publications, Linguistic Services and Training Courses for the Management of Programmes and associated expenses	490,945.00	474,623.26	96.7%	16,321.74	3.3%	150,986.04	30.8%	323,637.22	65.9%
Item	3112	ICT Infrastructure, Environment and Systems related to the Programme Management and associated expenses	700,335.00	700,016.71	100.0%	318.29	0.0%	352,329.13	50.3%	347,687.58	49.6%
<b>Article</b>	<b>312</b>	<b>External Audits, Missions and Other expenses related to the Management of Delegated Programmes</b>	<b>140,525.00</b>	<b>109,796.69</b>	<b>78.1%</b>	<b>30,728.31</b>	<b>21.9%</b>	<b>38,473.11</b>	<b>27.4%</b>	<b>71,323.58</b>	<b>50.8%</b>
Item	3121	External Audits	750.00	0.00	0.0%	750.00	100.0%	0.00	0.0%	0.00	0.0%
Item	3122	Missions and Other expenses related to the Administrative Management of Programmes	139,775.00	109,796.69	78.6%	29,978.31	21.4%	38,473.11	27.5%	71,323.58	51.0%
<b>Chapter</b>	<b>32</b>	<b>Common Support Services expenditure</b>	<b>5,681,760.00</b>	<b>5,675,150.54</b>	<b>99.9%</b>	<b>6,609.46</b>	<b>0.1%</b>	<b>1,711,847.81</b>	<b>30.1%</b>	<b>3,963,302.73</b>	<b>69.8%</b>
<b>Article</b>	<b>321</b>	<b>Common Support Services and Evaluation Platform – Building expenditure</b>	<b>4,742,500.00</b>	<b>4,742,497.63</b>	<b>100.0%</b>	<b>2.37</b>	<b>0.0%</b>	<b>1,480,217.40</b>	<b>31.2%</b>	<b>3,262,280.23</b>	<b>68.8%</b>
Item	3211	Building Rent / Usufruct instalments, Building charges and associated expenses for the Common Support Services and Evaluation Platform	4,742,500.00	4,742,497.63	100.0%	2.37	0.0%	1,480,217.40	31.2%	3,262,280.23	68.8%
<b>Article</b>	<b>322</b>	<b>Common Support Services and Evaluation Platform – ICT, Logistics, Information and Current Operating expenditure</b>	<b>936,460.00</b>	<b>929,852.91</b>	<b>99.3%</b>	<b>6,607.09</b>	<b>0.7%</b>	<b>229,630.41</b>	<b>24.5%</b>	<b>700,222.50</b>	<b>74.8%</b>
Item	3221	ICT, Logistics, Acquisition and Provision of Information, Current Operating expenditure and associated costs	936,460.00	929,852.91	99.3%	6,607.09	0.7%	229,630.41	24.5%	700,222.50	74.8%
<b>Article</b>	<b>323</b>	<b>Meetings of Experts</b>	<b>2,800.00</b>	<b>2,800.00</b>	<b>100.0%</b>	<b>0.00</b>	<b>0.0%</b>	<b>2,000.00</b>	<b>71.4%</b>	<b>800.00</b>	<b>28.6%</b>
Item	3231	Meetings of Experts and associated costs	2,800.00	2,800.00	100.0%	0.00	0.0%	2,000.00	71.4%	800.00	28.6%



### **3.4.3. Implementation of commitment and payment appropriations carried over from 2020 – Fund source C8**

The 2020 appropriations that were carried forward to 2021 (C8 appropriations in 2021) amount to € 7,862,756.83. Out of this amount € 7,570,495.94, equivalent to 96.3% (97.5% in 2020) of the carried over appropriations, are paid and € 292,260.89 are not used and consequently cancelled. The implementation rate of C8 appropriations carried over was slightly lower in 2021 than in 2020 mainly due to the cancellation on title 1.

On title 1 "Staff expenditure", the unused appropriations carried over represent € 119,969 (29.4%) of the appropriations carried over on this title. It stems mainly from an under implementation on the budget lines 1211 "Specific Staff-related Charges, Support Services for the management of Staff Rights and Payroll, Charges relating to Recruitment and Change of Personnel", 1221 "Training courses for the professional and personal development of staff" and 1223 "Medical Service" for the following reason:

- Line 1211: expenses for school buses, re-imburement related to travel for installation and other exceptional expenses for staff were lower than estimated;
- Line 1221: some management trainings were cancelled because face-to-face training were not authorised and no alternative for online training were available;
- Line 1223: the use of the preventive health services was lower than estimated because of the pandemic.

