



**2016**

# **FINAL ACCOUNTS**

## **Financial Statements & Budgetary Reports**

**Consumers, Health  
Agriculture and Food  
Executive Agency**



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## **CERTIFICATION OF THE ACCOUNTS & STATEMENT OF THE DIRECTOR**

### **Certification of the accounts**

The annual accounts of the Consumers, Health, Agriculture and Food Executive Agency (CHAFEA) for the year 2016 have been prepared in accordance with the Title IX of the Financial Regulation applicable to the general budget of the European Union, the accounting rules adopted by the Commission's Accounting Officer and the accounting principles and methods adopted by myself.

I acknowledge my responsibility for the preparation and presentation of the annual accounts of CHAFEA in accordance with Article 68 of the Financial Regulation.

I have obtained from the Authorising Officer, who certified its reliability, all the information necessary for the production of the accounts that show CHAFEA's assets and liabilities and the budgetary implementation.

I hereby certify that based on this information, and on such checks as I deemed necessary to sign off the accounts, I have a reasonable assurance that the accounts present fairly, in all material aspects, the financial position, the results of the operations and the cash-flow of CHAFEA.

### **Statement of the Director**

I, the undersigned, Director of the Consumers, Health Agriculture and Food Executive Agency (CHAFEA), in my capacity as Authorising Officer:

- Declare that the information contained in this report gives a true and fair view.
- State that I have reasonable assurance that the resources assigned to the activities described in the Annual Activity Report have been used for their intended purpose and in accordance with the principles of sound management, and that the control procedures put in place give the necessary guarantees concerning the legality and regularity of the underlying transactions.

This reasonable assurance is based on my own judgment and on the information at my disposal, such as the results of the self-assessment, ex-ante controls, the observations of the Internal Audit Service and the lessons learnt from the reports of the Court of Auditors for years prior to the year of this declaration.

- Confirm that I am not aware of anything not reported here which could harm the interests of the institution.

Luxembourg, 30/06/2017

**Ms Orsolya KUTI**  
Accounting Officer

**Ms Véronique WASBAUER**  
Director

## **PART I**

### **1. Introduction**

The Consumers, Health, Agriculture and Food Executive Agency (CHAFEA) is the result of the transformation of the Executive Agency for Health and Consumers (EAHC), following the Commission implementing Decision of 17 December 2013 (Ref. 2013/770/EU).

*By the Commission Implementing Decision of 17 December 2014 (Ref. 2014/927/EU), the Consumers, Health and Food Executive Agency has been transformed into the **Consumers, Health, Agriculture and Food Executive Agency – CHAFEA** from 1<sup>st</sup> January 2014 to 31 December 2024 and has also been made responsible for implementing the information provision and promotion measures concerning agricultural products implemented in the internal market and third countries.*

### PROGRAMMES DELEGATED TO THE AGENCY OVER THE PERIOD 2008-2014

By its decision (2008/544/EC) of 20<sup>th</sup> June 2008, the Commission established the Executive Agency for Health and Consumers (EAHC), with the mandate to manage the following programmes in the field of Public Health, Consumers and Food Safety Measures:

- *Public Health Programme 2003-2008* – *Decision N° 1786/2002/EC,*
- *Public Health Programme 2008-2013* – *Decision No 1350/2007/EC,*
- *Consumers Programme 2007-2013* – *Decision No 1926/2006/EC,*
- *Food Safety Training Measures* – *Regulation (EC) No 882/2004 and Directive 2000/29/EC.*

Under the Community programmes mentioned above, EAHC has been responsible for implementing the following tasks as defined in the delegation act adopted on 9<sup>th</sup> September 2008<sup>1</sup> :

(a) Managing all the phases of the cycle of projects (for monitoring and dissemination purposes, the Agency shall take the necessary steps to create a database of projects or to continue an existing one, incorporating project descriptions and final results);

(b) Monitoring projects implemented under these programmes and measures, including the necessary checks;

(c) Collecting, processing and distributing data and in particular, compiling, analysing and transmitting to the Commission all information required to guide the implementation of Community programmes and measures, promote coordination and synergy with other programmes of the Communities, the Member States or international organisations;

(d) Organising meetings, seminars, talks and training measures;

(e) Helping to evaluate the programme's impacts in particular the annual and/or mid-term evaluation of the implementation of the programmes, and implementing follow-up actions on evaluations decided by the Commission;

(f) Disseminating the results of the information operations planned and implemented by the Commission;

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<sup>1</sup> Commission Decision of 9/09/2008- delegating powers to the EAHC

- (g) Producing overall control and supervision data;
- (h) Participating in preparatory work on financing decisions.

The lifetime of the Executive Agency for Health and Consumers was extended to 31/12/2015.

Furthermore, the Commission decided in 2012 to extend the mandate of the Agency and to increase the volume of appropriations entrusted to it through a new amendment:

as a consequence, the Agency is responsible for the management of the part of the actions provided for in the Commission Decision C(2012) 1548, adopting a work programme for the funding of projects in the area of external trade relations, including access to the markets for non-European Union countries and initiatives in the field of trade-related assistance<sup>2</sup>. This extension also covers the delegation of actions pertaining to the *Food Security* Thematic Programme as provided for in Regulation EC/1905/2006 of the European Parliament and the Council establishing a Financing Instrument for Development Cooperation.

By its implementing Decision of 17 December 2013 (Ref. 2013/770/EU) the European Commission established the Consumers, Health and Food Executive Agency – Chafea - which replaced and succeeded the Executive Agency for Health and Consumers from 1<sup>st</sup> January 2014 to 31<sup>st</sup> December 2024.

The Commission Decision of 17 December 2013 entrusts the Agency with the implementation of the following programmes and actions:

- The Consumer Programme 2014-2020,
- The Public Health Programme 2014-2020,
- The Food Safety Training measures covered by Directive 2000/29/EC and Regulation (EC) No 882/2004.

The Agency is also entrusted with the implementation of the legacy of following programmes and actions:

- Public Health Programme 2003-2008 – Decision N° 1786/2002/EC,
- Public Health Programme 2008-2013 – Decision No 1350/2007/EC,
- Consumer Programme 2007-2013 – Decision No 1926/2006/EC,
- Food Safety Training Measures – Regulation (EC) No 882/2004 and Directive 2000/29/EC,
  
- By its Decision of 19 December 2014, the Commission extended the mandate of the Agency, by delegating to it the performance of tasks linked to the **Implementation of information provision and promotion measures concerning agricultural products implemented in the internal market and in third countries and food safety training measures covered by Decision C(2014) 1269, comprising, in particular, the implementation of appropriations entered in the general budget of the Union.**
  
- This Decision resulted in the creation in the Agency, in 2015, of an additional Unit, the Promotion of Agricultural Products Unit, which has been entrusted with the management of the new delegated Programme.

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<sup>2</sup> and its actions announced under the heading "Trade-related assistance, training and capacity building actions towards developing countries

## **2. Annual Accounts**

### **2.1. Legal Basis**

The 2016 financial statements and reports on budget implementation of CHAFEA were prepared in conformity with:

- **Commission Regulation (EC) N° 651/2008 of 9 July 2008** - amending Regulation (EC) No 1653/2004 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 - in absence of expressly laid down rules, the general financial regulation shall be applied [*Commission Delegated Regulation (EU) N°1268/2012 of 29 October 2012 on the rules of application of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union, Council Regulation (EU, Euratom) N°966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation No 1605/2002*].
- **Accounting Rules** (based on IPSAS<sup>3</sup>) adopted by the Accounting Officer of the Commission in December 2004 last update in December 2015.
- **Council Regulation N° 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.
- **Commission Decision of 20 June 2008** – amending Decision 2004/858/EC in order to transform the ‘Executive Agency for the Public Health programme into the Executive Agency for Health and Consumers’.
- **Commission Implementing Decision (2012/740/EU) of 29 November 2012** - [amending Decision 2004/858/EC, as amended by Decision 2008/544/EC, establishing the Executive Agency for Health and Consumers in application of Council Regulation (EC) No 58/2003], notably, extending the scope of the Agency activities to training measures outside the EU Member States.
- **Commission Implementing Decision of 17 December 2013 (2013/770/EU)** establishing the Consumers, Health and Food Executive Agency and repealing Decision 2004/858/EC.
- **Commission Decision of 19 December 2013 [C(2013)/9505/final]** delegating powers to the Consumers, Health and Food Executive Agency with a view to performance of tasks linked to the implementation of Union programmes in the field of consumers, health and food comprising, in particular, implementation of appropriations entered in the general budget of the Union.
- **Commission Implementing Decision of 17 December 2014 (2014/927/EU)** amending Implementing Decision 2013/770/EU, in order to transform the ‘Consumers, Health and Food Executive Agency’ into the ‘Consumers, Health, Agriculture and Food Executive Agency’.
- **Commission Decision of 19 December 2014 [C(2014)9594/final]** amending Decision C(2013) 9505 as regards the delegation of powers to the Consumers, Health, Agriculture and Food Executive Agency with a view to the performance of tasks linked to the implementation of information provision and promotion measures concerning agricultural products implemented in the internal market and in third countries and food safety training measures covered by Decision C(2014) 1269, comprising, in particular, the implementation of appropriations entered in the general budget of the Union.

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<sup>3</sup> International Public Sector Accounting Standards

## **2.2. Agency Accounts**

The accounts of the Agency comprise the general accounts and the budget accounts, kept in euros on the basis of the calendar year. Each one of them follows different principles.

- **General accounts**

The general accounts allow the preparation of financial statements: balance sheet, economic outturn, statement of changes in net capital, cash flow table and annex to the financial statements.

The accounts are prepared on accruals basis, which means that the effects of the transactions or events are recognised when they occur, independently of the moment of the corresponding payment or receipt.

The purpose of the financial statements is to provide information on the financial situation, performance, as well as changes in the financial situation of the Agency.

- **Budget accounts**

The budget accounts give a detailed picture of the implementation of the budget.

They are modified cash accounts. This means that, as in any cash system, any payment made or revenue received is recorded. In addition and, as opposed to the pure cash accounts, the budget accounts allow for the recording of payments appropriations carried over.

They enable the preparation of the budget implementation reports as well as the budgetary outturn account.

Both accounts have different purposes. Therefore, they are complementary.

Discrepancies between the general accounts and the budget accounts are explained via a reconciliation of items as presented in point 6 of Part II.

