



**ECSEL Joint Undertaking**

Electronic Components and Systems for European Leadership

# **Report on Budgetary and Financial Management**

## **Financial year 2019**

Brussels, March 2020

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# 1 INTRODUCTION

## 1.1 LEGAL FRAMEWORK

The Electronic Components and Systems for European Leadership Joint Undertaking (ECSEL JU) is the European public-private partnership (PPP) based in Brussels that funds Research, Development and Innovation projects for world-class expertise in these key enabling technologies, essential for Europe's competitive leadership in the era of the digital economy. Through the ECSEL JU, the European industry, Small and Medium-Sized Enterprises (SMEs) and Research and Technology Organisations are supported and co-financed by 30 ECSEL Participating States and the European Union.

ECSEL JU was created by Council Regulation (EU) N° 561/2014 of 06/05/2014 under Article 187 of The Treaty of Lisbon as a legal entity responsible for the implementation of a Joint Technology Initiative on Electronic Components and Systems for European Leadership<sup>1</sup>.

The ECSEL Joint Undertaking replaced and succeeded the ENIAC and ARTEMIS Joint Undertakings, established by Regulations (EC) No 72/2008 and (EC) No 74/2008. The rules governing ARTEMIS and ENIAC projects remain in force until the financial closure of their contracts. ECSEL JU embodies the joining of forces of (1) the EU represented by the European Commission, (2) three associations (EPoSS, AENEAS and ARTEMIS Industry Association) representing actors from the areas of micro- and nano-electronics, smart integrated systems and embedded/cyber-physical systems, (3) Member States and Associated Countries to the Framework Programme Horizon 2020 on a voluntary basis.

The main objectives of ECSEL JU are, amongst others, to contribute to the development of a strong and globally competitive electronics components and systems industry in the European Union and to ensure the availability of electronic components and systems for key markets and for addressing societal challenges, keeping Europe at the forefront of technology development, bridging the gap between research and exploitation, strengthening innovation capabilities and creating economic and employment growth in the European Union.

## 1.2 FINANCIAL FRAMEWORK

In accordance with Council Regulation (EC) No 561/2014 of 6 May 2014 establishing the ECSEL Joint Undertaking and under Article 187 of the Treaty on the Functioning of the European Union, the ECSEL Joint Undertaking is jointly funded by its members through financial contributions paid in instalments and in kind contributions consisting of the costs incurred by the private members or their constituent entities and affiliated entities in implementing indirect actions that are not reimbursed by the ECSEL Joint Undertaking.

Over the period 2014-2024, ECSEL JU members are envisaged to make the following financial contributions:

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<sup>1</sup> The date of establishment is 27/06/2014, following the publication of the Council Regulation and of the Statutes annexed to it in the Official Journal of the European Union OJ L 169/153 of 07.06.2014.

for **administrative costs**:

- ✓ up to EUR 15 255 000 as financial contribution from the European Union;
- ✓ up to EUR 19 710 000 or 1 % of the sum of the total cost of all projects, whichever figure is higher, but not exceeding EUR 48 000 000 as financial contribution by the private members;
- ✓ EUR 4 455 000 as contribution to the administrative costs from the Union and the private members for the completion of the actions launched under FP7;

for **operational costs**:

- ✓ up to EUR 1 169 619 000 as financial contribution from the European Union;
- ✓ at least EUR 1 170 000 000 as financial contributions from ECSEL Participating States;
- ✓ at least EUR 1 657 500 000 as in kind contributions by the private members or their constituent entities and affiliated entities consisting of the costs incurred by them in implementing indirect actions less the contributions by the ECSEL Joint Undertaking, the ECSEL Participating States and any other European Union contribution to those costs.

The present report has been drafted in accordance with Article 22 of the Statutes of the ECSEL Joint Undertaking annexed to Council Regulation (EU) No 561/2014 and with Article 53 of the Financial Rules<sup>2</sup> of ECSEL Joint Undertaking and will be made available to the European Parliament, the Council and the Court of Auditors.

### 1.3 BUDGETARY PRINCIPLES

The ECSEL Budget is the instrument which, for each financial year, forecasts and implements the revenue and expenditure considered necessary for the Joint Undertaking.

The budget is established and implemented in compliance with the principles of **unity and budgetary accuracy, annuality, equilibrium, unit of account, universality, specification, sound financial management and transparency**:

- ✓ **Unity and budget accuracy**: No revenue shall be collected and no expenditure effected unless booked to a line in the budget of ECSEL JU. No expenditure may be committed or authorised in excess of the appropriations authorised by the budget. An appropriation may be entered in the budget only if it is for an item of expenditure which is considered necessary.
- ✓ **Annuity**: Appropriations entered in the budget shall be authorised for a financial year which shall run from 1 January to 31 December. As specified in the Financial Rules, ECSEL JU is subject to an exception to the annuity principle, specific only to the Joint Undertakings (the “N+3” rule), whereby any unused appropriations may be entered in the estimate of revenue and expenditure of up to the following three financial years. These appropriations may be used first.
- ✓ **Equilibrium**: Revenue and expenditure shown in the budget must be in balance.
- ✓ **Unit of account**: The budget is drawn up and implemented in euro (EUR) and the accounts are presented in euro.
- ✓ **Universality**: Total revenue shall cover total payment appropriations and all revenue and expenditure shall be entered in full without any adjustment against each other.
- ✓ **Specification**: Appropriations are earmarked for specific purposes at least by title and chapter.

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<sup>2</sup> Adopted by ECSEL JU Governing Board decision ECSEL-GB-2020.138 on 26.02.2020 and applicable as of 01.01.2020.

- ✓ **Sound financial management:** Appropriations are used in accordance with the principle of sound financial management, namely in accordance with the principles of economy, efficiency and effectiveness.
- ✓ **Transparency:** The budget is established and implemented and the accounts presented in compliance with the principle of transparency. The budget and any amending budgets are published in the website of the ECSEL Joint Undertaking within four weeks of adoption and are transmitted to the Commission and the Court of Auditors.

## 2 BUDGET 2019 OVERVIEW

2019 was a year of continued commitment of the JU's members and stakeholders in achieving the objectives of ECSEL Programme, and a year of further development of the JU's activities as set out in its Annual Work Plan for 2019.

A study by Deloitte has analysed the impact of ECSEL JU funded projects and identified the increased levels of research and innovation cooperation (R&I) between organisations realised as an outstanding benefit realised by the ECSEL programme. The study also describes the ECSEL R&I ecosystem to be characterised by inclusivity, multi-sectorial approach, win-win relation between industry and research organisations, inclusion of SME's, openness and knowledge sharing, trust and risk taking and bridging to other funding programmes in Europe with ECSEL's lighthouse initiatives.

According to ECSEL JU Annual Work Plan for 2019, the key objectives were:

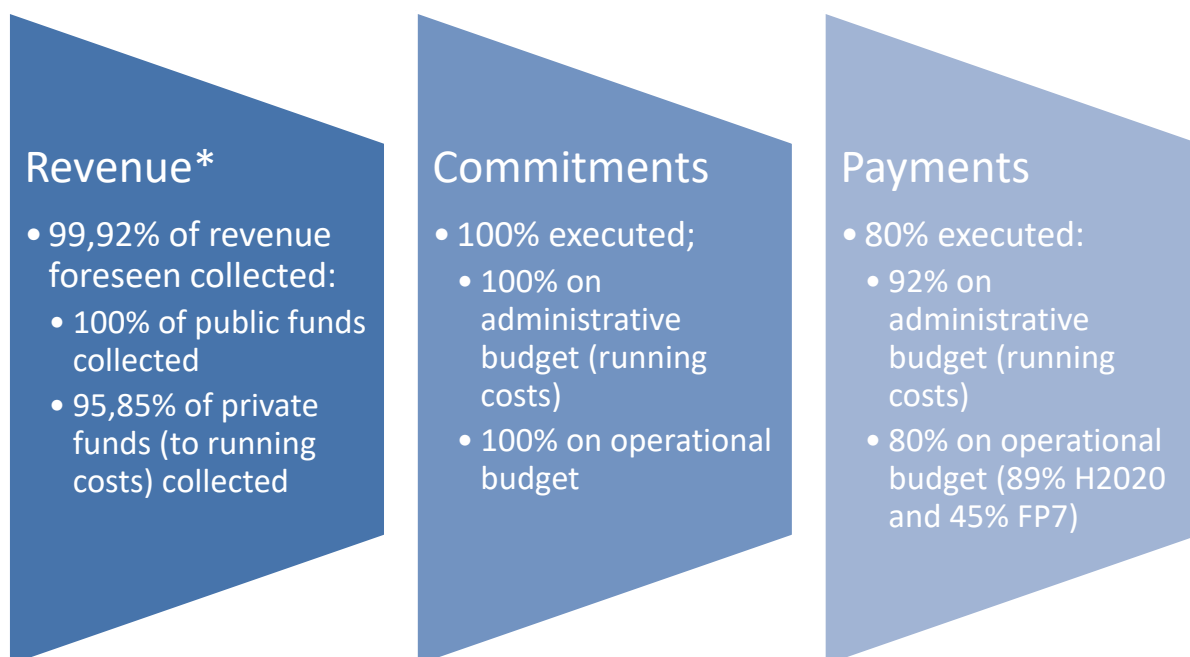
- Launching of calls 2019 and selection of projects.
- Launching of a study on the impact of ECSEL JU funded projects through public procurement.
- Grant Agreement signature cycle with the start of the projects selected for Call 2018.
- Monitoring of the ECSEL projects selected in the calls 2014, 2015, 2016 and 2017 and the management of the legacy projects launched under ENIAC and ARTEMIS.
- Further implementation of ECSEL's communication strategy involving key features such as events, dissemination actions and public communications.
- Sound administrative and operational budget execution.
- Smooth functioning of ECSEL JU office.