The cancellation of appropriations on the title 2 "Infrastructure and operating expenditure" represents 3.2% of the total carried over amount and equals € 92,752. It is mainly due to:

- Line 2111 "Rent / Usufruct instalments, Building Charges and associated expenses": the building expenditure were lower than estimated but the amount cancelled represents barely 0.7% of the amount carried over;
- Line 2211 "ICT Environment (Infrastructure, Systems and Services)": the number of documents printed was lower than expected and part of the amount foreseen for the external support for the audio-visual equipment has not been used.
- Line 2321 "Office Supplies and Other Current Operating expenditure": the main cancellation of appropriations concerns the mail service because the mail delivery service was reduced as a result of the pandemic.

On title 3 "Programme support expenditure", the unused carried over appropriations amount to € 79,540 (1.7% of the appropriations carried over on this title). The cancellation of appropriations concerns mainly the following budget lines:

- 3122 "Missions and Other expenses related to the Administrative Management of Programmes": € 64,852 relate to legal assistance expenses and concern legal procedures that lasts more than two years and are still ongoing, therefore part of the services covered by the contracts could not be fully invoiced by the end of 2021.
- 3221 "ICT, Logistics, Acquisition and Provision of Information, Current Operating expenditure and associated costs": € 13,686 are left for the same reasons mentioned above with respect to line 2211.

The detailed budget implementation is provided in the table hereafter.