The accounts must be compliant with the rules, accurate, comprehensive and present a true and fair view of the financial position and also of the budget execution.

## **3. Accounting Principles**

In conformity with Article 53 of the Commission Regulation EC N°1653/2004, the financial statements are prepared according to the following generally accepted accounting principles:

- Going concern basis,
- Prudence,
- Consistent accounting methods,
- Comparability of information,
- Materiality,
- No netting,
- Reality over appearance,
- Accrual-based accounting.

## **4. Consolidation**

According to Article 57 of the Commission Regulation EC N°1653/2004, CHAFEA's annual accounts are consolidated with the Commission's annual accounts.

## **5. Accounting Rules**

The accounting rules applied by the Agency must allow the consolidation with the Commission's accounts in accordance with § 11 of the Commission Regulation EC N°1653/2004 and Articles 152, 208 of the Financial Regulation.

Additional information is provided in the notes to financial statements (Section II.5).



## PART II - Financial Statements

### 1. BALANCE SHEET - 31/12/2016

	NOTES	2016	2015
<b>ASSETS</b>			
<b>I. NON-CURRENT ASSETS</b>		<b>70 389</b>	<b>46 587</b>
<b>Intangible fixed assets</b>	<b>5.2</b>	<b>1 914</b>	<b>693</b>
Computer software		108 246	138 837
Accumulated depreciation		-106 332	-138 144
<b>Tangible fixed assets</b>	<b>5.2</b>	<b>68 475</b>	<b>45 894</b>
Plant, Machinery and Equipment		5 785	5 785
Furniture		25 730	14 095
Computer hardware		181 978	205 171
Other Fixtures and fittings		54 517	48 291
Acc. Depreciation		-199 535	-227 448
<b>II. CURRENT ASSETS</b>	<b>5.3</b>	<b>2 205 053</b>	<b>1 924 103</b>
<b>Short term prefinancing</b>		<b>0</b>	<b>0</b>
Prefinancing		0	0
<b>Exchange short-term receivables</b>	<b>5.3.1</b>	<b>62 800</b>	<b>4 870</b>
Amounts receivable-Public Bodies		1 056	889
Receivables from Consolidated Entities, Personnel and Others		61 744	3 981
<b>Accrued income</b>	<b>5.3.2</b>	<b>173</b>	<b>0</b>
<b>Cash and cash equivalent</b>	<b>5.3.3</b>	<b>2 142 081</b>	<b>1 919 233</b>
BCEE / ING		2 142 081	1 919 233
<b>TOTAL ASSETS</b>		<b>2 275 442</b>	<b>1 970 690</b>
<b>LIABILITIES</b>			
<b>III. CURRENT LIABILITIES</b>	<b>5.4</b>	<b>1 687 422</b>	<b>1 247 827</b>
<b>Short -Term provisions</b>	<b>5.4.3</b>	<b>0</b>	<b>0</b>
Short -Term provision		0	0
<b>Payables to consolidated entities</b>	<b>5.4.1</b>	<b>562 202</b>	<b>412 524</b>
Prefinancing Subsidy – Commission		556 605	336 031
Other amounts payable to Consolidated Entities		5 596	76 493
<b>Other amounts payable</b>	<b>5.4.2</b>	<b>80 518</b>	<b>25 933</b>
Suppliers		2 107	7 283
Others amounts payable		78 411	18 650
<b>Accrued charges and deferred income</b>	<b>5.4.4</b>	<b>1 044 701</b>	<b>809 370</b>
Accrued Charges – Non consolidated entities		614 456	548 574
Accrued Charges -Consolidated Entities		430 246	260 796
<b>TOTAL LIABILITIES</b>		<b>1 687 422</b>	<b>1 247 827</b>
<b>CAPITAL (NET ASSETS/LIABILITIES)</b>	<b>5.5</b>	<b>588 020</b>	<b>722 863</b>
Accumulated Results from previous years		722 863	385 414
Economic result of the year		-134 842	337 449
<b>TOTAL CAPITAL</b>		<b>588 020</b>	<b>722 863</b>
<b>TOTAL LIABILITIES+CAPITAL</b>		<b>2 275 442</b>	<b>1 970 690</b>



**2. STATEMENT OF FINANCIAL PERFORMANCE**  
**31/12/2016**

	NOTES	2016	2015
<b>OPERATING REVENUE (A)</b>			
<b>Total non-exchange revenue registered by the Agency</b>	<b>5.6</b>	<b>8 232 841</b>	<b>7 078 559</b>
Subsidy received from the European Commission	5.6.1	8 789 446	7 409 460
Subsidy to be reimbursed in n+1		-556 605	-336 031
Other non-exchange revenue		0	5 128
<b>Total exchange revenue registered by the Agency</b>			<b>2</b>
Financial income			2
Reversal of provisions			
Other exchange revenue			-
<b>OPERATING / ADMINISTRATIVE EXPENSES (B)=C+D+E+F</b>	<b>5.7</b>	<b>8 365 858</b>	<b>6 739 548</b>
<b>Staff expenditure (C)</b>	<b>5.7.1</b>	<b>4 316 256</b>	<b>3 832 999</b>
Staff costs		3 866 650	3 339 552
Pension & Unemployment Temp		5 087	13 093
Social security		38 852	40 683
Staff Perquisites and Social Activities		98 206	79 634
Allowances		307 461	360 037
<b>Fixed assets related expenses (D)</b>	<b>5.7.2</b>	<b>33 280</b>	<b>28 772</b>
Depreciation of intangible fixed assets		1 197	692
Depreciation of tangible fixed assets		32 083	28080
<b>Other administrative expenses (E)</b>	<b>5.7.3</b>	<b>4 016 322</b>	<b>2 877 777</b>
Rent Land & Buildings		970 923	668 558
Office Supplies and Maintenance		200 018	128 766
Communication & Publication		151 132	124 248
Transport & Insurance		2 622	-
Recruitment costs		10 318	18 470
Training costs		1 479	13 233
Missions		124 241	89 772
Experts and related expenditure		317 068	323 817
Goods & Services internal procurement		971 824	1 222 048
Expenses with consolidated entities		1 266 698	288 865
Short term provision for risk and liabilities (F)	5.4.3 /5.7.4	0	0
<b>SURPLUS FROM OPERATING ACTIVITIES (G)=A-B</b>		<b>-133 017</b>	<b>339 011</b>
<b>Financial operations expenses</b>	<b>5.7.5</b>	<b>-1 826</b>	<b>-1 562</b>
Real exchange gains	5.7.6	0	-8
<b>ECONOMIC RESULT FOR THE YEAR</b>		<b>-134 842</b>	<b>337 449</b>

**3. CASHFLOW TABLE (Indirect Method)**  
**31/12/2016**

*EUR*

	2016	2015
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Surplus from operating activities</b>	<b>-134 842</b>	<b>337 449</b>
<b>ADJUSTMENTS</b>	<b>321 767</b>	<b>-38 692</b>
Amortization/Depreciation	-59 725	28 275
Increase/(decrease) in short term provisions for risk and liabilities	-	-12 490
Increase/(decrease) in short term pre-financing	-	-
Decrease/(increase) in short term receivables	-56 810	2 812
Decrease/(increase) in short term receivables related with consolidated entities	-167	7 616
Increase/(decrease) in accounts payable	56 645	-84 736
Increase/(decrease) in liabilities related to consolidated entities	381 824	19 831
<b>NET CASHFLOW FROM OPERATING ACTIVITIES</b>	<b>186 925</b>	<b>298 757</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of intangible and tangible assets	35 923	-21 455
<b>NET CASHFLOW FROM INVESTING ACTIVITIES</b>	<b>35 923</b>	<b>-21 455</b>
<b>NET INCREASE/(DECREASE) IN CASH &amp; CASH EQUIVALENTS</b>		
	<b>222 848</b>	<b>277 302</b>
Cash and cash equivalents at the beginning of the year	1 919 233	1 641 931
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>2 142 081</b>	<b>1 919 233</b>

**4. STATEMENT OF CHANGES IN NET ASSETS**  
**31/12/2016**

*EUR*

	Reserves		Accumulated surplus/deficit	Economic Outturn	Total Net assets/liabilities
	Fair value reserve	Other reserve			
Balance as of 31/12/2015	-	-	385 413	337 449	722 863
Balance as of 01/01/2016	-	-	385 413	-	385 413
Economic outturn of the year 2016	-	-	-	-134 842	-
Balance as of 31/12/2016	-	-	722 863	-134 842	588 020

## 5. Notes to the financial statements

### 5.1 Currency and basis conversion

**Functional and reporting currency:** financial statements are presented in euros.

**Transactions and balances:** some payments were executed in foreign currency and gave origin to gains and losses duly booked in gains or losses for exchange rates.

### 5.2 Intangible and tangible assets

- Intangible and tangible assets are registered at historical amount, which comprises their purchase price (including any import duties and non-refundable purchase taxes), and any directly attributable expenditure on preparing the asset for its intended use.
- The materiality threshold used is 420 euros, which means that below this amount the expense is booked as a charge of the exercise.
- Repairs and maintenance are charged to the economic period in which they have occurred.
- Depreciation is calculated since the month of the asset reception and booked monthly, using the straight-line method to allocate the costs to the residual values over the estimated useful lives.
- The Agency does not have any financial lease.

The depreciation rates used are listed below:

Assets	Depreciation rate
Intangible assets – Computer Software	25%
Plant, machinery and equipment	25%
Furniture	10% , 25%
Fixtures and fittings	10%
Computer hardware	25%

- **Intangible net fixed assets – 1,914 €**

During the year 2016, 2,418 € worth of software licenses were acquired.

- **Tangible net assets – 68,475 €**

During 2016, the purchase of fixed assets was related to furniture (11,635 €) computer hardware (19,362 €) and other fixtures and fittings (23,668 €).

In 2015, the IT Asset management service of CHAFEA initiated the retirement of a number of assets which were completely depreciated and therefore had a zero residual value. 150 assets including PCs, screens, copiers, printers, mobile phone, plus non-material (e.g. software licenses) were retired. The retirement procedure was launched in ABAC ASSETS in 2015, but was only finalised in 2016. For this reason, the effect of asset retirement is shown in the 2016 statement.

The remaining net amount corresponds to assets purchased in the previous years and/or transferred from the Commission in 2007.

