



Annual accounts
of the Consumers, Health,
Agriculture and Food
Executive Agency

Financial year 2020

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CERTIFICATION OF THE ACCOUNTS

I acknowledge my responsibility for the preparation and presentation of the annual accounts of CHAFEA in accordance with the Article 77 of the Financial Regulation ('FR')¹ and I hereby certify that the annual accounts of the CHAFEA for the year 2020 have been prepared in accordance with the Financial Regulation applicable to the general budget of the European Union and the accounting rules adopted by the Commission's Accounting Officer, as are to be applied by all the institutions and union bodies.

I have obtained from the Authorising Officer, who certified its reliability, all the information necessary for the production of the accounts that show the CHAFEA's assets and liabilities and the budgetary implementation. Based on this information, and on such checks as I deemed necessary to sign off the accounts, I have a reasonable assurance that the accounts present fairly, in all material aspects, the financial position, the results of the operations and the cash-flow of the CHAFEA.

Rosa ALDEA BUSQUETS
Accounting Officer of CHAFEA

¹ REGULATION (EU, Euratom) 2018/1046 OF THE EUROPEAN PARLIAMENT AND OF 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.

BACKGROUND INFORMATION NOTE

1.1. General background on the entity

Establishment

The Consumers, Health, Agriculture and Food Executive Agency, known also as CHAFEA, is an executive agency of the European Union based in Luxembourg, that is dedicated to managing EU programmes in the field of health, consumer protection and food safety.

CHAFEA was founded by Commission Decision 2004/858/EC of 15 December 2004. Its current legal mandate stems from the Commission Implementing Decision of 17 December 2014 (Ref. 2014/927/EU). Following the Communication to the Commission C(2020)2880/1 of 29 April 2020 on Delegation of implementation tasks to Executive Agencies for the 2021-2027 EU programmes, the tasks of the CHAFEA will be transferred to other executive agencies in 2021.

Mission

The mission of CHAFEA is to efficiently manage the four programmes (described below) and successfully meet their objectives, in line with the Commission's priorities and the Directorate-General's guidance, ultimately contributing to the positive perception of the European project. CHAFEA aims to provide high quality support to their beneficiaries and stakeholders, and to ensure that the actions funded by the four programmes deliver results and provide the Commission with valuable input for its policy tasks.

Main operational activities

CHAFEA manages four EU programmes and the related budget of about one billion euros over the period 2014-2020 on behalf of the Commission and in close collaboration with several parent DGs:

- (1) The **Health Programme**, funding actions aiming to promote and support European cooperation on a number of the most challenging health-related issues such as e.g. chronic and rare diseases, anti-microbial resistance and health technology assessment (parent DGs: DG SANTE and DG GROW);
- (2) The **Consumer Programme**, with actions targeting safer products and market surveillance, assistance to consumers on cross-border issues, education and information initiatives as well as providing data in support of policy (parent DG: DG JUST);
- (3) The **Better Training for Safer Food** initiative, well-known for promoting European food safety standards in the EU and worldwide, with hundreds of trainings organised each year for professionals (parent DG: DG SANTE); and
- (4) The **Promotion of Agricultural Products**, which implements actions to increase awareness of the merits of EU products and quality schemes, as well as their competitiveness and market share worldwide (parent DG: DG AGRI).

Governance

CHAFEA operates under the Commission's supervision in accordance with Article 20 of Council Regulation (EC) No 58/2003. CHAFEA's two core management and supervision bodies are:

- The Steering Committee, which is composed of members appointed by the Commission, is responsible for managing and supervising the Agency. It is made up of representatives of the Commission. The chairperson is nominated from its members and remains in charge for two years. The CHAFEA Steering Committee meets four times per year.
- The Director represents the executive agency and acts as authorising officer by delegation. The Director is appointed by the Commission for a term of four years during which he/she manages the Agency under the supervision of the Steering Committee.

Sources of financing

CHAFEA does not receive any external financing. All the financial resources stem from the general budget of the European Union and can be split as follows:

- Annual balancing subsidy from the partner DGs
- Operational subsidies relating to Grant/Delegation/Contribution agreements with different services of the Commission

1.2. Annual accounts

Basis for preparation

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

Accounting Officer

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

Following the decision of the CHAFEA Steering Committee of 25 September 2019, the Accounting Officer of the Commission shall, as of 1 October 2019, act as the Accounting Officer of CHAFEA.