Expenditure Titles, Chapters, Articles and Items	Official Name of the Expenditure Budget Lines	Appropriations 2021 (C8) carried over from 2020	Implemented Payment appropriations		Cancellation unused appropriations (carried over from 2020)	
			value	%	value	%
<b>TOTAL EXPENDITURE</b>		<b>A</b> 7,862,756.83	<b>B</b> 7,570,495.94	<b>C = B/A</b> 96.3%	<b>292,260.89</b>	<b>3.7%</b>
<b>Title</b>	<b>1 STAFF EXPENDITURE</b>	<b>408,061.38</b>	<b>288,092.39</b>	<b>70.6%</b>	<b>119,968.99</b>	<b>29.4%</b>
<b>Chapter</b>	<b>11 Remunerations, Allowances and Charges</b>	<b>98,862.45</b>	<b>91,418.18</b>	<b>92.5%</b>	<b>7,444.27</b>	<b>7.5%</b>
<b>Article</b>	<b>111 Staff occupying an employment in the establishment plan</b>	<b>0.00</b>	<b>0.00</b>	-	<b>0.00</b>	-
Item	1111 Temporary Agents - Remuneration, Allowances and Charges	0.00	0.00	-	0.00	-
<b>Article</b>	<b>112 Contract Agents</b>	<b>0.00</b>	<b>0.00</b>	-	<b>0.00</b>	-
Item	1121 Contract Agents - Remuneration, Allowances and Charges	0.00	0.00	-	0.00	-
<b>Article</b>	<b>113 Other Staff Remunerations, Allowances and Charges</b>	<b>98,862.45</b>	<b>91,418.18</b>	<b>92.5%</b>	<b>7,444.27</b>	<b>7.5%</b>
Item	1131 Seconded National Experts - Allowances and Charges	p.m.	p.m.	-	p.m.	-
Item	1132 Interim supportive agents and Trainees	98,862.45	91,418.18	92.5%	7,444.27	7.5%
<b>Chapter</b>	<b>12 Professional Development and Social expenditure</b>	<b>309,198.93</b>	<b>196,674.21</b>	<b>63.6%</b>	<b>112,524.72</b>	<b>36.4%</b>
<b>Article</b>	<b>121 Specific Staff-related Charges, Support Services for the management of Staff Rights and Payroll, Charges relating to Recruitment and Change of Personnel</b>	<b>93,566.82</b>	<b>62,493.89</b>	<b>66.8%</b>	<b>31,072.93</b>	<b>33.2%</b>
Item	1211 Specific Staff-related Charges, Support Services for the management of Staff Rights and Payroll, Charges relating to Recruitment and Change of Personnel	93,566.82	62,493.89	66.8%	31,072.93	33.2%
<b>Article</b>	<b>122 Professional and Personal Development and Social expenses for Staff</b>	<b>214,729.55</b>	<b>134,180.32</b>	<b>62.5%</b>	<b>80,549.23</b>	<b>37.5%</b>
Item	1221 Training Courses for the Professional and Personal Development of Staff	41,030.26	26,448.49	64.5%	14,581.77	35.5%
Item	1222 Missions related to the Professional and Personal Development of Staff	4,539.38	4,451.34	98.1%	88.04	1.9%
Item	1223 Medical Service	60,166.07	0.00	0.0%	60,166.07	100.0%
Item	1224 Mobility and Other Social expenses	108,993.84	103,280.49	94.8%	5,713.35	5.2%
<b>Article</b>	<b>123 Representation expenses, Events and Internal meetings</b>	<b>902.56</b>	<b>0.00</b>	<b>0.0%</b>	<b>902.56</b>	<b>100.0%</b>
Item	1231 Representation expenses, Events and Internal meetings	902.56	0.00	0.0%	902.56	100.0%
<b>Title</b>	<b>2 INFRASTRUCTURE AND OPERATING EXPENDITURE</b>	<b>2,866,909.75</b>	<b>2,774,157.53</b>	<b>96.8%</b>	<b>92,752.22</b>	<b>3.2%</b>
<b>Chapter</b>	<b>21 Building expenditure</b>	<b>1,992,622.51</b>	<b>1,978,753.10</b>	<b>99.3%</b>	<b>13,869.41</b>	<b>0.7%</b>
<b>Article</b>	<b>211 Rent / Usufruct instalments and Building Charges</b>	<b>1,992,622.51</b>	<b>1,978,753.10</b>	<b>99.3%</b>	<b>13,869.41</b>	<b>0.7%</b>
Item	2111 Rent / Usufruct instalments, Building Charges and associated expenses	1,992,622.51	1,978,753.10	99.3%	13,869.41	0.7%
<b>Chapter</b>	<b>22 ICT expenditure</b>	<b>635,740.76</b>	<b>586,106.80</b>	<b>92.2%</b>	<b>49,633.96</b>	<b>7.8%</b>
<b>Article</b>	<b>221 ICT Environment</b>	<b>388,428.63</b>	<b>338,794.67</b>	<b>87.2%</b>	<b>49,633.96</b>	<b>12.8%</b>
Item	2211 ICT Environment (Infrastructure, Systems and Services)	388,428.63	338,794.67	87.2%	49,633.96	12.8%
<b>Article</b>	<b>222 Data Processing and application development</b>	<b>247,312.13</b>	<b>247,312.13</b>	<b>100.0%</b>	<b>0.00</b>	<b>0.0%</b>
Item	2221 Data Processing and application development and associated expenditure	247,312.13	247,312.13	100.0%	0.00	0.0%
<b>Chapter</b>	<b>23 Movable property and Current Operating expenditure</b>	<b>238,546.48</b>	<b>209,297.63</b>	<b>87.7%</b>	<b>29,248.85</b>	<b>12.3%</b>
<b>Article</b>	<b>231 Furniture, Materials and Technical Installations</b>	<b>154,814.69</b>	<b>152,696.95</b>	<b>98.6%</b>	<b>2,117.74</b>	<b>1.4%</b>
Item	2311 Furniture, Materials and Technical Installations and associated expenditure	154,814.69	152,696.95	98.6%	2,117.74	1.4%
<b>Article</b>	<b>232 Current Operating expenditure</b>	<b>83,731.79</b>	<b>56,600.68</b>	<b>67.6%</b>	<b>27,131.11</b>	<b>32.4%</b>
Item	2321 Office Supplies and Other Current Operating expenditure	83,731.79	56,600.68	67.6%	27,131.11	32.4%
<b>Title</b>	<b>3 PROGRAMME SUPPORT EXPENDITURE</b>	<b>4,587,785.70</b>	<b>4,508,246.02</b>	<b>98.3%</b>	<b>79,539.68</b>	<b>1.7%</b>
<b>Chapter</b>	<b>31 Programme Management expenditure</b>	<b>320,039.82</b>	<b>254,185.89</b>	<b>79.4%</b>	<b>65,853.93</b>	<b>20.6%</b>
<b>Article</b>	<b>311 Communication, Information and ICT expenditure related to the Management of Delegated Programmes</b>	<b>207,255.80</b>	<b>206,253.83</b>	<b>99.5%</b>	<b>1,001.97</b>	<b>0.5%</b>
Item	3111 Communication, Information, Publications, Linguistic Services and Training Courses for the Management of Programmes and associated expenses	1,969.02	967.05	49.1%	1,001.97	50.9%
Item	3112 ICT Infrastructure, Environment and Systems related to the Programme Management and associated expenses	205,286.78	205,286.78	100.0%	0.00	0.0%
<b>Article</b>	<b>312 External Audits, Missions and Other expenses related to the Management of Delegated Programmes</b>	<b>112,784.02</b>	<b>47,932.06</b>	<b>42.5%</b>	<b>64,851.96</b>	<b>57.5%</b>
Item	3121 External Audits	5,880.73	5,289.73	90.0%	591.00	10.0%
Item	3122 Missions and Other expenses related to the Administrative Management of Programmes	106,903.29	42,642.33	39.9%	64,260.96	60.1%
<b>Chapter</b>	<b>32 Common Support Services expenditure</b>	<b>4,267,745.88</b>	<b>4,254,060.13</b>	<b>99.7%</b>	<b>13,685.75</b>	<b>0.3%</b>
<b>Article</b>	<b>321 Common Support Services and Evaluation Platform – Building expenditure</b>	<b>3,636,459.48</b>	<b>3,636,459.48</b>	<b>100.0%</b>	<b>0.00</b>	<b>0.0%</b>
Item	3211 Building Rent / Usufruct instalments, Building charges and associated expenses for the Common Support Services and Evaluation Platform	3,636,459.48	3,636,459.48	100.0%	0.00	0.0%
<b>Article</b>	<b>322 Common Support Services and Evaluation Platform – ICT, Logistics, Information and Current Operating expenditure</b>	<b>631,286.40</b>	<b>617,600.65</b>	<b>97.8%</b>	<b>13,685.75</b>	<b>2.2%</b>
Item	3221 ICT, Logistics, Acquisition and Provision of Information, Current Operating expenditure and associated costs	631,286.40	617,600.65	97.8%	13,685.75	2.2%
<b>Article</b>	<b>323 Meetings of Experts</b>	<b>0.00</b>	<b>0.00</b>	-	<b>0.00</b>	-
Item	3231 Meetings of Experts and associated costs	0.00	0.00	-	0.00	-