In 2019, total available appropriations were EUR 203.966 million for commitments and EUR 232.545 million for payments. The budget implementation reached 100% in terms of commitment appropriations and 80% in terms of payment appropriations.

### Note: Date of data extraction

*The budget implementation data presented below in tables 1-11 is the data serving as a basis for the ECSEL JU provisional accounts for the financial year 2019 issued at the end of February 2020 (not yet audited by the European Court of Auditors) and may be revised in the final accounts for the year 2019.*

*The data presented in the rest of tables were extracted from ABAC Datawarehouse in mid-March 2020.*



\* Reactivated unused appropriations from previous budgetary years and recoveries are not included.

## 2.1 BUDGET STRUCTURE

The budget of the ECSEL JU is divided into 3 titles:

**TITLE 1** Staff salaries and allowances

**TITLE 2** Running Costs

**TITLE 3** Selected projects after annual calls

As of financial year 2019, appropriations under all three budget titles are differentiated; commitments are paid over several years in accordance with contractual obligations.

Each title comprises the following chapters:

### **TITLE 1 – Staff**

#### **A-1100 – Salaries and allowances**

This appropriation covers the cost of remuneration of temporary and contract staff in accordance with the Staff Regulations. This chapter also covers the costs of the employer's social security contributions in accordance with the applicable Staff Regulations. It covers as well the cost of non statutory staff like interim and trainees who are contracted for a short period. As of 2018, under this chapter is covered the new contribution agreement signed with DG HR concerning the financing by ECSEL JU of the schooling fees of its staff's children attending European Schools.

#### **A-1200 – Recruitment & transfer**

This chapter covers the recruitment costs for new staff as well as expenditure foreseen in the relevant provisions of the Staff Regulations, e.g. installation allowances for staff changing residence after taking up duties or when they cease definitively their duties and settle elsewhere and the daily subsistence allowances due to staff able to prove that they were obliged to change their place of residence after taking up duties.

**A-1300 – Mission expenses**

The missions' appropriation covers expenditure on transport, payment of daily mission allowances and ancillary or exceptional expenses incurred by staff in interest of the service, in accordance with the Staff Regulations.

**A-1400 – Socio-medical infrastructure & training**

This appropriation relates to costs of the annual medical check-up of staff members and the complementary health insurance. Under this chapter are also covered the costs for staff training under the SLA with DG HR.

**TITLE 2 – Running Costs****A-2000 – Buildings and associated costs**

The JU is operating since 2011 in its premises located in the White Atrium building, 60 avenue de la Toison d'Or in Brussels. This office location is shared with five other JUs in order to minimise maintenance costs and share a number of expenses, such as security and safety of staff and installations, cleaning and maintenance. Common space shared by JUs in that location has been augmented from the end of year 2014 to offer more possibilities for meetings.

**A-2100 – Information and communication technology**

This chapter covers the cost for IT infrastructure and equipment of ECSEL JU.

**A-2200 – Movable property and associated costs**

This chapter relates to purchase of furniture, office equipment and archiving facilities.

**A-2300 – Current administrative expenditure**

Under this appropriation are covered the costs related to office supplies and translations and as of 2019, the costs for Accounting Services under the SLA signed in 2018 with DG BUDG are included as well.

**A-2400 – Postage / Telecommunications**

This chapter relates to the costs for internet connections and telecommunications services (including for replacement and upgrade).

**A-2500 – Meetings and representation**

The chapter has been included in the budget structure from year 2018 in order to cover the costs of meetings that take place inside or outside of the JU premises. Under this chapter are also covered the costs of the Governing Board and the Public Authorities Board meetings.

**A-2600 – Evaluations**

Under this appropriation are covered all the costs related to the selection and evaluation of projects, as well as the costs for the remuneration of evaluation experts for the calls launched under H2020 programme.

**A-2602 – Reviews**

This chapter covers the costs of reviews for the projects selected under H2020 programme.

### **A-2700 – Innovation**

As of 2018, activities related to innovation are included in chapter 28 - Communication.

### **A- 2800 – Communication**

This chapter covers communication activities which are organised under five headings:

- ECSEL Symposium, conferences, info days and workshops, events
- Internal communication
- Publication and acquisition of information (DB)
- Website developments and consolidation
- General public relations (PR) and publicity

Actions are implemented in accordance with the JU's communication plan and in coordination with Industry Associations members of ECSEL.

### **A-2900 – Audits**

This appropriation covers external and internal audits needs, legal assistance and related costs for actions initiated under FP7 as well as under H2020.

### **Title 3 –Selected projects after annual calls**

#### **B-3100 – FP7 Projects**

This chapter covers exclusively the costs related to payments of FP7 projects.

#### **B-3200 – H2020 Projects**

This chapter covers exclusively the costs related to H2020 projects and studies by public procurement.

## **2.2 INITIAL, AMENDING AND FINAL BUDGET**

ECSEL JU's Governing Board approved the initial annual budget for year 2019 on 13 December 2018 by ECSEL GB Decision 2018.115.

On 1 July 2019, ECSEL JU's Governing Board adopted GB Decision 2019.124 **amending for the first time the initially adopted budget** in order to increase the appropriations for payments (EUR 282 054.97) for running costs under Titles 1 and 2 by reactivating the unused appropriations deriving from the year 2018. This reactivation was initiated since as of 2019 ECSEL JU administrative budget lines became differentiated, like the operational ones. As a result, the outstanding commitments are automatically carried forward, but they are not followed by the corresponding payment appropriations. This part must be performed via reactivation as per article 6.5 of the Financial Rules of the ECSEL Joint Undertaking. Moreover, the first amendment served for the adjustment of needs in payment appropriations regarding the execution of payments related to FP7 projects under Title 3 reducing EC contribution and at the same time increasing the amount of unused payment appropriations from previous years (EU contribution reduced to EUR 4 329 093.97 and ECSEL unused appropriations increased to EUR 40 111 925.10). This adjustment was deemed necessary as the amount approved through the initial budget 2019 was calculated based on an estimation of total FP7 payments and project closures for 2018. However, taking into account all FP7 payments and projects financial



closures executed up to 31 December 2018, ECSEL refined its estimations, expecting to pay until the closure of FP7 a total maximum amount of EUR 44 441 019.07.

A **second budget amendment** was adopted by ECSEL JU's Governing Board (GB Decision 2019.130) on 31 October 2019. The second amending budget introduced the reactivation of unused commitment and payment appropriations from the previous budget exercise under Title 1 and Title 2 (EUR 125 000 for commitment and EUR 108 826.27 for payment appropriations) and Title 3 (EUR 5 733 519.41 for commitment and EUR 19 000 000.00 for payment appropriations) as foreseen in article 6.5 of ECSEL Financial Rules. In accordance with that article, given the needs of the ECSEL JU, unused appropriations may be reactivated and entered in the estimate of revenue and expenditure up to the following three financial years. During the previous years, this reactivation has only been performed for the operational budget line, however as of financial year 2019, this action was also possible for the administrative budget lines. In this sense, and in order to cover for needs that became necessary during the course of the year (mainly for interim staff, IT equipment and experts for the projects evaluation), ECSEL JU proposed the reactivation of a total of EUR 125 000 unused commitment appropriations. Regarding operational appropriations, as in previous financial years, once the Grant Agreements for the projects selected are concluded, all unused amounts are proposed for reactivation in order to be used for future projects. In this case, unused commitment appropriations from the calls 2017 and 2018 amounted to EUR 5 733 519.41 and were proposed for reactivation. As far as payment appropriations for the operational H2020 budget were concerned, ECSEL JU expected that by the end of 2019 all payments corresponding to Calls 2014, as well as the major part for the Calls 2015 would be executed, deeming thus necessary the increase of payment appropriations by EUR 19 000 000 which would be covered by its unused appropriations, mainly from years 2016 and 2017.