In 2007, the Commission transferred a group of assets which were in use in the Agency premises, bought by DG SANCO before the Agency's autonomy.

The transfer was done from the management centres of DIGIT and OIL for the IT equipment and furniture respectively. The items transferred are detailed in the annex of the note PHEA D (2007)/101310 signed by the Director of the Agency and the Director of Directorate C of DG SANCO. The assets were transferred at gross book value on 1/1/2007 with the accumulated depreciation on 31/12/2006. This transaction created a profit recognised in the 2007 accounts for the net amount of 89,218€.

The variation of fixed assets is presented below:

<b>FIXED ASSETS</b>					
EUR					
<b>INTANGIBLE ASSETS</b>					
	<b>Computer Software 21001</b>	<b>Total</b>			
Gross book value at 31-12-2015	138 837	<b>138 837</b>			
Additions of the year 2016	2 418	<b>2 418</b>			
Disposals	-33 008	<b>-33 008</b>			
Transfer between headings					
Other changes	-	-			
<b>1.Gross carrying amounts 31-12-2016</b>	<b>108 246</b>	<b>108 246</b>			
Accumulated amortization at 31-12-2015	138 144	<b>138 144</b>			
Amortization of the year 2016	1 197	<b>1 197</b>			
Write-back of amortization	-	-			
Disposals	-33 008	<b>-33 008</b>			
Impairment	-	-			
Write-back of impairment	-	-			
Transfer between headings	-	-			
<b>2.Accumulated amortization and impairment at 31-12-2016</b>	<b>106 332</b>	<b>106 332</b>			
<b>A. NET BOOK VALUE (1-2)</b>					
	<b>1 914</b>	<b>1 914</b>			
EUR					
<b>TANGIBLE ASSETS</b>					
	<b>Plant, Machinery and Equipment 23001</b>	<b>Furniture and Rolling 24001</b>	<b>Computer Hardware 24101</b>	<b>Other Fixtures &amp; Fittings 24201</b>	<b>Total</b>
Gross book value at 31-12-2015	5 785	14 095	205 171	48 291	<b>273 342</b>
Additions of the year 2016	-	11 635	19 362	23 668	<b>54 664</b>
Disposals	-	-	-42 554	-17 442	<b>-59 996</b>
Transfer between headings	-	-	-	-	-
Other changes	-	-	-	-	-
<b>1.Gross carrying amounts 31-12-2016</b>	<b>5 785</b>	<b>25 730</b>	<b>181 978</b>	<b>54 517</b>	<b>268 010</b>
Accumulated amortization at 31-12-2015	5 785	12 188	171 444	38 031	<b>227 448</b>
Amortization of the year 2016	-	1 338	19 357	11 389	<b>32 083</b>
Write-back of amortization	-	-	-	-	-
Disposals	-	-	-42 554	-17 442	<b>-59 996</b>
Impairment	-	-	-	-	-
Write-back of impairment	-	-	-	-	-
Transfer between headings	-	-	-	-	-
<b>2.Accumulated amortization and impairment at 31-12-2016</b>	<b>5 785</b>	<b>13 526</b>	<b>148 246</b>	<b>31 978</b>	<b>199 535</b>
<b>B. NET BOOK VALUE (1-2)</b>					
	<b>0</b>	<b>12 204</b>	<b>33 732</b>	<b>22 539</b>	<b>68 475</b>
<b>TOTAL NET FIXED ASSETS (A+B)</b>					
					<b>70 389</b>

- **Internally generated intangible assets**

The accounting treatment of internally developed intangible assets follows both IPSAS 31 Intangible assets and the International Accounting Standards (IAS 38).

In the context of the above rules and additional guidelines from the Accounting Officer of the European Commission, the threshold for capitalisation of internally generated intangible assets has been set at 100,000 € in CHAFEA.

In 2016 there were no developments but only maintenance, support and minor improvements.

For the improvement of the new Programme Database 50 man-days were approved and used, the related budget estimation is 23,000 €.

### **5.3 Current Assets**

#### **5.3.1 Short Term Receivables – 62,800 €**

This item includes amounts to be received from other institutions concerning the monthly difference of balance that occurs when there are inter-institutional transfers.

It also concerns amounts to be recovered from the staff such as: allowances regularisation, amounts to be retained in staff salaries concerning nursery ('crèche/garderie').

#### **5.3.2 Accrued income – 173 €**

One item of 173€, related to salary payment balancing with other institutions, was accrued as income during the closure. It is a partial reimbursement to be paid to CHAFEA for salaries already paid in 2016. See full list of accruals in section 5.4.3.

#### **5.3.3 Cash & Equivalents – 2,142,081 €**

The amount included in this item, corresponds to the bank balance at 31/12/2016, in the bank accounts held by CHAFEA at "Banque et Caisse d' Epargne de l'Etat-Luxembourg" and at ING BELGIUM.

The first bank account was opened under the framework contract signed between the Commission and BCEE. The second bank account was opened under the Framework contract for banking services signed with ING BELGIUM, in December 2014.

The new account was tested and the integration of the account in CHAFEA and Commission accounting and payment systems was validated in 2016. From 2017, this bank account will be used for the Agency's transactions (payments, income, recoveries),

The Agency does not manage any petty cash.

### **5.4 Liabilities**

#### **5.4.1 Payables to consolidated entities – 562,202 €**

This item includes liabilities towards consolidated entities as detailed below:

- **Balance of the annual subsidy to be reimbursed – 556,605 €**

The amount of 556,605 € corresponds to the balance to be reimbursed to the Commission in 2017. It is composed by the part of the 2016 subsidy that remains after the payments made in 2016 and the payments appropriations carried-over to 2017 ( alias the non-used appropriations of 2016).

It also includes the amount to be reimbursed concerning the non-used part of payment appropriations carried over from 2015 to 2016.

According to article 18 n°3 of the Commission Decision C (2008) 4943 of 09/09/2008 the amount shall be recovered by the Commission when the accounts are closed. The details of calculation are presented in the Budget outturn table (Section III.1).

- **Other amounts payable to consolidated entities – 5,596 €**

This figure corresponds to amounts to be paid to other consolidated institutions and organisations (European Commission, Agencies, and European Parliament). The amounts relate to the monthly contribution of the Agency to the Commission (taxes and pension contributions of December 2016) and to salary items paid and to be recovered afterwards from the concerned institution.

#### **5.4.2 Other amounts payable – 80,518 €**

This item is made up of other payables (invoices received from suppliers and paid until the end of year), including amounts to be paid to the staff.

#### **5.4.3 Accrued charges and deferred income – 1,044,701 €**

This item concerns the expenses for invoices not received until 31/12/2016, but nevertheless booked in charges according to the principle of accrual-based accounting.

The services were provided, the goods were received and the events took place in 2016, but the invoices or expense notes were not received until the end of the year.

The amounts were estimated according to the nature of each expense:

- Missions: estimated costs (mission orders),
- Services (IT, Service Level Agreements - SLA, Consultants, Audits): pro-rata temporis, % of completion if known or reasonably estimated,
- Furniture, office supplies, drinks: goods receipts/orders,
- Meetings of experts: estimated costs (cost declarations).

It includes as well, an estimation of the holidays not taken until 31/12/2016. According to the principle of accrual-based accounting, the cost related to the days not taken must be recognised during the year in which the services occurred. The amount was calculated on the basis of daily gross salary.

Below, is the detail of the accruals booked at year end 2016:

<b>Accrued charges (EUR)</b>	<b>1 044 701</b>
<b>49055000 Accrued Charges</b>	<b>614 456</b>
Missions	14 791
Recruitment	10 556
IT expenditure, office supplies and other services	140 615
IT invoice	2 713
Experts & Related Expenditure	145 056
Staff (holidays not taken)	59 243
Communication (Tipik Agency/ Nookom EZHZ)	142 788
Audits and Consultants	98 694

<b>49055900-Accrued Charges- Consolidated Entities</b>	<b>430 246</b>
DG HR	22 003
OPOCE	1 073
PMO	20 661
OIL	16 676
DIGIT	205 000
CDT	164 163
EP	669
<b>Accrued income (EUR)</b>	<b>173</b>
<b>4905000 - Accrued income</b>	<b>173</b>

## 5.5 Capital – 588,020 €

The capital amount of 588,020 € is composed by the accumulated economic results from previous years (722,863 €) and by the economic result of 2016 (-134,842 €).

The economic result of the year is different from the budgetary result due the differences between the general accounts and the budgetary accounts. Additional information concerning the reconciliation between both accounts is provided in Table 6 of Part II.

The economic result can be decomposed as follows:

**Economic Result 2016 a)= RAL 2015-RAL 2016+Accruals 2016-Accruals 2015-Open Invoices 2016+Open invoices 2015+Capital Expenditure-Depreciations and provisions 2016**

a) Difference between the carry-forwards of n+1 and n (RAL = Reste à Liquidier), adjusted by accruals, depreciations, provisions, capital expenditure and open invoices.

## 5.6 Operating revenue – 8,232,841 €

### 5.6.1 Subsidy

- **Subsidy received from the European Commission for 2016: 8,789,446 €**

This amount concerns the subsidy received for 2016 from the European Commission to cover operating expenditure.

The contribution by program was split as follows (including 2.73% of EFTA Participation to the Public Health and to the Consumers Programmes):

- Public Health Programme: **4,323,906 €**
- Consumers Programme: **1,737,164 €**
- Better Training for Safer Food: **1,170,000 €**
- Promotion of Agricultural Products: **1,558,376 €**

- **Subsidy to be reimbursed: 556,605 €**

This amount will be reimbursed to the European Commission in 2017. It results from the non-executed budget for 2016, as well as from the cancelled payment appropriations from 2015.



The net revenue of 8,232,841 € results from the difference between the total subsidy received and the amount to be returned in 2017 (556,605 €). There was no other revenue received during the year which should be included in the calculation of the net revenue.

## **5.7 Operating/Administrative expenditure**

### **5.7.1 Staff Expenditure – 4,316,256 €**

This item includes staff costs (basic salary, allowances, social security, pension, insurances) with Temporary and Contract Agents and costs incurred with staff perquisites and social activities such as: school bus, contribution to nursery ('crèche/garderie').