### 3.5. The REA staffing

The number of occupied posts increased from 781 at the end of 2020 to 866 at the end of 2021 (+11%) corresponding to 15 additional temporary agents (including seconded officials) and 70 contractual agents.

The occupancy rate of the staff plan at the end of year increased from 95% in 2020 to 98% in 2021.

<b>ESTABLISHMENT PLAN</b>				
<i>All Seconded Officials and Temporary Agents</i>				
Function Group and Category	2020	Occupied as of 31/12/2020	2021	Occupied as of 31/12/2021
AD16				
AD15				
AD14	9	6	15	10
AD13	12	10	14	6
AD12	13	9	30	8
AD11	13	8	30	10
AD10	20	17	32	21
AD9	44	42	44	37
AD8	27	22	26	23
AD7	23	33	7	22
AD6	23	23	4	42
AD5		3		6
<b>TOTAL AD</b>	<b>184</b>	<b>173</b>	<b>202</b>	<b>185</b>
AST11				
AST10		1	1	1
AST9	4	1	3	2
AST8	3	1	4	3
AST7	1	1	2	3
AST6		6		5
AST5		2		1
AST4				
AST3				
AST2				
AST1				
<b>TOTAL AST</b>	<b>8</b>	<b>12</b>	<b>10</b>	<b>15</b>
<b>GRAND TOTAL (AD+AST)</b>	<b>192</b>	<b>185</b>	<b>212</b>	<b>200</b>
<b>STAFF PLAN (EQUIVALENT ALLOWANCE OF POSTS IN APPROPRIATIONS)</b>				
<i>Only Contract Agents</i>				
Function Group	2020	Occupied as of 31/12/2020	2021	Occupied as of 31/12/2021
FG IV	252	235	323	307
FG III	247	226	255	269
FG II	128	129	92	83
FG I	3	6	3	7
<b>TOTAL</b>	<b>630</b>	<b>596</b>	<b>673</b>	<b>666</b>
Of which:				
' _ REA Contract Staff to manage the EU General Budget and the appropriations of the Research Fund for Coal and Steel co-delegated to the Agency:	593	593	636	629
_ REA Contact Staff to manage the "appropriations accruing from contributions from (non-European Economic Area) third parties to research and technological development" as well as from "appropriations accruing from contributions from the European Free Trade Agreement / European Economic Area (EFTA/EEA)" co-delegated to the Agency:	37	3	37	37
<b>ALL STAFF PLAN</b>				
<i>ALL AGENTS (except Interim Staff)</i>				
	2020	Occupied as of 31/12/2020	2021	Occupied as of 31/12/2021
Temporary Agents including Officials	192	185	212	200
Contract Agents	630	596	673	666
<b>GRAND TOTAL</b>	<b>822</b>	<b>781</b>	<b>885</b>	<b>866</b>