In addition to the budget amendments, the Executive Director in accordance with Article 10 of the ECSEL Financial Rules transferred appropriations between Title 1 and 2, as well as between chapters within the same title in the course of the year. These **transfers** had the objective to allocate better the resources needed for the running costs. Overall, budget transfers had no impact on the approved budget.

Overall, in 2019, total available appropriations were EUR 203.966 million for commitments and EUR 232.545 million for payments. The budget implementation reached 100% in terms of commitment appropriations and 80% in terms of payment appropriations.

EUR '000

	Commitment appropriations	Budget appropriations				Additional appropriations			Total apppr. available
		Initial adopted budget	Amending budgets	Transfers	Final budget adopted	Carry-overs	Assigned revenue	Total	
	Title	1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
Total Title 1		3 382	0	11	3 393	35	2	37	3 430
Total Title 2		1 818	0	( 11)	1 807	90	0	90	1 897
Total Title 3		192 474	0	0	192 474	5 734	431	6 164	198 638
GRAND TOTAL		197 674	0	( 0)	197 674	5 859	433	6 291	203 966

EUR '000

	Payment appropriations	Budget appropriations				Additional appropriations			Total apppr. available
		Initial budget adopted	Amending budgets	Transfers	Final adopted budget	Carry-overs	Assigned revenue	Total	
	Title	1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
Total Title 1		3 382	0	13	3 395	104	2	106	3 501
Total Title 2		1 818	0	( 13)	1 805	287	0	287	2 093
Total Title 3		195 062	( 27 653)	0	167 409	59 112	431	59 542	226 952
GRAND TOTAL		200 262	( 27 653)	( 0)	172 609	59 503	433	59 936	232 545

Table 1. Budget amendments and transfers

## 2.3 BUDGET REVENUE

According to the financial rules of ECSEL JU, revenues are funds made available to the Joint Undertaking by different sources to cover administrative and operational expenditure for a year and form part of the annual budget.

In accordance with the provisions of the legal framework applicable to the ECSEL JU, there are two main contributors to the budget of the JU:

- The **EU budget** with a decision of the European Parliament and the Council upon proposal of the Commission. This contribution is intended to fund projects (operational costs) and a part of the running costs.
- The **Industry** represented by the Private Members (for the time being AENEAS, ARTEMIS-IA and EPoSS) contributing to a part of the running costs in accordance with the JU statutes.

Until now, none of the ECSEL Participating states has opted in favour of entrusting the ECSEL JU with the implementation of their financial contribution, as foreseen in the provisions of Article 17.1 of the Statutes of the ECSEL JU.

The table below outlines the breakdown of the revenue received in 2019.

EUR '000											
	Item	Income appropriations		Entitlements established			Revenue				
		Initial budget	Final budget	Current year	Carried over	Total	On entitlements of current year	On entitlements carried over	Total	%	Out-standing
		1	2	3	4	5=3+4	6	7	8=6+7	9=8/2	10=5-8
200	Subsidy from the Commission	197 120	169 467	169 467	0	169 467	169 467	0	169 467	100 %	0
201	Revenue from industry	3 142	3 142	3 012	0	3 012	3 012	0	3 012	96 %	0
202	Other financial contributions & revenue generated by ECSEL JU	0	0	376	218	594	253	186	439	-	156
205	Unused administrative appropriations from previous years	0	391	0	0	0	0	0	0	0 %	0
206	Unused operational H2020 appropriations from previous years	0	19 000	0	0	0	0	0	0	0 %	0
207	Unused operational FP7 appropriations from previous years	17 682	40 112	0	0	0	0	0	0	0 %	0
Total Chapter 20		217 944	232 112	172 855	218	173 073	172 731	186	172 917	83 %	156
Total Title 2		217 944	232 112	172 855	218	173 073	172 731	186	172 917	83 %	156
GRAND TOTAL		217 944	232 112	172 855	218	173 073	172 731	186	172 917	83 %	156

Table 2. ECSEL Revenues 2019

*Note: The table has been adapted in relation to the one appearing in the provisional accounts 2019 in order to properly reflect the reactivation of unused appropriation and thus the changes between initial and final budget.*

In December 2018, ECSEL JU received from its members a prepayment of EUR 1 000 000 (EUR 320 000 from EU and EUR 680 000 from private members) which has not however been entered in ECSEL JU budget for year 2018 neither as revenue, nor as expenditure, not increasing thus the administrative budget for year 2018. As far as the EU cash frontloading of EUR 320 000 is concerned, this refers to a cash frontloading from the EU Budget 2020 and shall be regularised in financial year 2020. As far as the private members cash frontloading EUR 680 000 is concerned, this amount was regularised in financial year 2019.

The EUR 3 142 162 private members contribution for 2019 was allocated among the 3 Associations as follows: AENEAS EUR 1 687 800, ARTEMIS-IA: EUR 942 893, EPoSS EUR 511 469. As mentioned above, in 2019 the frontloaded EUR 680 000 (from AENEAS EUR 340 000, from ARTEMIS-IA EUR 330 000, from EPoSS EUR 10 000) was regularised, therefore ECSEL JU recovered from the Associations the amount of EUR 2 462 162. On top of that, in 2019 ECSEL JU recovered another EUR 549 500 from AENEAS which is part of an uncollected cash contribution of EUR 1 099 523.26 from AENEAS in total (the remaining

EUR 550 023.26 will be recovered in financial year 2020). As a consequence, in 2019, ECSEL JU has recovered from the Associations a total cash amount of EUR 3 011 662.00.

## **2.4 BUDGET EXPENDITURE**

### **Administrative expenditure (Title 1 – Staff and Title 2 – Running Costs)**

Under Title 1 the ECSEL budget execution reached 100% in terms of commitment appropriations and 98% in terms of payment appropriations. This title was mainly used for salaries of the JU staff, as well as staff missions and trainings. During the year, ECSEL JU also engaged external staff in order to fill gaps due to long-time absences of staff members and cope with the important workload.

Under Title 2 the execution reached 100% in terms of commitment appropriations and 80% in terms of payment appropriations. Even if the execution rate in payment appropriations has been increased compared to the previous years, still an important number of administrative payments shall become due only in the coming years. The major part of Title 2 expenditure relates to the building rental, IT services and infrastructure, as well the costs of experts for evaluations and reviews of H2020 projects.

### **Operational expenditure (Title 3 – Selected projects after annual calls)**

Under Title 3, the ECSEL JU budget covers the operational expenditure related to the implementation of projects under the 7th Framework Programme (FP7), as well as under the Horizon 2020 Programme (H2020).

Under H2020 the budget implementation in terms of commitment appropriations reached 100%, whereas the implementation in terms of payment appropriations reached 89%. The major part of the payment appropriations was used for the pre-financing of the grants resulting from the 2018 calls for proposals, while the minor part was used for interim and final payments for the grants resulting from previous ECSEL calls for proposals. Overall, the final payments execution was below expectation mainly because of delays in some periodic reports and the amounts of certain cost claims being below the expected level. It is also to be noted that a technical issue related to H2020 ICT tools at the end of 2019 prevented the consumption of these reactivated payment appropriations in priority. The issue had been acknowledged by ECSEL JU and communicated to the relevant EC services.

Under FP7 the budget implementation in payment appropriations reached 45% reflecting the important delays in receiving the end of project certificates from national authorities. Nevertheless, ECSEL JU has managed to close financially all ARTEMIS and ENIAC Call 2010 projects.

### **Procurement and contracts**

Procurement and contracts are managed in accordance with the provisions of ECSEL Financial Rules and coordinated within the ECSEL Administration & Finance team.

In order to reach its objectives and adequately support its operations and infrastructures, ECSEL JU allocated funds to procure the necessary services and supplies. In the context of sound financial management and efficiency, ECSEL JU made to the most possible extent use of the various Service Level Agreements (SLAs) already concluded with relevant Commission Services, as well as its private

members and also made use of inter-institutional framework contracts (e.g. IT services and equipment, interim staff services, external audit services, office supplies, travel agency services, staff trainings).

Moreover, in 2019, ECSEL JU run several procurement procedures mainly for low-value contracts, as well as one open procedure. The vast majority of low value contracts were concluded in order to cover for services and supplies for the daily function of the office.

Major procurement procedures:

- An open procedure for engaging a contractor to support the Symposium event in 2019 in Bucharest in June 2019 was launched in 2018 and completed early in 2019.
- In April 2019 an open procedure was launched for the award of a contract for a “Study on the impact of ECSEL funded actions”.