### **5.7.2 Fixed assets related expenses – 33,280 €**

This item includes the depreciation for the year of the intangible and tangible fixed assets. The amount is calculated using the straight-line method at the aforementioned depreciation rates. The depreciations are booked monthly starting at the asset reception month. Details are shown in section 5.2 of Part II.

### **5.7.3 Other Administrative Expenses – 4,016,322 €**

This item includes the remaining operating costs as detailed below:

- **Rent Land and Buildings – 970,923 €**

This item corresponds to the expensed amounts in the rent and charges of the Drosbach building regarding the year 2016 (operating lease). It also includes the cost of extension of archive space.

- **Office supplies & Maintenance, IT equipment under the capitalisation threshold – 200,018 €**

This item corresponds to expensed amounts in office supplies, furniture. It includes as well, equipment maintenance. It also includes the acquisition cost of IT equipment under the capitalisation threshold (420 €), which are thus considered as pure expenses.

- **Communication, Publications & Translations – 151,132 €**

This item includes charges related to: translations, publications, communication services including services provided by (or through) the Commission (DG DIGIT). This amount also includes small amounts of costs related to transport and insurance incurred in 2016.

- **Recruitment costs – 10,318 €**

This item includes the costs concerning travel (and daily allowances if applicable) reimbursed to candidates who came for job interviews in the Agency.

- **Training costs – 1,479 €**

This item includes the costs related to training provided by the Commission services (DG HR, DG BUDG, DG DIGIT and third parties).

- **Missions – 124,241 €**

This item includes the expenses concerning the missions of staff: travel costs, hotel, daily allowances, etc.

- **Experts and related expenditure – 317,068 €**

This item includes the amounts related to experts (daily allowances, travel costs), the reimbursement of travel expenses to participants in meetings organised by CHAFEA in the context of the Programmes (Public Health Programme, Consumer Programme and Better

Training for Safer Food Initiative), as well as expenses incurred by the evaluators of calls for proposals, project reviewers and ex-post evaluators.

- **Goods, services and internal procurement – 971,824 €**

This item includes several services such as interim, IT services, consultants, audits and others.

- **Expenses with consolidated entities – 1,266,698 €**

This item includes all expenses with consolidated entities regarding annual fees linked to the Service Legal Agreement with the Commission Paymaster Office (PMO), DG HR and for the medical service.

#### **5.7.4 Short-term provisions**

No short-term provision was booked in 2016.

#### **5.7.5 Bank charges – 1,826 €**

This item includes the amounts debited from the Agency's bank account by the account holders (BCEE and ING), which correspond to the cost of transactions done on the account during the year 2016.

#### **5.7.6 Real exchange gains and losses – 0€**

There were no real exchange transactions in 2016, which would result either in gains or in losses for the Agency.

#### **5.8 Off balance sheet accounts – contingent liabilities and commitments for future funding – 1,567,023 €**

According to EC Accounting Rule no 10, the term contingent is used for liabilities and assets which are not recognised because their existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

The Agency's contingent liabilities in the meaning of this rule correspond to the outstanding potential payment obligations of the Agency ("Reste à Liquider" – R.A.L.) after deduction of all eligible expenses that have been already booked in the Economic Outturn Account. The corresponding total amount as at end December 2016 was 1,567,023 €, which represents unconsumed budgetary commitments which have been carried forward to the subsequent year.

These commitments correspond to an amount of 1,037,419 € of accrued charges for 2016 already registered in liabilities for 2016 and an estimated amount of 529,604 € for which budgetary commitments have been registered but which do not impact the 2016 accruals-based accounting.

## 6. RECONCILIATION OF THE ECONOMIC RESULT WITH THE BUDGET RESULT

		<i>EUR</i>		
		Sign +/-	2016	2015
<b>Economic result (Economic Outturn)</b>		<b>+/-</b>	<b>-134,842</b>	<b>337,449</b>
<b>Adjustment for accrual items (items not in the budgetary result but included in the economic result)</b>				
<b>A</b>	Adjustments for Accrual Cut-off n-1	-	-809,370	-811,943
<b>B</b>	Adjustments for Accrual Cut-off n (i.e. accrued charges minus accrued income)	+	1,037,419	809,370
<b>C</b>	Unpaid invoices at year end but booked in charges (class 6)	+	3,210	7,283
<b>D</b>	Depreciation of intangible and tangible fixed assets	+	33,280	28,772
<b>E</b>	Provisions	+		-
<b>F</b>	Recovery Orders issued in 2013 in class 7 and not yet cashed	-		
<b>G</b>	Pre-financing given in previous year and cleared in the year	+		-
<b>H</b>	Payments made from carry-over of payment appropriations	+	1,245,649	935,563
<b>I</b>	Invoices booked in previous year	+/-		-4,176
<b>Adjustment for budgetary items (item included in the budgetary result but not in the economic result)</b>				
<b>J</b>	Asset acquisitions (less unpaid amounts)	-	-57,082	-17,279
<b>K</b>	Pre-financing remaining open as at 31/12/N	+	556,605	336,031
<b>L</b>	Budgetary recovery orders issued before 2013 and cashed in the year	+		
<b>M</b>	Payment appropriations carried over to N+1	-	-1,567,023	-1,495,758
<b>N</b>	Cancellation of unused carried over payment appropriations from previous year	+	248,706	210,592
<b>Total</b>			<b>556,552</b>	<b>335,903</b>
<b>Budgetary result (Budgetary Outturn)</b>			<b>556,605</b>	<b>336,031</b>
<b>Including amount of exchange rate differences</b>				
	Delta not explained		53	128

As previously explained, the results of the general accounts and the budget accounts are different, due to the different approach between the two accounting systems.

For the year 2016, the Economic result is -134,842 €, while the Budgetary result is +556,605 €.

While the budgetary accounts give a picture of the budget implementation based on the principle of cash modified<sup>4</sup>, the general accounts<sup>5</sup> provide information about the financial position, performance and changes in capital.

The differences between the Economic and the Budgetary results for 2016 exercise can be explained as follows:

- A) Reversal of Accruals 2015 -809,370 €: Costs charged in 2015 considering that the transactions or events occurred in 2015 but for which the payments were done in 2016.
- B) Accruals 2016 +1,037,419 €: Costs charged in 2016 exercise considering that the transactions or events occurred in 2016, nevertheless the payments will be done in 2017. This amount also includes the provision booked in the general accounts to cover the

<sup>4</sup> This means that the expenses or revenues are recorded when an in- or outflow occurs. The appropriations carried over are also recorded.

<sup>5</sup> This means that the effects of the transactions or events are recognised when they occur, independently of the moment of the payment or receipt.

holidays not taken by staff in 2016. It is not considered as an expense in the budgetary accounts, since no outflow occurred.

- C) Outstanding invoice(s) at year end 2016.  
The amount of outstanding/unpaid invoices at 31.12.2016 is 3,210 €.
- D) Depreciation + 33,280 €: In general accounts, the cost to be charged to the exercise corresponds to the depreciation of assets.
- E) Provisions – No provision was booked in 2016.
- F) No recovery order was issued in 2016 in class 7 and not yet cashed.
- G) No pre-financing given in 2015 and cleared in 2016.
- H) This amount 1,245,649 € has to be adjusted to the economic outturn since the impact on charges was registered in 2016, while the impact on budget accounts occurred in 2015. For details please refer to Budget Implementation Reports (section III.2).
- I) No invoices booked in previous year in 2016. The GL 4445000 (Asset receipt), which accounted for the balance in 2015, has been cleared in 2016.
- J) Asset acquisitions – 57,082 €: This amount has to be adjusted since the economic result includes the depreciations, without taking into account the related payments. Please refer to paragraph D).
- K) Pre-financing open at 31/12/2016 + 566,605 €: This amount is adjusted to the economic result since it is not considered as revenue when determining the economic outturn. Moreover, this amount has to be returned to the Commission so that it is treated as a liability, while in budgetary accounts it is considered as revenue.
- L) There was no budgetary recovery orders issued before 2015 and cashed in the year 2016.
- M) Payments appropriations of 2016 carried over to 2017 – 1,567,023 €: This amount is intended to cover the commitments of 2016 carried over to 2017. It is recorded in budgetary accounts, but not in general accounts. For details please refer to Budget Implementation Reports (section III.2).
- N) Non-used carried over payments appropriations from 2015 + 248,706 €: This amount corresponds to the non-used payment appropriations carried over from 2015 to 2016 (250,109€) as well as a commitment originating from 2014, which was not taken into consideration in the C8 funds in 2016, but has been recorded again in the carry forward of 2016-2017 (-1,403€) . The amount has to be adjusted.

**PART III - Reports on Budget Implementation**

**1. Budget Outturn Account**

EUR

			2016	2015
<b>REVENUE</b>				
	Commission subsidy (for the operating budget -Titles 1,2 and 3 - of the Agency)	+	8 789 446	7 409 460
		+		
	Other contributions and funding received via the Commission	+		
	Other donors	+		
	Fee income	+		
	Other revenue	+		10 204
<b>TOTAL REVENUE (a)</b>			<b>8 789 446</b>	<b>7 419 664</b>
<b>EXPENDITURE</b>				
	<i>Title I: Staff</i>			
	Payments	-	4 578 603	4 085 550
	Appropriations carried over	-	155 572	91 225
	<i>Title II: Administrative Expenses</i>			
	Payments	-	1 100 264	864 648
	Appropriations carried over	-	260 544	495 127
	<i>Title III: Operating Expenditure</i>			
	Payments	-	1 237 062	848 261
	Appropriations carried over	-	1 150 906	909 406
<b>TOTAL EXPENDITURE (b)</b>			<b>8 482 950</b>	<b>7 294 217</b>
<b>OUTTURN FOR THE FINANCIAL YEAR (a-b)</b>			<b>306 496</b>	<b>125 447</b>
	Cancellation of unused payment appropriations carried over from previous year	+	250 109	210 592
	Adjustment for carry-over from the previous year of appropriations available at 31.12 arising from assigned revenue	+		
	Exchange differences for the year (gain +/-loss -)	+/-	-	-8
<b>BALANCE OF THE OUTTURN ACCOUNT FOR THE FINANCIAL YEAR</b>			<b>556 605</b>	<b>336 031</b>
	Balance year N-1	+/-	336 031	
	Positive balance from year N-1 reimbursed in year N to the Commission	-	-336 031	
<b>Result used for determining amounts in general accounting</b>			<b>556 605</b>	
<b>Commission subsidy - agency registers accrued revenue and Commission accrued expense</b>			<b>8 232 841</b>	
<b>Pre-financing remaining open to be reimbursed by agency to Commission in year N+1</b>			<b>556 605</b>	
				-