### 3.6. Glossary and Abbreviations

Term	Definition
ABAC	Name given to the Commission's accounting system which, since 2005, has been enriched by accrual accounting rules. Apart from the cash-based budgetary accounts, the Commission produces accrual-based accounts which recognise revenue when earned, rather than when collected. Expenses are recognised when incurred rather than when paid. This contrasts with cash basis budgetary accounting that recognises transactions and other events only when cash is received or paid.
Accounting	The act of recording and reporting financial transactions, including the creation of the transaction, its recognition, processing, and summarisation in the financial statements.
Administrative appropriations	Administrative appropriations cover the running costs of the Institutions and entities (staff, buildings, office equipment).
Adjustment	Amending budget or transfer of funds from one budget item to another
Adopted budget	The adopted budget approved by the REA Steering Committee (in line with the budget on the budget line in the general EU budget covering the subsidy to the Agency, as approved by the Budgetary Authority). Cf. Budget.
Executive Agencies	EU bodies having a distinct legal personality, and to whom budget implementing powers may be delegated under strict conditions. They are subject to a distinct discharge from the discharge authority.
Amending budget	Decision adopted during the budget year to amend (increase, decrease, transfer) aspects of the adopted budget of that year.
Annuality	The budgetary principle according to which expenditure and revenue is programmed and authorised for one year, starting on 1 January and ending on 31 December.
Appropriations	The budget forecasts for both commitments (legal pledges to provide finance, provided that certain conditions are fulfilled) and payments (cash or bank transfers to the beneficiaries). Appropriations for commitments and payments often differ – differentiated appropriations – because multiannual programmes and projects are usually fully committed in the year they are decided and are paid over the years as the implementation of the programme and project progresses. Non-differentiated appropriations apply to administrative expenditure, for agricultural market support and direct payments for which commitment appropriations equal payment appropriations.
Assigned revenue External/Internal	Dedicated revenue received to finance specific items of expenditure. Main sources of external assigned revenue are <i>financial contributions from third countries to programmes financed by the Union</i> . <i>Main sources of internal assigned revenue is revenue from third parties in respect of goods, services or work supplied at their request or revenue arising from the repayment of amounts wrongly paid and revenue from the sale of publications and films, including those on an electronic medium.</i> The complete list of items constituting assigned revenue is given in Article 21(2) of the Financial Regulation.
Authorizing Officer (AO)	The AO is responsible in each institution for authorising revenue and expenditure operations in accordance with the principles of sound financial management and for ensuring that the requirements of legality and regularity are complied with.