The tables below present the implementation of budget in commitment and payment appropriations as well as the commitments outstanding for all three budget lines.

## 2.4.1 IMPLEMENTATION IN COMMITMENT APPROPRIATIONS

EUR '000

	Item	Total approp. available	Commitments made					Appropriations carried over to 2020			Appropriations lapsing			
			from final adopt. budget	from carry-overs	from assign. revenue	Total	%	Assign. revenue	By decision	Total	from final adopt. budget	from carry-overs	from assign. revenue	Total
		1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10+11+12
1100	Salaries & allowances	3 255	3 220	35	0	3 255	100 %	0	0	0	0	0	0	0
Total Chapter 11		3 255	3 220	35	0	3 255	100 %	0	0	0	0	0	0	0
1200	Recruitment and transfer	4	4	0	0	4	100 %	0	0	0	0	0	0	0
Total Chapter 12		4	4	0	0	4	100 %	0	0	0	0	0	0	0
1300	Mission expenses	91	89	0	0	89	97 %	0	0	0	0	0	2	2
Total Chapter 13		91	89	0	0	89	97 %	0	0	0	0	0	2	2
1400	Socio-medical infrastructure & training	81	81	0	0	81	100 %	0	0	0	0	0	0	0
Total Chapter 14		81	81	0	0	81	100 %	0	0	0	0	0	0	0
<b>Total Title 1</b>		<b>3 430</b>	<b>3 393</b>	<b>35</b>	<b>0</b>	<b>3 428</b>	<b>100 %</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>2</b>

Table 3. Implementation in Commitment Appropriations: Title 1 – Staff expenditure

	Item	Total approp. available	Commitments made					Appropriations carried over to 2020			Appropriations lapsing			
			from final adopt. budget	from carry-overs	from assign. revenue	Total	%	Assign. revenue	By decision	Total	from final adopt. budget	from carry-overs	from assign. revenue	Total
		1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10+11+12
2000	Rental of buildings and associated costs	506	506	0	0	506	100 %	0	0	0	0	0	0	0
Total Chapter 20		506	506	0	0	506	100 %	0	0	0	0	0	0	0
2100	Information and communication technology	326	245	81	0	326	100 %	0	0	0	0	0	0	0
Total Chapter 21		326	245	81	0	326	100 %	0	0	0	0	0	0	0
2200	Movable property and associated costs	2	2	0	0	2	100 %	0	0	0	0	0	0	0
Total Chapter 22		2	2	0	0	2	100 %	0	0	0	0	0	0	0
2300	Current administrative expenditure	70	70	0	0	70	100 %	0	0	0	0	0	0	0
Total Chapter 23		70	70	0	0	70	100 %	0	0	0	0	0	0	0
2400	Postage / Telecommunications	15	15	0	0	15	100 %	0	0	0	0	0	0	0
Total Chapter 24		15	15	0	0	15	100 %	0	0	0	0	0	0	0
2500	Meetings and representation	36	36	0	0	36	100 %	0	0	0	0	0	0	0
Total Chapter 25		36	36	0	0	36	100 %	0	0	0	0	0	0	0
2600	Evaluations	267	265	2	0	267	100 %	0	0	0	0	0	0	0
2602	Reviews	257	257	0	0	257	100 %	0	0	0	0	0	0	0
Total Chapter 26		524	522	2	0	524	100 %	0	0	0	0	0	0	0
2800	Communication	354	347	7	0	354	100 %	0	0	0	0	0	0	0
Total Chapter 28		354	347	7	0	354	100 %	0	0	0	0	0	0	0
2900	Audits	65	65	0	0	65	100 %	0	0	0	0	0	0	0
Total Chapter 29		65	65	0	0	65	100 %	0	0	0	0	0	0	0
<b>Total Title 2</b>		<b>1 897</b>	<b>1 807</b>	<b>90</b>	<b>0</b>	<b>1 897</b>	<b>100 %</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Table 4. Implementation in Commitment Appropriations: Title 2 –Running costs

EUR '000

		Total approp. available	Commitments made					Appropriations carried over to 2020			Appropriations lapsing			
	Item		from final adopt. budget	from carry- overs	from assign. revenue	Total	%	Assign. revenue	By decision	Total	from final adopt. budget	from carry- overs	from assign. revenue	Total
		1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10+ 11+12
3100	FP7 Projects	364	0	0	0	0	0 %	0	0	0	0	0	364	364
Total Chapter 31		364	0	0	0	0	0 %	0	0	0	0	0	364	364
3200	H2020 Projects	198 275	192 474	5 734	0	198 208	100 %	0	0	0	0	0	67	67
Total Chapter 32		198 275	192 474	5 734	0	198 208	100 %	0	0	0	0	0	67	67
<b>Total Title 3</b>		<b>198 638</b>	<b>192 474</b>	<b>5 734</b>	<b>0</b>	<b>198 208</b>	<b>100 %</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>431</b>	<b>431</b>
<b>GRAND TOTAL</b>		<b>203 966</b>	<b>197 674</b>	<b>5 859</b>	<b>0</b>	<b>203 533</b>	<b>100 %</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>433</b>	<b>433</b>

Table 5. Implementation in Commitment Appropriations: Title 3 – Selected projects after annual calls and Grand Total

## 2.4.2 IMPLEMENTATION IN PAYMENT APPROPRIATIONS

EUR '000

		Total approp. availab.	Payments made					Appropriations carried over to 2020				Appropriations lapsing			
	Item		from final adopt. budget	from carry- overs	from assign. revenue	Total	%	Autom. carry- overs	By decision	Assigned rev.	Total	from final adopt. budget	from carry- overs	from assign. rev.	Total
		1	2	3	4	5=2+3+4	6=5/1	7	8	9	10=7+8+9	11	12	13	14=11+ 12+13
1100	Salaries & allowances	3 281	3 199	61	0	3 260	99 %	0	0	0	0	21	0	0	21
Total Chapter 11		3 281	3 199	61	0	3 260	99 %		0	0	0	21	0	0	21
1200	Recruitment and transfer	8	5	1	0	6	71 %	0	0	0	0	0	2	0	2
Total Chapter 12		8	5	1	0	6	71 %		0	0	0	0	2	0	2
1300	Mission expenses	105	83	13	0	96	92 %	0	0	0	0	6	0	2	9
Total Chapter 13		105	83	13	0	96	92 %	0	0	0	0	6	0	2	9
1400	Socio-medical infrastructure & training	107	58	16	0	75	70 %	0	0	0	0	22	10	0	32
Total Chapter 14		107	58	16	0	75	70 %	0	0	0	0	22	10	0	32
<b>Total Title 1</b>		<b>3 501</b>	<b>3 345</b>	<b>91</b>	<b>0</b>	<b>3 436</b>	<b>98 %</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>49</b>	<b>12</b>	<b>2</b>	<b>64</b>

Table 6. Implementation in Payment Appropriations: Title 1 – Staff expenditure

		Total approp. availab.	Payments made					Appropriations carried over to 2020				Appropriations lapsing			
	Item		from final adopt. budget	from carry-overs	from assign. revenue	Total	%	Autom. carry-overs	By decision	Assigned rev.	Total	from final adopt. budget	from carry-overs	from assign. rev.	Total
		1	2	3	4	5=2+3+4	6=5/1	7	8	9	10=7+8+9	11	12	13	14=11+12+13
2000	Rental of buildings and associated costs	513	494	7	0	502	98 %	0	0	0	0	11	0	0	11
Total Chapter 20		513	494	7	0	502	98 %		0	0	0	11	0	0	11
2100	Information and communication technology	407	171	82	0	253	62 %	0	0	0	0	79	75	0	154
Total Chapter 21		407	171	82	0	253	62 %		0	0	0	79	75	0	154
2200	Movable property and associated costs	3	1	0	0	1	44 %	0	0	0	0	1	1	0	2
Total Chapter 22		3	1	0	0	1	44 %		0	0	0	1	1	0	2
2300	Current administrative expenditure	70	63	0	0	63	90 %	0	0	0	0	7	0	0	7
Total Chapter 23		70	63	0	0	63	90 %		0	0	0	7	0	0	7
2400	Postage / Telecommunications	18	9	3	0	12	68 %	0	0	0	0	6	0	0	6
Total Chapter 24		18	9	3	0	12	68 %		0	0	0	6	0	0	6
2500	Meetings and representation	58	33	17	0	50	86 %	0	0	0	0	4	5	0	8
Total Chapter 25		58	33	17	0	50	86 %		0	0	0	4	5	0	8
2600	Evaluations	285	265	20	0	285	100 %	0	0	0	0	0	0	0	0
2602	Reviews	285	193	29	0	222	78 %	0	0	0	0	64	0	0	64
Total Chapter 26		571	458	49	0	507	89 %		0	0	0	64	0	0	64
2800	Communication	365	232	24	0	256	70 %	0	0	0	0	109	0	0	109
Total Chapter 28		365	232	24	0	256	70 %		0	0	0	109	0	0	109
2900	Audits	88	16	24	0	40	45 %	0	0	0	0	49	0	0	49
Total Chapter 29		88	16	24	0	40	45 %		0	0	0	49	0	0	49
<b>Total Title 2</b>		<b>2 093</b>	<b>1 477</b>	<b>207</b>	<b>0</b>	<b>1 684</b>	<b>80 %</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>328</b>	<b>80</b>	<b>0</b>	<b>409</b>