**2. Budget Implementation Reports**

EUR

REVENUE	Initial Budget	Revised Budget 1st Amendment	Revised Budget 1st revision	Revised Budget 2nd Amendment
I01000 European Community Contribution	8,534,500	8,518,376	8,518,376	8,628,376
I02000 EFTA Contribution	161,070	161,070	161,070	161,070
<b>TOTAL</b>	<b>8,695,570</b>	<b>8,679,446</b>	<b>8,679,446</b>	<b>8,789,446</b>

(\* ) budget transfers approved by CHAFEA's Steering Committee

EXPENDITURE Commitment Item	Title	Initial Budget	Revised Budget 1st Amendment	Revised Budget 1st revision	Revised Budget 2nd Amendment	Transfers Between Bud.Lines	Final Budget After Amend. and Transfers	Commitments Execution 31-12-2016	%	Payments Execution 31-12-2016	% Budg	Commitments carried forward RAL
1111 Temporary agents	1	1,983,600	1,983,600	1,954,600	1,699,600	-284,000	<b>1,699,600</b>	1,699,600.00	100.00%	1,598,371.37	94.04%	0.00
1112 Contract agents	1	2,486,007	2,469,883	2,469,883	2,684,883	198,876	<b>2,684,883</b>	2,684,883.00	100.00%	2,602,403.33	96.93%	0.00
1131 Interim agents and blue book trainees	1	250,000	250,000	250,000	250,000	0	<b>250,000</b>	250,000.00	100.00%	201,605.52	80.64%	48,394.48
1211 Recruitment, enter. and leaving service	1	16,000	16,000	16,000	11,000	-5,000	<b>11,000</b>	11,000.00	100.00%	444.00	4.04%	10,556.00
1221 General, spec. & language training courses	1	40,000	40,000	40,000	40,000	0	<b>40,000</b>	40,000.00	100.00%	15,199.04	38.00%	24,800.96
1231 Admin. and Med. Service - PMO and DG HR	1	70,800	70,800	74,800	81,800	11,000	<b>81,800</b>	81,800.00	100.00%	61,138.90	74.74%	20,661.10
1241 Social service and other interventions	1	150,000	150,000	150,000	150,000	0	<b>150,000</b>	150,000.00	100.00%	99,100.10	66.07%	50,899.90
1251 Internal meetings, events and reception	1	900	900	900	900	0	<b>900</b>	600.00	66.67%	340.30	37.81%	259.70
<b>1 Total</b>		<b>4,997,307</b>	<b>4,981,183</b>	<b>4,956,183</b>	<b>4,918,183</b>	<b>-79,124</b>	<b>4,918,183</b>	<b>4,917,883.00</b>	<b>99.99%</b>	<b>4,578,602.56</b>	<b>93.10%</b>	<b>155,572.14</b>
2111 Rent of building and associated costs	2	998,500	998,500	998,500	998,500	0	<b>998,500</b>	998,500.00	100.00%	970,922.67	97.24%	27,577.33
2121 Fitting out	2	10,000	10,000	10,000	8,400	-1,600	<b>8,400</b>	8,353.92	99.45%	0.00	0.00%	8,353.92
2211 Hardware, software and linked expenditure	2	110,000	110,000	110,000	122,000	12,000	<b>122,000</b>	121,965.57	99.97%	74,304.12	60.91%	47,661.45
2221 ICT - DG DIGIT	2	100,000	100,000	90,000	90,000	-10,000	<b>90,000</b>	90,000.00	100.00%	5,000.00	5.56%	85,000.00
2311 Furniture and associated expenditure	2	28,900	28,900	28,900	28,900	0	<b>28,900</b>	23,528.38	81.41%	6,955.64	24.07%	16,572.74
2312 Handling and removal services	2	20,000	20,000	20,000	0	-20,000	<b>0</b>	0.00	0.00%	0.00	0.00%	0.00
2321 Office supplies, library stocks (books, newspapers	2	5,400	5,400	5,400	5,400	0	<b>5,400</b>	5,399.83	100.00%	0.00	0.00%	5,399.83
2331 Current administrative services (financial, legal	2	4,000	4,000	4,000	4,000	0	<b>4,000</b>	4,000.00	100.00%	0.00	0.00%	4,000.00
2341 Postal charges	2	9,000	9,000	9,000	9,000	0	<b>9,000</b>	9,000.00	100.00%	6,916.84	76.85%	2,083.16
2351 Other operating services	2	125,553	125,553	135,553	135,553	10,000	<b>135,553</b>	100,060.23	73.82%	36,164.42	26.68%	63,895.81
<b>2 Total</b>		<b>1,411,353</b>	<b>1,411,353</b>	<b>1,411,353</b>	<b>1,401,753</b>	<b>-9,600</b>	<b>1,401,753</b>	<b>1,360,807.93</b>	<b>97.08%</b>	<b>1,100,263.69</b>	<b>78.49%</b>	<b>260,544.24</b>
3111 Meetings and information days	3	165,900	165,900	195,900	270,900	105,000	<b>270,900</b>	267,869.75	98.88%	132,768.40	49.01%	135,101.35
3121 Expenditure related to evaluation and review (ex 3	3	167,000	167,000	182,000	217,000	50,000	<b>217,000</b>	212,363.20	97.86%	132,337.14	60.98%	80,026.06
3131 Missions and related expenses	3	132,000	132,000	132,000	139,600	7,600	<b>139,600</b>	139,600.00	100.00%	109,549.16	78.47%	30,050.84
3141 Data collection IT services to support programme m	3	265,000	265,000	305,000	305,000	40,000	<b>305,000</b>	304,935.47	99.98%	140,213.92	45.97%	164,721.55
3142 Programme management specific IT systems - DG DIGI	3	680,142	680,142	665,142	665,142	-15,000	<b>665,142</b>	665,142.00	100.00%	545,142.00	81.96%	120,000.00
3151 Communication, editing, publications, website and	3	442,000	442,000	412,000	412,000	-30,000	<b>412,000</b>	399,191.74	96.89%	112,716.89	27.36%	286,474.85
3161 Ex-post auditing	3	130,000	130,000	130,000	130,000	0	<b>130,000</b>	123,025.00	94.63%	0.00	0.00%	123,025.00
3171 Studies, consultancy, translation and other programmes	3	304,868	304,868	289,868	329,868	25,000	<b>329,868</b>	275,840.65	83.62%	64,334.00	19.50%	211,506.65
<b>3 Total</b>		<b>2,286,910</b>	<b>2,286,910</b>	<b>2,311,910</b>	<b>2,469,510</b>	<b>182,600</b>	<b>2,469,510</b>	<b>2,387,967.81</b>	<b>96.70%</b>	<b>1,237,061.51</b>	<b>50.09%</b>	<b>1,150,906.30</b>
<b>Grand Total</b>		<b>8,695,570</b>	<b>8,679,446</b>	<b>8,679,446</b>	<b>8,789,446</b>	<b>93,876</b>	<b>8,789,446</b>	<b>8,666,658.74</b>	<b>98.60%</b>	<b>6,915,927.76</b>	<b>78.68%</b>	<b>1,567,022.68</b>

CREDITS CARRIED OVER 2015-2016 -C8

EUR

Commitment Item	Title	Commitments Carried over 2015-2016	Commitments Execution 31-12-2016	%	Available Amount Budget-Commitments (Commitments not used )	Payments Execution 31-12-2016
1131 - Interim agents and blue book trainees (ex 1400+140		21,031.40	16,944.00	80.57%	4,087.40	16,944.00
1211 - Recruitment, entering and leaving the service		929.46	247.31	26.61%	682.15	247.31
1221 - General, specific & language training courses (ex		26,475.01	2,555.00	9.65%	23,920.01	2,555.00
1231 - Administrative and Medical Service - PMO and DG HR		6,629.80	6,629.80	100.00%	0.00	6,629.80
1241 - Social service and other interventions (ex 1301)		36,047.73	9,098.49	25.24%	26,949.24	9,098.49
1251- Internal meetings, events and reception (ex 2331)		111.33	37.58	33.76%	73.75	37.58
	<b>1 Total</b>	<b>91,224.73</b>	<b>35,512.18</b>	<b>38.93%</b>	<b>55,712.55</b>	<b>35,512.18</b>
2121 - Fitting out		341,514.54	341,514.54	100.00%	0.00	341,514.54
2211 - Hardware, software and linked expenditure (ex 2100		59,446.86	56,744.07	95.45%	2,702.79	56,744.07
2221 - ICT - DG DIGIT (ex 2110)		440.73	0.00	0.00%	440.73	0.00
2311 - Furniture and associated expenditure (ex 2210)		41,204.17	41,204.16	100.00%	0.01	41,204.16
2321 - Office supplies, library stocks (books, newspapers		3,979.85	1,865.70	46.88%	2,114.15	1,865.70
2331 - Current administrative services (financial, legal		1,378.15	0.00	0.00%	1,378.15	0.00
2341 - Postal charges (ex 2400)		0.00	0.00	0.00%	0.00	0.00
2351 - Other operating services (ex 2500)		47,163.06	42,213.15	89.50%	4,949.91	42,213.15
	<b>2 Total</b>	<b>495,127.36</b>	<b>483,541.62</b>	<b>97.66%</b>	<b>11,585.74</b>	<b>483,541.62</b>
3111 - Meetings and information days (ex 3100)		146,745.05	99,147.97	67.56%	47,597.08	99,147.97
3121 - Expenditure related to evaluation and review (ex 3		21,684.93	18,450.00	85.08%	3,234.93	18,450.00
3131 - Missions and related expenses (ex 3120)		32,817.85	10,057.57	30.65%	22,760.28	10,057.57
3141 - Data collection IT services to support programme m		159,667.24	153,742.35	96.29%	5,924.89	153,742.35
3142 - Programme management specific IT systems - DG DIGI		181,840.73	142,242.04	78.22%	39,598.69	142,242.04
3151 - Communication, editing, publications, website and		188,331.30	130,529.73	69.31%	57,801.57	130,529.73
3161 - Ex-post auditing (partly ex 3310)		114,992.00	114,992.00	100.00%	0.00	114,992.00
3171 - Studies, consultancy, translation and other programme exp.		63,327.25	57,433.50	90.69%	5,893.75	57,433.50
	<b>3 Total</b>	<b>909,406.35</b>	<b>726,595.16</b>	<b>79.90%</b>	<b>182,811.19</b>	<b>726,595.16</b>
	<b>Grand Total</b>	<b>1,495,758.44</b>	<b>1,245,648.96</b>	<b>83.28%</b>	<b>250,109.48</b>	<b>1,245,648.96</b>



### 3. Notes on Budget Implementation

CHAFEA as an executive agency has an operating budget governed by the Commission Regulation N°1653/2004. According to Article 15 of Regulation EC N°58/2003, the operating budget covers exclusively the administrative expenditure for the financial year.