Composition of the annual accounts

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

It should be noted that these annual accounts only cover the administrative part of the CHAFEA's budget. The operational part is included in the accounts of the Commission.

Process from provisional accounts to discharge

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

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

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

² COMMISSION REGULATION (EC) No 2004/1653 of 21 September 2004 on a standard financial regulation for the executive agencies pursuant to Council Regulation (EC) No 2003/58 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes

1.3. Operational highlights

Closure of CHAFEA

In April 2020, the closure of CHAFEA was announced and is expected to be effective on 31 March 2021.

CHAFEA highlights of the 2020 budgetary implementation

Operational budget

CHAFEA's core mandate covers the execution of the EU operational budget through the implementation of EU programmes delegated to it by the European Commission. In doing so, CHAFEA is subject to legislative acts that seek to ensure attainment of EU policy objectives as well as a legal and regular management of financial resources that are allocated for this purpose. Being an executive agency CHAFEA implements financial appropriations directly (direct management, Art.62 FR). The Director of the Agency is the Authorising Officer by Delegation responsible for the implementation of the operational budget. CHAFEA implements the policy for the Promotion of agricultural products, and is also responsible for the preparatory stage (call initiation and publication, evaluation of proposals) of grants managed by Member States under shared management.

During 2020, CHAFEA implemented an operational portfolio of both payment and commitment appropriations.

The commitment appropriation implementation rate of the 2020 operational budget was 100% for all programmes³. However, the actual level of implementation of the budget delegated to the agency (individual legal commitments related to grants and procurement contracts⁴) was relatively low for the Health Programme (31%) and BTSF (1%) while the result was more favourable for the Consumer Programme (57%) and the Promotion of Agricultural Products Programme (72%). The relatively low implementation level of individual commitments is mainly due to the impact of the COVID-19 pandemic, e.g. regular training services had to be amended to on-line trainings, and therefore unforeseeable delays occurred.

Operational commitments and Payments consumption in euros per programme in 2020⁵

	Health Programme (PHP 2 and 3)	Consumers	BTSF	Agri Promotion	Total
Commitments Credits	40,530,042.00	19,063,174.00	19,000,000.00	100,900,000.00	179,493,216.00
Commitments consumed (L1+L2)	40,530,042.00	19,063,174.00	19,000,000.00	100,900,000.00	179,493,216.00
Commitments consumed L2	12,451,787.00	10,823,694.03	212,341.00	72,813,923.73	96,301,745.76
Payment credits	42,480,000.00	17,365,539.32	11,884,499.97	61,268,192.00	132,998,231.29
Payment consumed	42,480,000.00	17,365,539.32	11,884,499.97	60,969,923.12	132,699,962.41

³ Commitments consumed (L1+L2)

⁴ Commitments consumed L2

⁵ Data includes only C1 credits.

Operating (Administrative) budget

As an autonomous EU body, CHAFEA receives its own operating budget in the form of an annual subsidy from the EU budget (Health Programme and BTSF initiative (DG SANTE), the promotion of agriculture products (DG AGRI) and the Consumer Programme (DG JUST). For the implementation of the Health and Consumer Programme, part of the CHAFEA operating budget is from the contribution of EFTA countries.

The budget covers the running costs of the Agency including staff expenditure, infrastructure and operating expenditure as well as programme support expenditure. Included are office related costs, IT services, as well as a number of programme support activities such as missions, communication/dissemination, ex-post auditing and translation. The Director of the Agency is the Authorising Officer responsible for the implementation of the Agency's operating budget.

In 2020, the originally approved budget was EUR 11.45 million. However, due to the COVID-19 pandemic and the anticipated changes due to the closure of the Agency, the CHAFEA Steering Committee approved in September 2020 the partial return of budget of EUR 704.700, thus the approved amended reduced budget for 2020 was EUR 10.75 million.

The impact of the COVID-19 pandemic as well as the anticipated closure drastically reduced the costs foreseen for some lines such as the organisation of meetings, missions and communication activities. The anticipated CHAFEA closure resulted in a high staff turnover and thus a underspending on this budget line.