Table 7. Implementation in Payments Appropriations: Title 2 –Running costs



		Total approp. availab.	Payments made					Appropriations carried over to 2020				Appropriations lapsing			
	Item		from final adopt. budget	from carry- overs	from assign. revenue	Total	%	Autom. carry- overs	By decision	Assigned rev.	Total	from final adopt. budget	from carry- overs	from assign. rev.	Total
		1	2	3	4	5=2+3+4	6=5/1	7	8	9	10=7+8+9	11	12	13	14=11+ 12+13
3100	FP7 Projects	44 805	69	20 192	44	20 306	45 %	0	0	0	0	4 260	19 919	320	24 499
Total Chapter 31		44 805	69	20 192	44	20 306	45 %		0	0	0	4 260	19 919	320	24 499
3200	H2020 Projects	182 147	161 537	146	0	161 683	89 %	0	0	0	0	1 543	18 854	67	20 464
Total Chapter 32		182 147	161 537	146	0	161 683	89 %		0	0	0	1 543	18 854	67	20 464
<b>Total Title 3</b>		<b>226 952</b>	<b>161 607</b>	<b>20 338</b>	<b>44</b>	<b>181 989</b>	<b>80 %</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>5 803</b>	<b>38 774</b>	<b>387</b>	<b>44 963</b>
<b>GRAND TOTAL</b>		<b>232 545</b>	<b>166 429</b>	<b>20 636</b>	<b>44</b>	<b>187 109</b>	<b>80 %</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>6 181</b>	<b>38 866</b>	<b>389</b>	<b>45 436</b>

Table 8. Implementation in Payment Appropriations: Title 3 – Selected projects after annual calls and Grand Total

### 2.4.3 COMMITMENTS OUTSTANDING

EUR '000

		Commitments outstanding at the end of previous year				Commitments of the current year				Total commitm. outstanding at year-end
	Item	Commitm. carried for- ward from pre- vious year	Decommit. Revaluation Cancel- lations	Pay- ments	Total	Commit- ments made during the year	Pay- ments	Cancel- lation of commit. which cannot be	Commit. outstand- ing at year-end	
		1	2	3	4=1+2-3	5	6	7	8=5-6-7	9=4+8
1100	Salaries & allowances	61	( 35)	21	5	3 255	3 240	0	15	21
Total chapter 11		61	( 35)	21	5	3 255	3 240	0	15	21
1200	Recruitment and transfer	5	0	2	3	4	3	0	0	3
Total chapter 12		5	0	2	3	4	3	0	0	3
1300	Mission expenses	25	0	13	13	89	83	0	6	19
Total chapter 13		25	0	13	13	89	83	0	6	19
1400	Socio-medical infrastructure & training	26	0	12	14	81	63	0	18	32
Total chapter 14		26	0	12	14	81	63	0	18	32
<b>Total Title 1</b>		<b>118</b>	<b>( 35)</b>	<b>48</b>	<b>35</b>	<b>3 428</b>	<b>3 389</b>	<b>0</b>	<b>39</b>	<b>75</b>

Table 9. Commitments Outstanding: Title 1 – Staff expenditure

	Item	Commitments outstanding at the end of previous year				Commitments of the current year				Total commitm. outstanding at year-end
		Commitm. carried forward from previous year	Decommit. Revaluation Cancel-lations	Pay-ments	Total	Commit-ments made during the year	Pay-ments	Cancel-lation of commit. which cannot be	Commit. outstand-ing at year-end	
		1	2	3	4=1+2-3	5	6	7	8=5-6-7	9=4+8
2000	Rental of buildings and associated costs	37	0	10	27	506	492	0	14	41
Total chapter 20		37	0	10	27	506	492	0	14	41
2100	Information and communication technology	180	( 65)	53	62	326	200	0	126	187
Total chapter 21		180	( 65)	53	62	326	200	0	126	187
2200	Movable property and associated costs	19	0	1	18	2	0	0	2	20
Total chapter 22		19	0	1	18	2	0	0	2	20
2300	Current administrative expenditure	12	0	0	12	70	63	0	7	19
Total chapter 23		12	0	0	12	70	63	0	7	19
2400	Postage / Telecommunications	15	0	3	12	15	9	0	6	18
Total chapter 24		15	0	3	12	15	9	0	6	18
2500	Meetings and representation	64	0	16	48	36	33	0	3	51
Total chapter 25		64	0	16	48	36	33	0	3	51
2600	Evaluations	84	( 10)	18	56	267	267	0	0	56
2602	Reviews	62	0	25	37	257	197	0	60	97
Total chapter 26		147	( 10)	43	93	524	464	0	60	153
2800	Communication	127	( 15)	11	102	354	246	0	108	210
Total chapter 28		127	( 15)	11	102	354	246	0	108	210
2900	Audits	104	0	24	80	65	16	0	49	129
Total chapter 29		104	0	24	80	65	16	0	49	129
<b>Total Title 2</b>		<b>704</b>	<b>( 90)</b>	<b>161</b>	<b>453</b>	<b>1 897</b>	<b>1 523</b>	<b>0</b>	<b>374</b>	<b>827</b>

Table 10. Commitments Outstanding: Title 2 –Running costs

EUR '000

	Item	Commitments outstanding at the end of previous year				Commitments of the current year				Total commitm. outstanding at year-end
		Commitm. carried for- ward from pre- vious year	Decommit. Revaluation Cancel- lations	Pay- ments	Total	Commit- ments made during the year	Pay- ments	Cancel- lation of commit. which cannot be	Commit. outstand- ing at year-end	
		1	2	3	4=1+2-3	5	6	7	8=5-6-7	9=4+8
3100	FP7 Projects	81 194	0	20 306	60 888	0	0	0	0	60 888
Total chapter 31		81 194	0	20 306	60 888	0	0	0	0	60 888
3200	H2020 Projects	307 986	( 5 734)	127 233	175 020	198 208	34 450	0	163 758	338 778
Total chapter 32		307 986	( 5 734)	127 233	175 020	198 208	34 450	0	163 758	338 778
<b>Total Title 3</b>		<b>389 180</b>	<b>( 5 734)</b>	<b>147 539</b>	<b>235 908</b>	<b>198 208</b>	<b>34 450</b>	<b>0</b>	<b>163 758</b>	<b>399 666</b>
<b>GRAND TOTAL</b>		<b>390 002</b>	<b>( 5 859)</b>	<b>147 747</b>	<b>236 396</b>	<b>203 533</b>	<b>39 362</b>	<b>0</b>	<b>164 171</b>	<b>400 568</b>

Table 11. Commitments Outstanding: Title 3 – Selected projects after annual calls and Grand Total

#### 2.4.4 IMPLEMENTATION IN COMMITMENTS AND PAYMENTS BY FUND SOURCE

ECSEL JU uses the following four fund sources for its budgetary management through its budgetary and accounting system (ABAC). A short definition of each fund source is provided below:

**C1:** This fund source represents the EU budget subsidy received from the European Commission (for both administrative and operational costs) and the Members' contribution (only for administrative costs) for the current financial year.

**C2:** This fund source represents cancelled appropriations from the previous year(s) re-entered (reactivated/remobilised) to the next financial year. According to ECSEL financial rules, these appropriations may be used up to the following 3 financial years and must be used first. The reactivation of such appropriations shall only be authorised by the ECSEL Governing Board through either the initial adoption of the budget or an amendment to the JU budget during the current financial year.

**C4:** This fund source represents appropriations which can be used again as a result of recovery orders issued by the JU (otherwise known as internal assigned revenue) and received (cash) within the same financial year.

**C8:** This fund source represents appropriations automatically carried forward to meet obligations arising from previous years. For ECSEL JU, only commitment appropriations are automatically carried forward for both administrative (as of 2019) and operational expenditure and can be used until they are no longer needed for payment purposes in order to honour contractual obligations from previous years. Any difference between the amount carried forward and the amount paid shall be de-committed and reactivated into C2 fund source if deemed necessary (see above).

The tables below present the commitments and payments implementation by fund source.