The subsidy is transferred to the Agency in several instalments, according to Article n°27 of the Commission Decision C (2013)-9505 of 20/12/2013.

The budget consists only of non-differentiated appropriations.

#### Exercise 2016

##### Credits of the Year – C1

- Revenue is composed of an annual subsidy transferred by the Commission. The subsidy for 2016 was 8,789,446 €.

The subsidy was received in:

- 3 instalments from the Commission, DG SANTE in **March, August and November 2016,**
- 3 instalments from the Commission, DG JUST in **March, August and November 2016**
- 3 instalments from the Commission, DG AGRI in **April, August and December 2016.**

- The budget for 2016 was committed for an amount of 8,666,658.74 €, corresponding to 98.60% of the total.

The payment execution reached the amount of 6,915,927.76 € corresponding to 78.68 % of the initial budget or to 79.80 % of the committed budget.

A total amount of 1,567,022.68 € was carried over to 2016 representing 18.08 % of the commitments of the year.

The major amounts carried over concern the activities of:

- meetings and info days intended for Programme participants,
- data collection and IT systems,
- programme management specific IT systems
- communication, editing, publications and websites,
- financial audits contracted with PricewaterhouseCoopers in 2016
- furniture and associated expenditure
- Studies, consultancy, translation and other programme
- other operating services.

At the end of the year, a review of the provisional commitments took place, in order to ensure that only justified commitments would be carried over to 2017.

Expenditure is divided into 3 titles:

**- Title 1: Expenses for personnel linked to the Agency**

This title includes expenses for: salaries, allowances and social costs, recruitment expenses, training, services provided by DG Admin and PMO, social perquisites and interim services.

EUR

Title 1	2016 €	%	2015 €	Delta 2016-2015 €	Delta 2016-2015 %
<b>Budget Allocated</b>	4 918 183	56% of the total budget	4 185 560	732 623	17.5%
<b>Commitments Execution</b>	4 917 883	100.0%	4 176 774	741 109	17.7%
<b>Payments Execution</b>	4 578 603	93.1%	4 085 550	493 053	12.1%
<b>RAL</b>	155 572	3.4% of the Commitments execution	91 225	64 347	70.5%

**Comments:**

- Title 1 represents 56.0 % of the total budget,
- 100 % of the budget was committed and 93.1% was paid and only 3.4% were transferred in RAL. On the budget lines related to salary, an additional 183,708 € (3.7%) was transferred to the next year (C9 fund source). Due to the annual nature of salary payments, this amount is not usable in the next year and will be decommitted during 2017.
- The carry-over amounts from 2016 to 2017 concerns:
  - Interim services committed in 2016 exercise but to be paid in 2017.
  - Training and language courses for staff,
  - Services provided by PMO and DG HR – medical service and training (SLA),
  - Recruitment expenses,
- The expenses in Title 1 (in terms of commitment execution) increased by 17.7 %.

**- Title 2: Central Support costs**

This title includes expenses related to: rent and charges, purchase of equipment, furniture, office supplies, service legal agreements with DG Budget, DIGIT and other services related to the operating activities.

EUR

Title 2	2016 €	%	2015 €	Delta 2016-2015 €	Delta 2016-2015 %
<b>Budget Allocated</b>	1 401 753	15.9% of the total Budget	1 409 000	-7 247	-0.5%
<b>Commitments Execution</b>	1 360 808	97.1%	1 359 775	1 033	0.1%
<b>Payments Execution</b>	1 100 264	78.5%	864 648	235 616	27.2%
<b>RAL</b>	260 544	19.1% of the Commitments execution	495 127	-234 583	-47.4%

**Comments:**

- Title 2 represents 15.9% of the total budget,
- 97.1 % of the budget was committed, 78.5 % was paid and 19.1 % (of allocated budget) was transferred in RAL,

- The most significant amount carried over to 2017 relates to hardware, software and linked expenditure contracted in 2016, but to be paid in 2017.
- The most significant expense, 69.3 % of allocated budget in title 2 relates to office space: rent and charges.

### - Title 3: Expenditure linked to the Agency's operations

This title includes expenses for: meetings organised for DG SANCO, payments of experts participating in the evaluation of calls for proposals, missions, IT expenditure, communication, ex-post audits directly related to operational activities.

EUR

Title 3	2016 €	%	2015 €	Delta 2016-2015 €	Delta 2016-2015 %
<b>Budget Allocated</b>	<b>2 469 510</b>	<b>28.1% of the total Budget</b>	<b>1 814 900</b>	<b>654 610</b>	<b>36.1%</b>
<b>Commitments Execution</b>	<b>2 387 968</b>	<b>96.7%</b>	<b>1 757 668</b>	<b>630 300</b>	<b>35.9%</b>
<b>Payments Execution</b>	<b>1 237 062</b>	<b>50.1%</b>	<b>848 261</b>	<b>388 801</b>	<b>45.8%</b>
<b>RAL</b>	<b>1 150 906</b>	<b>48.2% of the Commitments execution</b>	<b>909 406</b>	<b>241 500</b>	<b>26.6%</b>

### Comments:

- Title 3 represents 28.1% of the total budget,
- 96.7% of the budget was committed, 50.1% was paid and 48.2% (of allocated budget) was transferred in RAL,
- In comparison with 2015, the budget allocated increased by 26.6 %.
- The amount of 1 150 906 € carried-over from 2016 to 2017 includes :
  - Meetings organised in 2016 for which the reimbursement of expenses will be paid in 2017 and includes as well the amounts for meetings planned in the year 2017 for which experts were invited in 2016,
  - Data collection & IT services: services provided in 2016 but not yet paid and services to be provided in the year 2017,
  - Programme management specific IT systems – provided the Commission (DG DIGIT),
  - Mission's expenses realised in 2016 but not paid until the 31/12/2016 to the concerned staff members,
  - Communication and promotion activities in Consumers and BTSF: videos, booklets,
  - Services related to ex-post evaluation and financial audit ex-post outsourced in 2016,
  - Studies, consultancy, translation and other programmes.

### Credits carried over from 2015 to 2016 – C8

- In 2016 the RAL amounted to 1 495 758 € :
  - Title 1: 91,225 € 6.1 %
  - Title 2: 495,127 € 33.1 %
  - Title 3: 909,406 € 60.8 %

A review of open commitments took place at the end of 2016 and a total of 250 109 € was de-committed. This amount will be returned to the Commission after closure of the accounts. For more details please refer to the Budget Outturn account.

The unused amounts concern some expenses that were foreseen to take place during the following exercise, but which did not finally occur.

**4. Human Resources on 31-12-2016**

Categories and grades	31-12-2016	Planned
<b>Temporary Agents</b>		
AD14	1	1
AD13	1	1
AD12	2	3
AD11	1	2
AD10		
AD9		
AD8	1	1
AD7	1	
AD6	1	2
AD5	3	3
AST7	1	1
AST6		
AST5		
AST 4	1	1
<b>Total Temporary Agents</b>	<b>13</b>	<b>15</b>
<b>Contractual Agents</b>		
IV	27	24
III	10	12
II	7	9
I	1	
<b>Total Contractual Agents</b>	<b>45</b>	<b>45</b>
<b>TOTAL</b>	<b>58</b>	<b>60</b>