Commitment Appropriation (EUR)	Consumed Commitment appropriation (EUR)	%
11 454 879 ⁶ 10 750 179 ⁷	10 728 765	100

Payment Appropriation (EUR)	Consumed payment appropriation (EUR)	%
11 454 879 ⁴ 10 750 179 ⁵	9 701 919	90 ⁸

⁶ Original approved budget

⁷ Amended budget with the return of EUR 704.700 (September 2020)

⁸ Reflection of C1 appropriations

In 2020, the Agency continued implementing the four main operational programmes delegated to it by the Commission in accordance with the 2020 work programme. The Agency conducted its operations in compliance with applicable rules and regulations, working in an open and transparent manner, and meeting the expected high level of professional and ethical standards.

As for the administrative budget, in line with previous years, the main expenditure of the Agency was related to staff, infrastructure and operating expenditure, necessary for the day to-day activities and programme support. The administrative budget of the agency amounted to mEUR 10.75 in 2020. The budget implementation in terms of commitments was 100% and 90% in terms of payments (C1 appropriations).

Impact of the activities in the financial statements

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

- Decrease of Accrued Charges (balance sheet) to kEUR 480 (from kEUR 810 in 2019) related to the decision to transfer CHAFEA's tasks to other executive agencies.

FINANCIAL STATEMENTS AND EXPLANATORY NOTES

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

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BALANCE SHEET

		EUR '000	
	Note	31.12.2020	31.12.2019
NON-CURRENT ASSETS			
<i>Intangible assets</i>		–	0
<i>Property, plant and equipment</i>	2.1	56	78
		56	78
CURRENT ASSETS			
<i>Exchange receivables and non-exchange recoverables</i>	2.2	1 534	2 663
		1 534	2 663
TOTAL ASSETS		1 590	2 740
CURRENT LIABILITIES			
<i>Payables and other liabilities</i>	2.3	(414)	(410)
<i>Accrued charges and deferred income</i>	2.4	(480)	(810)
		(894)	(1 219)
TOTAL LIABILITIES		(894)	(1 219)
NET ASSETS		696	1 521
<i>Accumulated deficit</i>		1 521	1 274
<i>Economic result of the year</i>		(825)	247
NET ASSETS		696	1 521

STATEMENT OF FINANCIAL PERFORMANCE

	Note	2020	EUR '000 2019
REVENUE			
Revenue from non-exchange transactions			
<i>Funds from the Commission</i>	3.1	10 369	10 817
		10 369	10 817
Revenue from exchange transactions			
<i>Other</i>		14	4
		14	4
Total revenue		10 383	10 821
EXPENSES			
<i>Staff costs</i>	3.2	(6 694)	(6 238)
<i>Other expenses</i>	3.3	(4 514)	(4 335)
Total expenses		(11 209)	(10 573)
ECONOMIC RESULT OF THE YEAR		(825)	247

CASHFLOW STATEMENT⁹

	<i>EUR '000</i>	
	2020	2019
<i>Economic result of the year</i>	(825)	247
Operating activities		
<i>Depreciation and amortization</i>	27	33
<i>(Increase)/decrease in exchange receivables and non-exchange recoverables</i>	1 129	(2 628)
<i>Increase/(decrease) in payables</i>	4	(416)
<i>Increase/(decrease) in accrued charges</i>	(330)	25
<i>(Increase)/decrease in intangible assets and property, plant and equipment</i>	(5)	(51)
NET CASHFLOW	0	(2 791)
<i>Net increase/(decrease) in cash and cash equivalents</i>	-	(2 791)
<i>Cash and cash equivalents at the beginning of the year</i>	-	2 791
<i>Cash and cash equivalents at year-end</i>	-	-

⁹ Following the appointment of the Accounting Officer of the Commission as the Accounting Officer of CHAFEA, the treasury of CHAFEA was integrated into the Commission's treasury system. Because of this, CHAFEA does not have any bank accounts of its own. All payments and receipts are processed via the Commission's treasury system and registered on intercompany accounts, which are presented under the heading exchange receivables.