##### Fund Source C1

Official Budget Item	Official Budget Item Desc (En)	Commitment			Payment		
		Credit Com Amount	Commitment Accepted Amount (Euro)	% Commit	Credit Pay Amount	Payment Request Accepted Amount (Euro)	% Payment
1100	Salaries & allowances	3,220,000.00	3,220,000.00	100.00%	3,220,000.00	3,199,144.85	99.35%
1200		3,500.00	3,500.00	100.00%	5,040.26	5,040.26	100.00%
1300	Mission expenses	89,000.00	89,000.00	100.00%	89,000.00	82,609.60	92.82%
1400		80,500.00	80,500.00	100.00%	80,500.00	58,247.45	72.36%
2000	Rental of buildings and associated costs	505,500.00	505,500.00	100.00%	505,500.00	494,486.52	97.82%
2100		245,000.00	245,000.00	100.00%	250,150.93	171,481.70	68.55%
2200	Movable property and associated costs	2,000.00	2,000.00	100.00%	2,000.00	1,000.00	50.00%
2300		70,000.00	70,000.00	100.00%	70,000.00	62,682.70	89.55%
2400	Postage / Telecommunications	15,000.00	15,000.00	100.00%	15,000.00	9,331.85	62.21%
2500		36,200.00	36,200.00	100.00%	36,200.00	32,515.37	89.82%
2600	Evaluations	265,100.00	265,100.00	100.00%	264,998.41	264,934.79	99.98%
2602		256,500.00	256,500.00	100.00%	256,500.00	192,767.37	75.15%
2800	Communication	347,000.00	347,000.00	100.00%	340,410.40	231,816.37	68.10%
2900		64,700.00	64,700.00	100.00%	64,700.00	15,975.00	24.69%
3100	FP7 Projects				4,329,093.97	69,324.05	1.60%
3200		192,474,400.00	192,474,400.00	100.00%	163,080,078.00	161,537,290.27	99.05%
<b>Total</b>		<b>197,674,400.00</b>	<b>197,674,400.00</b>	<b>100.00%</b>	<b>172,609,171.97</b>	<b>166,428,648.15</b>	<b>96.42%</b>

**Fund Source C2**

Official Budget Item	Official Budget Item Desc (En)	Commitment			Payment		
		Credit Com Amount	Commitment Accepted Amount (Euro)	% Commit	Credit Pay Amount	Payment Request Accepted Amount (Euro)	% Payment
1100	Salaries & allowances	35,000.00	35,000.00	100.00%	61,005.65	61,005.65	100.00%
1200		0.00			2,924.35	610.42	20.87%
1300	Mission expenses	0.00			13,359.39	13,359.39	100.00%
1400		0.00			26,315.15	16,438.97	62.47%
2000	Rental of buildings and associated costs	0.00			7,292.49	7,292.49	100.00%
2100		81,000.00	81,000.00	100.00%	156,861.61	81,961.67	52.25%
2200	Movable property and associated costs	0.00			1,249.00	444.30	35.57%
2400		0.00			2,745.27	2,745.27	100.00%
2500	Meetings and representation	0.00			21,706.39	17,016.00	78.39%
2600		2,000.00	2,000.00	100.00%	20,368.66	20,368.66	100.00%
2602	Reviews	0.00			28,947.93	28,911.70	99.87%
2800		7,000.00	7,000.00	100.00%	24,435.35	24,435.35	100.00%
2900	Audits	0.00			23,670.00	23,670.00	100.00%
3100		0.00			40,111,925.10	20,192,479.44	50.34%
3200	H2020 Projects	5,733,519.41	5,733,519.41	100.00%	19,000,000.00	145,605.87	0.77%
<b>Total</b>		<b>5,858,519.41</b>	<b>5,858,519.41</b>	<b>100.00%</b>	<b>59,502,806.34</b>	<b>20,636,345.18</b>	<b>34.68%</b>

**Fund Source C4**

Official Budget Item	Official Budget Item Desc (En)	Commitment			Payment		
		Credit Com Amount	Commitment Accepted Amount (Euro)	% Commit	Credit Pay Amount	Payment Request Accepted Amount (Euro)	% Payment
1300	Mission expenses	2,400.00		0.00%	2,400.00		
3100		363,961.80		0.00%	363,961.80	43,992.40	12.09%
3200	H2020 Projects	66,607.87		0.00%	66,607.87		
<b>Total</b>		<b>432,969.67</b>		<b>0.00%</b>	<b>432,969.67</b>	<b>43,992.40</b>	<b>10.16%</b>

**Fund Source C8**

Official Budget Item	Official Budget Item Desc (En)	Commitment			Payment		
		Credit Com Amount	Commitment Accepted Amount (Euro)	% Commit	Credit Pay Amount	Payment Request Accepted Amount (Euro)	% Payment
1100	Salaries & allowances	26,005.65	26,005.18	100.00%	0.00		0.00%
1200		5,240.98	5,240.98	100.00%	0.00		0.00%
1300	Mission expenses	25,491.83	25,491.83	100.00%	0.00		0.00%
1400	Socio-medical infrastructure & training	26,315.15	26,315.15	100.00%	0.00		0.00%
2000		37,076.62	37,076.62	100.00%	0.00		0.00%
2100	Information and communication technology	114,598.09	114,598.09	100.00%	0.00		0.00%
2200	Movable property and associated costs	19,230.00	19,230.00	100.00%	0.00		0.00%
2300		11,667.59	11,667.59	100.00%	0.00		0.00%
2400	Postage / Telecommunications	15,101.04	15,101.04	100.00%	0.00		0.00%
2500	Meetings and representation	64,003.89	64,003.89	100.00%	0.00		0.00%
2600		74,427.07	74,427.07	100.00%	0.00		0.00%
2602	Reviews	62,159.63	62,159.63	100.00%	0.00		0.00%
2800	Communication	112,203.04	112,203.04	100.00%	0.00		0.00%
2900		103,725.92	103,725.92	100.00%	0.00		0.00%
3100	FP7 Projects	81,193,793.27	81,193,793.27	100.00%	0.00		0.00%
3200	H2020 Projects	302,252,599.04	302,252,599.04	100.00%	0.00		0.00%
<b>Total</b>		<b>384,143,638.81</b>	<b>384,143,638.34</b>	<b>100.00%</b>	<b>0.00</b>		<b>0.00%</b>

Table 12. Implementation in commitments and payments by fund source

### 3 MULTI-ANNUAL OVERVIEW: PROJECTS EXECUTION - EVOLUTION BY CALL

#### 3.1 H2020 projects execution

During 2019, ECSEL JU consolidated on Horizon 2020 operations with successful call results and a widening project portfolio. In our model, the European Commission together with the ECSEL Participating States kept on investing strongly in research and innovation on Electronic Components and Systems with more than 172 M€ allocated to 15<sup>3</sup> new projects and activities.

The table below shows the payments execution by call and financial year.

CALL	COMMITMENTS			PAYMENTS					EXECUTION	
	Initial Committed amount	De-committed amount	RAL on 31/12/2019	2015	2016	2017	2018	2019	Total Paid 2014-2019	Total paid/initial commitment (%)
Calls 2014	154,456,261.42	-9,928,989.31	4,919,745.90	55,690,901.06	40,332,205.81	30,379,684.28	4,056,432.94	9,148,302.12	139,607,526.21	90.39%
Calls 2015	142,243,005.44	-500,045.00	12,247,429.22	0.00	58,683,961.96	37,571,933.96	26,200,278.00	7,039,357.30	129,495,531.22	91.04%
Calls 2016	163,634,631.98	0.00	30,581,536.52	0.00	0.00	91,089,642.86	28,628,217.56	13,335,235.04	133,053,095.46	81.31%
Calls 2017	170,067,212.88	0.00	58,074,449.23	0.00	0.00	0.00	87,613,851.34	24,378,912.31	111,992,763.65	65.85%
Calls 2018	201,901,367.04	-130.63	93,900,986.04	0.00	0.00	0.00	799,644.00	107,200,606.37	108,000,250.37	53.49%
Calls 2019	499,478.75	0.00	99,895.75	0.00	0.00	0.00	0.00	399,583.00	399,583.00	80.00%
<b>Total</b>	<b>832,801,957.51</b>	<b>-10,429,164.94</b>	<b>199,824,042.66</b>	<b>55,690,901.06</b>	<b>99,016,167.77</b>	<b>159,041,261.10</b>	<b>147,298,423.84</b>	<b>161,501,996.14</b>	<b>622,548,749.91</b>	<b>80.00%</b>

Table 13. H2020: Payments for ECSEL projects

*Note: Amounts in 2018 and 2019 do not include payments for studies (by public procurement) EUR 14,500.00 in 2018 and EUR 180,900.00 in 2019.*

By the end of 2019, 50 projects were still financially ongoing, whereas 17 final payments were made for Call 2014 and Call 2015 projects (10 for Call 2014 and 7 for Call 2015) and 6 Call 2014 projects were de-committed. The pre-financing for the 13 Call 2018 projects signed in 2019 was paid in full, as well as the pre-financing for the one CSA 2019 Call. ECSEL JU dealt with 23 interim payments related to Calls 2015, 2016, 2017 and 2018.