**5. Overview of contracts on 31-12-2016**

Expenditure Type	Commitment	Contract Reference	Contractor name	Amount	Good	Service	Restricted procedure	Framework contract
ADM	PHE.1162	CHAFEA/2014/BDC/37/ADM - OIL - FURNITURE 2014 - SHELVES FOR ARCHIVES ROOM DRB B-3/002 -RE-COMMITMENT	EUROPEAN COMMISSION	2,793.00	x		x	
ADM	PHE.1179	CHAFEA/2016/BDC/06/ADM - OIL - OFFICE SUPPLIES (PAPER)	EUROPEAN COMMISSION	613.80	x		x	
ADM	PHE.1186	CHAFEA/2016/BDC/10/ADM - GISPEN - PURCHASE OF CONFERENCE TABLES - FWC OIB.DR.2/PO/2014/055/622 - LOT4	GISPEN SA	6,955.64	x			x
ADM	PHE.1198	CHAFEA/2016/BDC/16/ADM - OIL - OFFICE SUPPLIES	EUROPEAN COMMISSION	2,341.24	x		x	
ADM	PHE.1201	CHAFEA/2016/SC/14/ADM - ONE4EU3 - ESP -DESIS DI/07338 LOT3 / ROSINE UWAMAHARO - W.O.M LEVEL3	ONE4EU3 CONSORTIUM	42,326.00		x		x
ADM	PHE.1202	CHAFEA/2016/SC/15/ADM - INNOVATIA CONSORTIUM - ESP -DESIS DI/07335 LOT2 / ROSINE UWAMAHORO - I.D. LEVEL 3	INNOVATIA	49,786.00		x		x
ADM	PHE.1217	07_01 - CHAFEA/2016/SC/35/ADM - PWC - FWC BUDG/15/PO/03 - PRICewaterHOUSECOOPERS- EX-POST AUDIT	PRICewaterHOUSE ECOOPERS	123,025.00		x		x
ADM	PHE.1218	CHAFEA/2016/SC/36/ADM - SERCO BELGIUM - USER SUPP. AGENT ANALYST INTRAMUROS	SERCO BELGIUM	20,413.00		x		x
ADM	PHE.1225	CHAFEA/2016/BDC/30/ADM - CDT - TRANSL. OF COA'S COMMENTS (ANNUAL ACCOUNTS 2015)	TRANSLATION CENTRE FOR THE BODIES OF THE EU	992.20		x		x
ADM	PHE.1226	CHAFEA/2016/BDC/29/ADM - OP - DELIVERY, DE-STORAGE & RECYCLING OF OBSOLETE CHAFEA PUBLICATIONS IN THE OP PREMISES	EUROPEAN COMMISSION	389.93		x	x	
ADM	PHE.1230	CHAFEA/2016/BDC/25/ADM - STANDEXPOSIUM - PURCHASE OF 2 NOMADIC POP UP DISPLAY STAND	EIGHT COMMUNICATION	1,833.00	x		x	
ADM	PHE.1237	01_01_37 - CHAFEA/2016/SC/37/ADM - BUDG-12PO-PO-02 / FC 30-CE-0542730/00-53 - PWC EU SERV. EESV	PRICewaterHOUSE ECOOPERS EU SERVICES	42,405.00		x		x
ADM	PHE.1242	CHAFEA/2016/BDC/39/ADM - OIL - OFFICE SUPPLIES (PAPER)	EUROPEAN COMMISSION	613.80	x		x	
ADM	PHE.1251	CHAFEA/2016/BDC/43/ADM - OIL - OFFICE SUPPLIES	EUROPEAN COMMISSION	1,830.99	x		x	
ADM	PHE.1260	CHAFEA/2016/BDC/50/ADM - GISPEN - PURCHASE OF FURNITURE FOR THE RELAX CORNER	GISPEN SA	3,613.33	x			x
ADM	PHE.1269	CHAFEA/2016/BDC/56/ADM - OIL - FURNITURE 2016	EUROPEAN COMMISSION	10,166.41	x		x	
ADM	PHE.1272	CHAFEA/2016/SC/42/ADM - ONE4EU3 - ESP -DESIS DI/07338 LOT3 / DEL VALLE FLAQUÉ FERNANDEZ RAQUEL MARIA - W.O.M LEVEL3	ONE4EU3 CONSORTIUM	42,326.00		x		x
AGR	PHE.1168	CHAFEA/2016/SC/01/AGR - SCHAEFER - TEST OF THE SEP SUBMISSION FORMS CREATED FOR THE CFP FOR PROMOTION &OF AGRICULTURAL PRODUCTS - FINAL DECOMMITMENT (NON-SIGNATURE OF THE CONTRACT)	SCHAEFER	450.00		x	x	
AGR	PHE.1169	CHAFEA/2016/SC/02/AGR - POMMEREAU - TEST OF THE SEP SUBMISSION FORMS CREATED FOR THE CFP FOR PROMOTION &OF AGRICULTURAL PRODUCTS	POMMEREAU	450.00		x	x	
AGR	PHE.1239	CHAFEA/2016/SC/38/AGR - BARZAN - PREPARING GUIDANCE FOR EXTERNAL EVALUATORS ON THE ASSESSEMENT	BARZAN	3,150.00		x	x	

Expenditure Type	Commitment	Contract Reference	Contractor name	Amount	Good	Service	Restricted procedure	Framework contract
AGR	PHE.1261	CHAFEA/2016/BDC/52/AGR - CIANO (VIA INTERNAL APPLICATION "PRESTO") - CATERING - INFO DAY ON CALL FOR PROP. 2017 - 31/01/2017 - BRUSSELS	CIANO TRADING & SERVICES	12,059.41	x			x
AGR	PHE.1262	CHAFEA/2016/BDC/55/AGR - STANDEXPOSIUM (EIGHT COMMUNICATION) - PURCHASE OF 4 ROLL-OUT BANNERS	EIGHT COMMUNICATION	602.20	x		x	
AGR	PHE.1263	CHAFEA/2016/BDC/53/AGR - OBJECTIF - PURCHASE OF BADGES FOR AGRI INFO DAY 2017	OBJECTIF	278.00	x		x	
AGR	PHE.1264	CHAFEA/2016/BDC/54/AGR - IGEP - PURCHASE OF LANYARDS (+PRINTING) FOR AGRI INFO DAY 2017	INTERNATIONAL GRAFIC EDITIONS	992.00	x			x
AGR	PHE.1267	CHAFEA/2017/BDC/57/AGR - OP - PUBLICATION OG AGRI CALLS FOR PROPOSAL 2017	EUROPEAN COMMISSION	2,750.00		x	x	
BTSF	PHE.1219	CHAFEA/2016/SC/03/BTSF - NOOKOM - PRODUCTION OF BTSF ANNUAL REPORT 2015 / AD1	NOOKOM	49,999.36		x		x
BTSF	PHE.1222	CHAFEA/2016/SC/06/BTSF - NOOKOM - PROVISION OF A RANGE PROMO-MATERIAL FOR BTSF - ADD1 (DURATION EXT.)	NOOKOM	42,965.75		x		x
BTSF	PHE.1240	CHAFEA/2016/BDC/36/BTSF - NOVOTEL LUXEMBOURG - BTSF INFO DAY - 20/09/2016	MULTIPLE	2,080.00		x	x	
BTSF	PHE.1254	CHAFEA/2016/SC/05/BTSF - NOOKOM - ORGANISATION BTSF INFO DAY 2016	NOOKOM	13,899.05		x		x
CP	PHE.1178	CHAFEA/2016/SC/25/CP - RPA - PRODUCTION OF MARKET STUDY ON THE PUBLIC PROCUREMENT PROCEDURE - FMK SANCO/2012/02/011 LOT2	RISK & POLICY ANALYSTS LIMITED	49,090.00		x		x
CP	PHE.1221	CHAFEA/2016/SC/07/CP - NOOKOM - ORGANISATION OF ECC NET INFO DAY 2016	NOOKOM	14,999.89		x		x
CP	PHE.1232	CHAFEA/2016/SC/33/CP - NOOKOM - PRODUCTION OF VOICE OVER FOR A VIDEO PROMOTING ECC NETWORK	NOOKOM	29,980.50		x		x
IT	PHE.1175	CHAFEA/2016/BDC/02/IT - DIMENSION DATA - MAINTENANCE OF VIDEOCONFERENCE SYSTEM	DIMENSION DATA BELGIUM	943.38		x		x
IT	PHE.1177	CHAFEA/2016/BDC/03/IT - GETSYS LUXEMBOURG - PURCHASE OF COPIER & SCANNER + 5 YEARS MAINTENANCE - FWK DI/6940	GETSYS LUXEMBOURG	23,202.95	x			x
IT	PHE.1181	DIGIT - MOU REGARDING THE E-INVOICING OF THE PROCUREMENT SERVICES IN THE IT FIELD	EUROPEAN COMMISSION	10,000.00		x	x	
IT	PHE.1182	CHAFEA/2016/BDC/01/IT - COMPAREX NEDERLAND B.V. - PURCHASE & RENEWAL OF SOFTWARE IN Q1	COMPAREX NEDERLAND BV	7,985.20		x		x
IT	PHE.1185	CHAFEA/2016/SC/32/IT - DIMENSION DATA - INSTALLATION OF A VIDEOCONFERENCE SYSTEM	DIMENSION DATA BELGIUM	4,550.00	x		x	
IT	PHE.1188	CHAFEA/2016/BDC/09/IT - SYSTEMAT - PURCHASE OF LOCK CABLES	SYSTEMAT LUXEMBOURG PSF SA	493.00	x			x
IT	PHE.1193	CHAFEA/2016/SC/29/IT - ONE4EU3 - ESP - DESIS DI/07338 LOT3 / LUISA SOARES MARQUES	ONE4EU3 CONSORTIUM	109,225.20		x		x
IT	PHE.1194	CHAFEA/2016/SC/27/IT - SERCO BELGIUM - A. MENIDIATIS (SYSTEME ADMINISTRATOR) - FC 07390	SERCO BELGIUM	29,134.30		x		x
IT	PHE.1195	CHAFEA/2016/SC/26/IT - SERCO BELGIUM - A. MENIDIATIS (SECURITY CONSULTANT) - FC 07390	SERCO BELGIUM	31,075.20		x		x
IT	PHE.1196	CHAFEA/2016/SC/28/IT - EURORA CONSORTIUM - ESP-DESI DI/07330 LOT1 / JP MAQUESTIAUX	CONSORTIUM EURORA - ARHS DEVELOPMENTS	94,987.20		x		x
IT	PHE.1197	CHAFEA/2016/SC/30/IT - INNOVATIA CONSORTIUM - ESP -DESI DI/07335 LOT2 / PHILIPPE BRYNAERT	INNOVATIA	46,539.20		x		x
IT	PHE.1199	CHAFEA/2016/BDC/16/IT - GISIS - MOVE OF IT ASSETS FROM DRB A3 TO DRB E2	GISIS	1,648.04		x		x