STATEMENT OF CHANGES IN NET ASSETS

	EUR '000		
	Accumulated Surplus/ (Deficit)	Economic result of the year	Net Assets
BALANCE AS AT 31.12.2018	1 365	(91)	1 274
<i>Allocation 2018 economic result</i>	(91)	91	-
<i>Economic result of the year</i>	-	247	247
BALANCE AS AT 31.12.2019	1 274	247	1 521
<i>Allocation 2019 economic result</i>	247	(247)	-
<i>Economic result of the year</i>	-	(825)	(825)
BALANCE AS AT 31.12.2020	1 521	(825)	696

NOTES TO THE FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

1.1. ACCOUNTING PRINCIPLES

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

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

1.2. BASIS OF PREPARATION

1.2.1. Reporting period

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

1.2.2. Currency and basis for conversion

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

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

Euro exchange rates

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

1.2.3. Use of estimates

In accordance with IPSAS and generally accepted accounting principles, the financial statements necessarily include amounts based on estimates and assumptions by management based on the most reliable information available. Significant estimates include, but are not limited to: amounts for employee benefit liabilities, accrued and deferred revenue and charges, provisions, financial risk on accounts receivable, contingent assets and liabilities, and degree of impairment of assets. Actual results could differ from those estimates.

Reasonable estimates are an essential part of the preparation of financial statements and do not undermine their reliability. An estimate may need revision if changes occur in the circumstances on which the estimate was based or as a result of new information or more experience. By its nature, the revision

of an estimate does not relate to prior periods and is not the correction of an error. The effect of a change in accounting estimate shall be recognised in the surplus or deficit in the periods in which it becomes known.

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

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

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

New EAR adopted but not yet effective at 31 December 2020

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

1.3. BALANCE SHEET

1.3.1. Property, plant and equipment

All property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition, construction or transfer of the asset. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits or service potential associated with the item will flow to the entity and its cost can be measured reliably. Repairs and maintenance costs are charged to the statement of financial performance during the financial period in which they are incurred. Land is not depreciated, as it is deemed to have an indefinite useful life. Assets under construction are not depreciated as these assets are not yet available for use. Depreciation on other assets is calculated using the straight-line method to allocate their cost less their residual values over their estimated useful lives, as follows:

Type of asset	Straight line depreciation rate
<i>Buildings</i>	4 % to 10 %
<i>Plant and equipment</i>	10 % to 25 %
<i>Furniture and vehicles</i>	10 % to 25 %
<i>Computer hardware</i>	25 % to 33 %
<i>Other</i>	10 % to 33 %

Gains or losses on disposals are determined by comparing proceeds less selling expenses with the carrying amount of the disposed asset and are included in the statement of financial performance.

Leases

A lease is an agreement whereby the lessor conveys to the lessee, in return for a payment or series of payments, the right to use an asset for an agreed period of time. Leases are classified as either finance leases or operating leases.

Finance leases are leases where substantially all the risks and rewards incidental to ownership are transferred to the lessee.

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

1.3.2. Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation/depreciation and are tested annually for impairment. Assets that are subject to amortisation/depreciation are tested for impairment whenever there is an indication at the reporting date that an asset may be impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable (service) amount. The recoverable (service) amount is the higher of an asset's fair value less costs to sell and its value in use.

Intangible assets and property, plant and equipment residual values and useful lives are reviewed, and adjusted if appropriate, at least once per year. If the reasons for impairments recognised in previous years no longer apply, the impairment losses are reversed accordingly.

1.3.3. Receivables and recoverables

The EU accounting rules require a separate presentation of exchange and non-exchange transactions. To distinguish between the two categories, the term 'receivable' is reserved for exchange transactions, whereas for non-exchange transactions, i.e. when the EU receives value from another entity without directly giving approximately equal value in exchange, the term 'recoverables' is used (e.g. recoverables from Member States related to own resources).

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

Recoverables from non-exchange transactions are carried at original amount (adjusted for interests and penalties) less write-down for impairment. A write-down for impairment is established when there is objective evidence that the entity will not be able to collect all amounts due according to the original terms of the recoverables. The amount of the write-down is the difference between the asset's carrying amount and the recoverable amount. The amount of the write-down is recognised in the statement of financial performance.

1.3.4. Cash and cash equivalents

Cash and cash equivalents are financial instruments and include cash at hand, deposits held at call or at short notice with banks, and other short-term highly liquid investments with original maturities of three months or less.