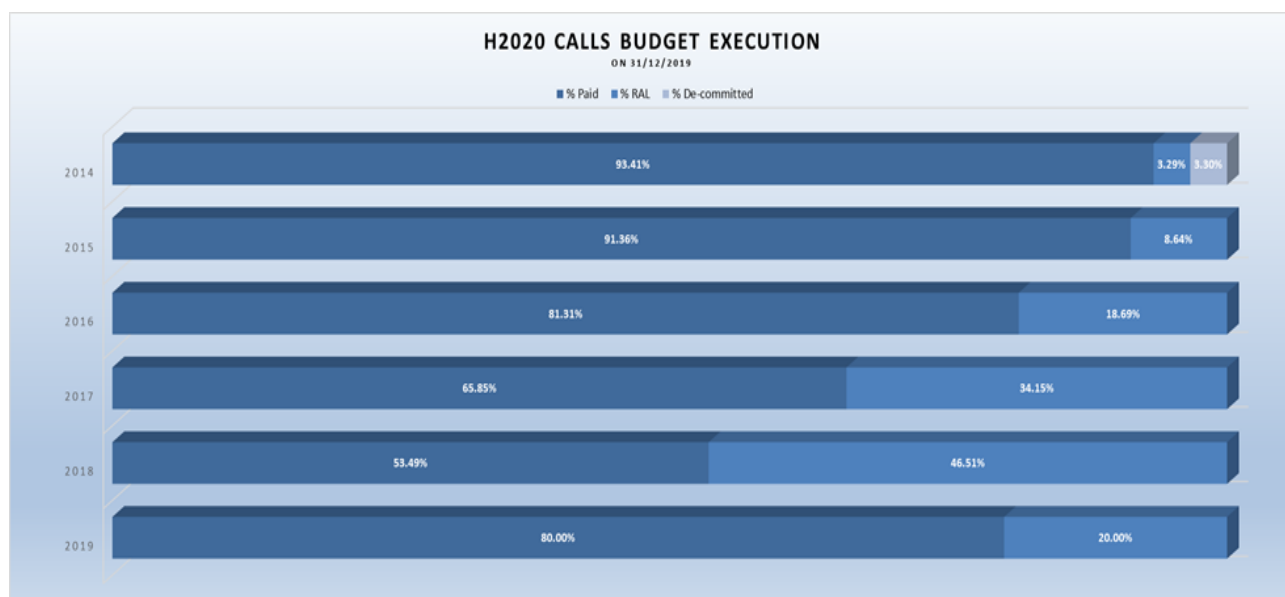


Table 14 H2020 payments and RAL by call

*Note: Figures for 2018 and 2019 do not include payments for studies (by public procurement).*

<sup>3</sup> Including ANDANTE project. ANDANTE was on the reserve list at the moment of the selection (November 2019) and was included as selected project in ECSEL JU Public Authorities Board of 16 January 2020.

### 3.2 FP7 projects execution

During 2019, ECSEL JU has financially closed 9 FP7 projects: 6 ARTEMIS projects from Call 2011 and 3 ENIAC projects from Calls 2011 and 2013. Both ARTEMIS and ENIAC Calls 2010 had been financially closed and the respective commitments were de-committed.

At the end of 2019, as far as ARTEMIS is concerned, Calls 2008, 2009 and 2010 have been financially closed and as for ENIAC, Calls 2008, 2009 and 2010. All respective commitments were de-committed. Overall, at the end of 2019, 35 projects were still financially open: 13 ARTEMIS and 22 ENIAC. However, for FP7 operational payments, ECSEL JU is still dependent on the EPS National Authorities, resulting in an enhanced risk regarding timely final payments.

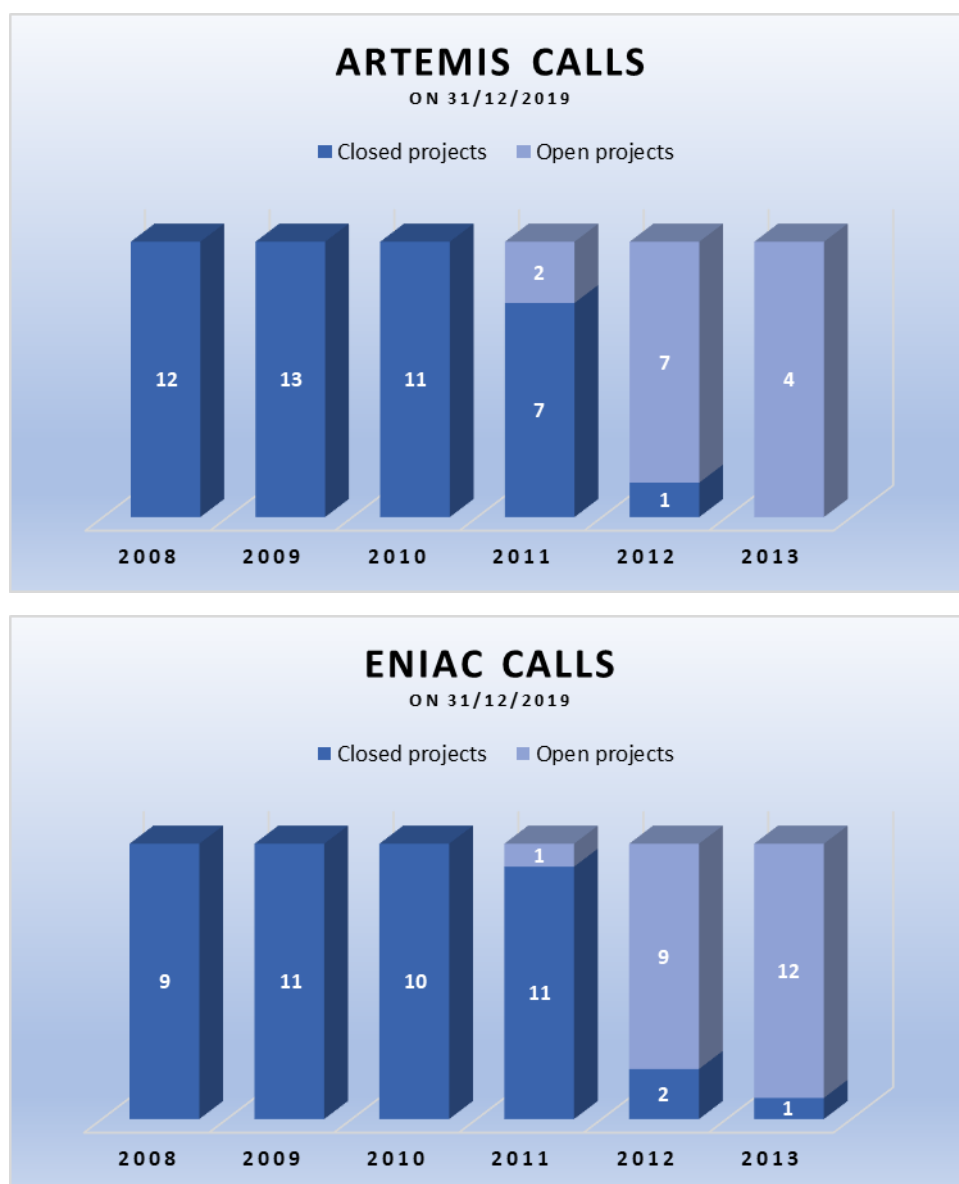


Table 15. Number of ARTEMIS and ENIAC closed and open projects on 31/12/2019



The table below shows the payments execution by call and financial year after the establishment of ECSEL JU:

			Payments per year							
	CALL	Committed amount	2014	2015	2016	2017	2018	2019	Total Paid	RAL on 31/12/2019
ARTEMIS	CALL 2008	4,034,679.07	280,243.96	1,081,126.07	802,231.16				2,163,601.19	
	CALL 2009	12,849,193.74	1,302,683.53	2,685,737.36	1,698,419.02	2,815,240.68			8,502,080.59	
	CALL 2010	12,772,004.72	1,155,401.36	2,976,491.18	2,769,616.42	1,878,611.47	1,220,856.65		10,000,977.08	
	CALL 2011	14,062,938.05	1,808,702.73	3,713,553.03	2,388,113.72	2,583,930.30	1,165,692.27	419,918.73	12,079,910.78	327,861.30
	CALL 2012	30,425,294.78	2,293,448.82	6,982,947.67	4,539,836.31	5,133,905.54	2,543,885.30	905,805.03	22,399,828.67	7,995,241.35
	CALL 2013	27,281,037.42	418,759.63	10,034,566.17	5,203,344.51	3,582,331.82	3,119,641.52	857,127.99	23,215,771.64	4,065,265.78
Total ARTEMIS		101,425,147.78	7,259,240.03	27,474,421.48	17,401,561.14	15,994,019.81	8,050,075.74	2,182,851.75	78,362,169.95	12,388,368.43
		Paid cumulative	7,259,240.03	34,733,661.51	52,135,222.65	68,129,242.46	76,179,318.20	78,362,169.95		
ENIAC	CALL 2008	4,617,829.52	1,914,942.65	354,885.63	1,145,703.58	107,464.52			3,522,996.38	
	CALL 2009	15,473,834.85	1,299,769.46	4,065,850.58	2,616,185.43	3,908,038.32			11,889,843.79	
	CALL 2010	14,068,799.38	1,323,859.98	3,439,760.42	1,684,592.15	4,488,117.85	269,225.30		11,205,555.70	
	CALL 2011	28,189,910.63	4,661,674.92	6,148,293.91	5,428,737.50	4,070,457.53	4,988,582.54	365,585.83	25,663,332.23	181,751.81
	CALL 2012	113,561,199.85	4,608,105.82	21,690,590.65	47,363,934.40	10,853,858.20	9,350,749.46	2,872,126.09	96,739,364.62	16,592,343.31
	CALL 2013	170,005,349.79	2,847,650.41	28,948,765.68	42,695,264.98	37,131,851.65	18,588,414.89	14,885,232.22	145,097,179.83	23,884,872.83
Total ENIAC		345,916,924.02	16,656,003.24	64,648,146.87	100,934,418.04	60,559,788.07	33,196,972.19	18,122,944.14	294,118,272.55	40,658,967.95
		Paid cumulative	16,656,003.24	81,304,150.11	182,238,568.15	242,798,356.22	275,995,328.41	294,118,272.55		
Total FP7		447,342,071.80	23,915,243.27	92,122,568.35	118,335,979.18	76,553,807.88	41,247,047.93	20,305,795.89	372,480,442.50	53,047,336.38
		Paid cumulative	23,915,243.27	116,037,811.62	234,373,790.80	310,927,598.68	352,174,646.61	372,480,442.50		

Table 16. FP7: Payments for ARTEMIS and ENIAC projects

*Note: "Committed amount" and "Payments for 2014" reflect amounts as of the establishment of ECSEL JU. "RAL on 31/12/2019" reflects the amount after the decommitments for projects closed up to 31/12/2019.*

## 4 FINANCIAL MANAGEMENT

### 4.1 THE DIFFERENT FINANCIAL ACTORS

With regard to the limited size of the ECSEL Joint Undertaking, the Executive Director has established the financial circuits introducing the necessary adaptations for ensuring business continuity in budget and financial management in 2019.

On 26 February 2020, ECSEL Governing Board has adopted a new set of Financial Rules applicable as of 1<sup>st</sup> January 2020<sup>4</sup> in pursuance of Financial Regulation (EU, EURATOM) 2018/1046<sup>5</sup> and Delegated Regulation (EU) 2019/887<sup>6</sup>.

Financial Circuits were updated for the last time on October 2018 following a Decision of the Executive Director. As far as H2020 workflows are concerned, these were updated on 21 occasions in year 2019, mainly to implement new workflows and to ensure business continuity in case of absence or disruption.

### 4.2 FINANCIAL IT SYSTEMS

For the financial management and monitoring of projects as well as the calls management under Horizon 2020, ECSEL JU implements the common ICT tools designed, updated and maintained by the European Commission.

ECSEL JU is also using ABAC (accounting system of the European Commission) for its financial management related to procurement and FP7 transactions.

The financial and accounting systems have been implemented, deployed and tested in relation with the procedures set up by the services of the Commission relating to the transfer of responsibilities for financial management.

Following Article 25 of ECSEL JU new Financial Rules<sup>7</sup>, the Governing Board of ECSEL JU appoints the Accounting Officer who is, amongst other tasks, responsible for preparation of the annual accounts of the Joint Undertaking. In accordance with the decision of the ECSEL JU's Governing Board of 4 December 2017 (ECSEL GB 2017.97), the Accounting Officer of the Commission acts, as of 1 July 2018, as the Accounting Officer of ECSEL JU.

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<sup>4</sup> Adopted by ECSEL JU Governing Board decision ECSEL-GB-2020.138 on 26.02.2020.

<sup>5</sup> Regulation (EU, Euratom) 2018/1046 of the European Parliament and the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012.

<sup>6</sup> Commission Delegated Regulation (EU) No 2019/887 of 13 March 2019 on the model financial regulation for public-private partnership bodies referred to in Article 71 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council.

<sup>7</sup> ECSEL-GB-2020.138 of 26.02.2020.

## 5 GLOSSARY

- **ABAC:** This is the name given to the Commission's accounting system, which since 2005 has been enriched by accrual accounting rules. Apart from the cash-based budget accounts, the Commission produces accrual-based accounts which recognise revenue when earned, rather than when collected. Expenses are recognised when incurred rather than when paid. This contrasts with cash basis budgetary accounting that recognises transactions and other events only when cash is received or paid.
- **Accounting:** The act of recording and reporting financial transactions, including the creation of the transaction, its recognition, processing, and summarisation in the financial statements.
- **Administrative appropriations:** Administrative appropriations cover the running costs of the Institutions and entities (staff, buildings, office equipment).
- **Adopted Budget:** Draft budget becomes the adopted budget as soon as it is approved by the Budgetary Authority.
- **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.
- **Appropriations:** Budget funding. The budget forecasts both commitments (legal pledges to provide finance, provided that certain conditions are fulfilled) and payments (cash or bank transfers to the beneficiaries). Appropriations for commitments and payments often differ — differentiated appropriations — because multiannual programmes and projects are usually fully committed in the year they are decided and are paid over the years as the implementation of the programme and project progresses. Non-differentiated appropriations apply to administrative expenditure, for agricultural market support and direct payments and commitment appropriations equal payment appropriations.
- **Assigned revenue External/Internal:** Main sources of external assigned revenue are financial contributions from third countries to programmes financed by the Union. Main sources of internal assigned revenue is revenue from third parties in respect of goods, services or work supplied at their request; (c) revenue arising from the repayment of amounts wrongly paid and revenue from the sale of publications and films, including those on an electronic medium. The complete list of items constituting assigned revenue is given in the Financial Regulation Art.21.
- **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 implementation:** Consumption of the budget through expenditure and revenue operations.
- **Budget item / Budget line / Budget position / Budget chapter:** 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. Art. 7 FR: Commitment appropriations cover the total cost in the current financial year of legal obligations (contracts, grant agreements/decisions) entered into for operations extending over more than one year.
- **De-commitment:** Cancellation of a reservation of appropriations
- **Differentiated appropriations:** Differentiated appropriations are used to finance multiannual operations; they cover, for the current financial year, the total cost of the legal obligations entered into for operations whose implementation extends over more than one financial year. Art. 7 FR: Differentiated appropriations are entered for multiannual operations. They consist of commitment appropriations and payment appropriations.
- **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 and OJ L 193/30.07.2018)
- **Implementation:** Cf. Budget implementation
- **Income:** Cf. Revenue
- **Joint Undertakings (JUs):** A legal EU-body established under the TFEU. The term can be used to describe any collaborative structure proposed for the "efficient execution of Union research, technological development and demonstration programmes".
- **Legal base:** The legal base or basis 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:** Non-differentiated appropriations are for operations of an annual nature. (Art. 9 FR). In the EU Budget non-differentiated appropriations apply to administrative expenditure, for agricultural market support and direct payments.
- **Operational appropriations:** Operational appropriations finance the different policies, mainly in the form of grants or procurement.
- **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 (Art. 7 FR).
- **RAL:** Sum of outstanding commitments. Outstanding commitments (or RAL, from the French 'reste à liquider') are defined as the amount of appropriations committed that have not yet been paid. They stem directly from the existence of multiannual programmes and the dissociation between commitment and payment appropriations. (Cf. Outstanding commitments)

- **Recovery:** The recovery order is the procedure by which the Authorising officer (AO) registers an entitlement by the Commission in order to retrieve the amount which is due. The entitlement is the right that the Commission has to claim the sum which is due by a debtor, usually a beneficiary.
- **Revenue:** Term used to describe income from all sources financing the budget.
- **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.