Term	Definition
Budget	Annual financial plan, drawn up according to budgetary principles, that provides forecasts and authorises, for each financial year, an estimate of future costs and revenue and expenditures and their detailed description and justification, the latter included in budgetary remarks.
Budget result	The difference between income received and amounts paid, including adjustments for carry-overs, cancellations and exchange rate differences. The resulting amount will have to be reimbursed to the funding authority as provided in the Standard Financial Regulation for Executive Agencies.
Budget implementation	Consumption of the budget through expenditure and revenue operations.
Budget item / Budget line / Budget position	As far as the budget structure is concerned, revenue and expenditure are shown in the budget in accordance with a binding nomenclature which reflects the nature and purpose of each item, as imposed by the budgetary authority. The individual headings (title, chapter, article or item) provide a formal description of the nomenclature.
Budgetary authority	Institutions with decisional powers on budgetary matters: the European Parliament and the Council of Ministers
Budgetary commitment	A budgetary commitment is a reservation of appropriations to cover for subsequent expenses.
Cancellation of appropriations	Unused appropriations that may no longer be used.
Carryover of appropriations	Exception to the principle of annuality in so far as appropriations that could not be used in a given budget year may, under strict conditions, be exceptionally carried over for use during the following year.
Commitment appropriations	Commitment appropriations cover the total cost of legal obligations (contracts, grant agreements/decisions) that could be signed in the current financial year. Article 7 FR: <i>Commitment appropriations cover the total cost in the current financial year of legal obligations (contracts, grant agreements/decisions) entered into for operations extending over more than one year.</i>
De-commitment	Cancellation of a reservation of appropriations
Differentiated appropriations	Cf. Appropriations
Earmarked revenue	Revenue earmarked for a specific purpose, such as income from foundations, subsidies, gifts and bequests, including the earmarked revenue specific to each institution. (Cf. Assigned revenue)
Economic result	Impact on the balance sheet of expenditure and revenue based on accrual accounting rules.
Entitlements established	Entitlements are recovery orders that the European Union must establish for collecting income.
Exchange rate difference	The difference resulting from currency exchange rates applied to the transactions concerning countries outside the euro area, or from the revaluation of assets and liabilities in foreign currency at the closure.
Expenditure	Term used to describe spending the budget from all types of funds sources.
Financial Regulation (FR)	Adopted through the ordinary legislative procedure after consulting the European Court of Auditors, this regulation lays down the rules for the establishment and implementation of the general budget of the European Union (OJ L 298, 26.10.2012, p.1)
Funds Source	Type of appropriations (e.g.: C1, C8,...)

Term	Definition
Grants	Direct financial contributions, by way of donation, from the budget in order to finance either an action intended to help achieve an objective that is part of an EU policy or the functioning of a body which pursues an aim of general European interest or has an objective forming part of an EU policy.
Implementation	Cf. Budget implementation
Income	Cf. Revenue
Legal base (basic act)	The legal base is, as a general rule, a law based on an article in the Treaty giving competence to the Community for a specific policy area and setting out the conditions for fulfilling that competence including budget implementation. Certain Treaty articles authorise the Commission to undertake certain actions, which imply spending, without there being a further legal act.
Legal commitment	A legal commitment establishes a legal obligation towards third parties.
Non-differentiated appropriations	Cf. Appropriations
Operational appropriations	Operational appropriations finance the different policies, mainly in the form of grants or procurement.
Outstanding commitment	Legal commitments having not fully given rise to liquidation by payments. Cf. RAL
Outturn	Cf. Budget result
Payment	A payment is a cash disbursement to honour legal obligations.
Payment appropriations	Payment appropriations cover expenditure due in the current year, arising from legal commitments entered in the current year and/or earlier years (Article 7 FR).
RAL	Sum of outstanding commitments. Outstanding commitments (or RAL, from the French ' <i>reste à liquider</i> ') 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. (Cf. <i>Outstanding commitments</i> )
Recovery	The recovery order is the procedure by which the Authorising officer (AO) registers an entitlement for the Commission in order to retrieve the amount which is due. The entitlement is the right that the Commission has to claim the sum which is due by a debtor, usually a beneficiary.
Result	Cf. Budget result
Revenue	Term used to describe income from all sources financing the budget.
Rules of application	Detailed rules for the implementation of the financial regulation. They are set out in a Commission regulation adopted after consulting all institutions and cannot alter the financial regulation upon which they depend.
Surplus	Positive difference between revenue and expenditure (see budget result) which has to be returned to the funding authority as provided in the Financial Regulation.
Transfer	Transfers between budget lines imply the relocation of appropriations from one budget line to another, in the course of the financial year, and thereby they constitute an exception to the budgetary principle of specification. They are, however, expressly authorised by the Treaty on the Functioning of the European Union under the conditions laid down in the Financial Regulation. The FR identifies different types of transfers depending on whether they are between or within budget titles, chapters, articles or headings and require different levels of authorisation.