Expenditure Type	Commitment	Contract Reference	Contractor name	Amount	Good	Service	Restricted procedure	Framework contract
IT	PHE.1207	CHAFEA/2016/SC/21/IT - ORACLE - RENEWAL OF MAINTENANCE FOR ORACLE USER LICENSES	ORACLE BELGIUM BVBA	1,577.56		x		x
IT	PHE.1210	CHAFEA/2016/BDC/21/IT - SAP BELGIUM - MAINT. RENEWAL OF SAP & BO LICENSES	SAP BELGIUM - SYSTEMS APPLICATIONS	3,321.20		x		x
IT	PHE.1211	CHAFEA/2016/BDC/22/IT - SYSTEMAT - PURCHASE OF DISKS & MAINTENANCE OF OLD SERVERS	SYSTEMAT LUXEMBOURG PSF SA	3,550.38	x			x
IT	PHE.1214	CHAFEA/2016/BDC/27/IT - GETSYS LUXEMBOURG - PURCHASE OF CONSUMABLES FOR PRINTERS - FWK DI/6940	GETSYS LUXEMBOURG	14,766.02	x			x
IT	PHE.1215	CHAFEA/2016/BDC/28/IT - COMPAREX NEDERLAND B.V. - MICROSOFT LICENSES	COMPAREX NEDERLAND BV	9,302.92		x		x
IT	PHE.1216	CHAFEA/2016/SC/34/IT - SERCO BELGIUM - USER SUPP. AGENT ANALYST INTRAMUROS - ADD2	SERCO BELGIUM	41,967.90		x		x
IT	PHE.1234	CHAFEA/2016/BDC/33/IT - COMPAREX NEDERLAND B.V. - MICROSOFT LICENSES	COMPAREX NEDERLAND BV	90.88		x		x
IT	PHE.1236	CHAFEA/2016/BDC/34/IT - BELGACOM - MAINTENANCE VIDEO CONFERENCE SYSTEM	PROXIMUS	1,810.00		x		x
IT	PHE.1238	CHAFEA/2016/BDC/35/IT - GETSYS LUXEMBOURG - MAINTENANCE FOR PRINTERS - FWK DI/6940	GETSYS LUXEMBOURG	979.28		x		x
IT	PHE.1241	CHAFEA/2016/BDC/38/IT - GETSYS LUXEMBOURG - REPARATION OF A COPIER - FWK DI/6940	GETSYS LUXEMBOURG	889.01		x		x
IT	PHE.1248	CHAFEA/2016/BDC/41/IT - BECHTLE AG - PURCHASE OF INFORMATIC EQUIPMENT (1 IPAD / 2 LAPTOPS)	BECHTLE AG	3,485.03	x			x
IT	PHE.1250	CHAFEA/2016/BDC/44/IT - BECHTLE AG - PURCHASE OF 3 SERVERS AND CONSOLLE - (2016-34564-0)	BECHTLE AG	17,344.46	x			x
IT	PHE.1252	CHAFEA/2016/BDC/47/IT - COMPAREX NEDERLAND B.V. - RENEWAL OF SOFTWARE IN Q4	COMPAREX NEDERLAND BV	2,921.82		x		x
IT	PHE.1255	CHAFEA/2016/BDC/45/IT - SYSTEMAT - PURCHASE OF PCS FOR NEW STAFF - (2016-35930-0)	SYSTEMAT LUXEMBOURG PSF SA	20,304.44	x			x
IT	PHE.1256	CHAFEA/2016/SC/41/IT - INNOVATIA CONSORTIUM - ESP -DESIS DI/07335 LOT2 / PHILIPPE BRYNAERT	INNOVATIA	41,593.50		x		x
PHP	PHE.1170	CHAFEA/2016/SC/10/PHP - GOPA.COM - PREPARATION OF A DISSEMINATION STRATEGY (2ND & 3RD HEALTH PROGRAMMES OF EU)	GOPA COM.	49,990.00		x		x
PHP	PHE.1187	CHAFEA/2015/SC/72/PHP - MEDIA CONSULTA - P° OF SHORT VIDEOS - RECOMMITMENT	MEDIA CONSULTA TV & FILMPRODUKTION	50,050.00	x			x
PHP	PHE.1190	CHAFEA/2016/BDC/05/PHP- OP - PUBLICATION CALLS FOR PROPOSAL 2016	EUROPEAN COMMISSION	216.00		x	x	
PHP	PHE.1191	CHAFEA/2016/BDC/13/PHP - CDT - TRANSL. OF CALL FOR PROPOSALS 2016 (ERN/FPA)	TRANSLATION CENTRE FOR THE BODIES OF THE EU	2,480.50		x		x
PHP	PHE.1192	CHAFEA/2016/BDC/12/PHP- OP - PUBLICATION CALLS FOR PROPOSAL 2016 - ERN/FPA	EUROPEAN COMMISSION	216.00		x	x	
PHP	PHE.1203	CHAFEA/2016/BDC/19/PHP - 122ND CONGRESS OF THE GERMAN ASSOCIATION FOR INTERNAL MEDICINE - 09-12/04/2016 - MANNHEIM	MANNHEIMER KONGRESS UND TOURISTIK	500.00		x	x	
PHP	PHE.1212	CALOUSTE GULBENKIAN FOUNDATION - CHAFEA/2016/BDC/17/PHP - RENTAL & EQUIPMENT - CONF. ON MIGRANTS & HEALTH ACTIONS - LISBON 12-13/05/2016	FUNDACAO CALOUSTE GULBENKIAN	3,000.00		x	x	
PHP	PHE.1213	IFIC - CHAFEA/2016/BDC/18/PHP - RENTAL, CATERING & EQUIPMENT - 16TH INTERNATIONAL CONF. ON INTEGRATED CARE - BARCELONA - 23-25/05/2016	STICHTING INTERNATIONAL FOUNDATION	6,300.00		x	x	



Expenditure Type	Commitment	Contract Reference	Contractor name	Amount	Good	Service	Restricted procedure	Framework contract
PHP	PHE.1228	CHAFEA/2016/BDC/32/PHP - CDT - TRANSL. OF TOR FOR THE OPEN CALLS CHAFEA/2015/HEALTH 51	TRANSLATION CENTRE FOR THE BODIES OF THE EU	9,245.50		x		x
PHP	PHE.1245	CHAFEA/2016/SC/40/PHP - NOOKOM - CLUSTER MEETING - (BUDAPEST - 30/11/2016 TO 02/12/2016)	NOOKOM	84,999.40		x		x
PHP	PHE.1246	CHAFEA/2016/BDC/37/PHP - HOTEL PRESIDENT - MEETING VENUE & CATERING/CLUSTER MEETING - (BUDAPEST - 30/11/2016 TO 02/12/2016)	PRESIDENT MANAGEMENT	11,562.00		x	x	
PHP	PHE.1257	CHAFEA/2016/BDC/47/PHP - CDT - TRANSL. OF TOR FOR THE OPEN CALL CHAFEA/2016/HEALTH/18	TRANSLATION CENTRE FOR THE BODIES OF THE EU	9,809.25		x		x
PHP	PHE.1259	CHAFEA/2016/BDC/51/PHP - CDT - TRANSL. OF CALL ANNOUNCEMENT - CALL FOR RARE DISEASES - SUPPORT FOR NEW REGISTRIES FROM EN TO OTHER LANGUAGES	TRANSLATION CENTRE FOR THE BODIES OF THE EU	2,480.50		x		x
PHP	PHE.1268	CHAFEA/2016/BDC/48/PHP - SCRIPTORIA - PURCHASE OF 60 ILLUSTRATIONS / VISUAL UNIVERSE HEALTH PROGRAMME	SCRIPTORIA	14,440.00	x		x	
PHP	PHE.1270	CHAFEA/2016/BDC//PHP - CDT - TRANSL. OF TOR FOR THE OPEN CALL CHAFEA/2016/HEALTH/03 & CHAFEA/2016/HEALTH/04	TRANSLATION CENTRE FOR THE BODIES OF THE EU	21,873.50		x		x

## 6. Report on Financial Management in 2016

The Consumers, Health and Food Executive Agency (CHAFEA) is the result of the transformation of the Executive Agency for Health and Consumers (EAHC). On 9<sup>th</sup> September 2008, the Agency was entrusted with a new mandate enlarged to Consumers and Food Safety measures.

In 2012, the Commission decided to further extend the mandate of the Agency and to increase the volume of appropriations entrusted to it, through a new amendment:

Consequently, the Agency was also responsible for the management of the part of the actions provided for in the Commission Decision C(2012)1548, adopting a work programme for the funding of projects in the area of external trade relations, including access to the markets for non-European Union countries and initiatives in the field of trade-related assistance<sup>6</sup>. This extension also covered the delegation of actions pertaining to the *Food Security* Thematic Programme as provided for in the Regulation EC/1905/2006 of the European Parliament and the Council establishing a Financing Instrument for Development Cooperation.

By its implementing Decision of 17 December 2013 (Ref. 2013/770/EU) the European Commission established the Consumers, Health and Food Executive Agency – Chafea - which replaced and succeeded the Executive Agency for Health and Consumers over the period from 1<sup>st</sup> January 2014 to 31 December 2024.

The Commission Decision of 17 December 2013 entrusted the new agency *Chafea* with the implementation of the following programmes and actions:

- The Consumer Programme 2014-2020,
- The Public Health Programme 2014-2020,
- The Food Safety Training measures covered by Directive 2000/29/EC and Regulation (EC) No 882/2004.

*The Agency was also entrusted with the implementation of the legacy of the programmes which were managed by the former Executive Agency for Health and Consumers – EAHC.*

*By the Commission Implementing Decision of 17 December 2014 (Ref. 2014/927/EU), the Consumers, Health and Food Executive Agency has been transformed into the **Consumers, Health, Agriculture and Food Executive Agency – CHAFEA** from 1<sup>st</sup> January 2014 to 31 December 2024 and has also been made responsible for implementing the information provision and promotion measures concerning agricultural products implemented in the internal market and third countries.*

The implementation of the Agency's administrative budget - an annual subsidy transferred by the Commission to the Agency's bank account - is regulated by Commission Regulation (EC) N 1653/2004 on a standard financial regulation for Executive Agencies amended by Commission regulation EC n°651/2008 of 9/07/2008.

### • Financial Management and Internal Control

The Consumers, Health, Agriculture and Food Executive Agency has implemented a centralised organisational structure based on the Commission's designed Financial Circuit Model 4, «Full

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6 and its actions announced under the heading "Trade-related assistance, training and capacity building actions towards developing countries

centralisation of financial transactions»<sup>7</sup>. According to this Model, the centralised verification of the financial aspects of a transaction must ensure that the operation is legal, regular and in due respect of the principle of sound financial management and that all related steps have been carried out correctly in compliance with the applicable regulatory requirements.

The financial circuits in place are compliant with the "four eyes principle", meaning that the roles of initiation and verification are separated to ensure clearer accountability. The centralised financial ex-ante control function is not involved in the initiation of financial operations. All main financial procedures are documented and published on the Agency's intranet.

The Agency operates in respect of the Commission-wide 16 Internal Control Standards, which aim at an effective operation of the control environment. In this perspective, the Agency performed a full risk assessment and internal control review.

- **Accounting systems**

Having concluded a Service Level Agreement with the Budget Directorate-General of the European Commission (DG BUDG), the Agency implemented and uses the Commission hosted ABAC and SAP accounting tools. Since December 2007 the Agency also disposes of ABAC Assets, a specific ABAC module to manage fixed assets.

To cash the operating subsidy paid by the European Commission and to execute payments, the Agency has opened a bank account in EUR, benefiting from the same framework contract conditions as the Commission. All transactions via this account are systematically made through the Commission managed ABAC, SAP and SWIFT systems.

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<sup>7</sup> provided for in the Annex to the Action 79 of the White Paper on reforming the Commission, 200/2000/COM, "Reforming the Commission – a White Paper – Part II – Action Plan" dated 01.03.2000.