1.3.5. Payables

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

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

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

1.3.6. Accrued and deferred revenue and charges

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

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

1.4. STATEMENT OF FINANCIAL PERFORMANCE

1.4.1. Revenue

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

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

(i) Revenue from non-exchange transactions

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

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

(ii) Revenue from exchange transactions

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

1.4.2. Expenses

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

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

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

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

1.5. CONTINGENT ASSETS AND LIABILITIES

1.5.1. Contingent assets

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

1.5.2. Contingent liabilities

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

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

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

1.6. CONSOLIDATION

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

2. NOTES TO THE BALANCE SHEET

ASSETS

2.1. PROPERTY, PLANT AND EQUIPMENT

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

	EUR '000				
	Plant and equipment	Furniture and vehicles	Computer hardware	Other	TOTAL
<i>Gross carrying amount at 31.12.2019</i>	6	41	174	52	274
<i>Additions</i>	-	-	5	-	5
<i>Disposals</i>	(3)	-	(35)	(1)	(39)
Gross carrying amount at 31.12.2020	3	41	145	51	239
<i>Accumulated depreciation at 31.12.2019</i>	(4)	(20)	(123)	(49)	(196)
<i>Depreciation charge for the year</i>	(1)	(3)	(21)	(2)	(27)
<i>Disposals</i>	3	-	35	1	39
Accumulated depreciation at 31.12.2020	(1)	(23)	(110)	(49)	(184)
NET CARRYING AMOUNT AT 31.12.2020	2	18	35	2	56
<i>NET CARRYING AMOUNT AT 31.12.2019</i>	3	21	51	3	78

2.2. EXCHANGE RECEIVABLES & NON-EXCHANGE RECOVERABLES

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

At 31.12.2020 CHAFEA did not have any non-current receivables and recoverables. The amounts included under this heading are of a current nature and can be broken down as follows:

	EUR '000	
	31.12.2020	31.12.2019
Receivables from exchange transactions		
<i>Central treasury liaison accounts</i>	1 504	2 631
<i>EU consolidated entities and staff</i>	27	29
<i>Deferred charges</i>	3	3
Total	1 534	2 663

Following the appointment of the Accounting Officer of the Commission as the Accounting Officer of CHAFEA, the treasury of CHAFEA was integrated into the Commission's treasury system. Because of this, CHAFEA does not have any bank accounts at 31 December 2020. All payments and receipts are processed via the Commission's treasury and registered on inter-company accounts, which are presented under this heading.

LIABILITIES

2.3. PAYABLES AND OTHER LIABILITIES

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

	<i>EUR '000</i>	
	31.12.2020	31.12.2019
<i>Pre-financing received from EC - balancing subsidy</i>	381	403
<i>Suppliers</i>	33	5
<i>Other amounts payable</i>	0	2
Total	414	410

The pre-financing liability related to balancing subsidy comprises the unused amounts of the balancing subsidy received by CHAFEA in 2019. The amounts will be returned to the Commission in 2020.

2.4. ACCRUED CHARGES

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

	<i>EUR '000</i>	
	31.12.2020	31.12.2019
<i>Accrued charges</i>	480	810

Amounts under this heading comprise accrued administrative expenses related to IT operational costs (kEUR 116) and Communications & publications (kEUR 102). The heading also includes accrued charges for untaken leave of kEUR 176.

The decrease in this heading is related to the decision to transfer the tasks of CHAFEA to other executive agencies.

3. NOTES TO THE STATEMENT OF FINANCIAL PERFORMANCE

REVENUE

NON-EXCHANGE REVENUE

3.1. FUNDS FROM THE COMMISSION

EUR '000

	2020	2019
<i>Funds from the Commission</i>	10 369	10 817

The heading funds from the Commission corresponds to the amounts of the balancing subsidy used for the administrative activities of CHAFEA in 2020. Unspent amounts are recorded as pre-financing liabilities under accounts payable (see note **2.3** above). The corresponding accrued expenses will be recorded in the financial statements of the Commission.

EXPENSES

3.2. STAFF COSTS

EUR '000

	2020	2019
<i>Staff costs</i>	6 694	6 238

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

In 2021 following to the decision to transfer the tasks of CHAFEA, the staff of CHAFEA will be recruited by other executive agencies.

3.3. OTHER EXPENSES

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

	EUR '000	
	2020	2019
<i>Expenses with other Consolidated entities</i>	3 326	2 179
<i>External IT services</i>	612	484
<i>External non IT services</i>	458	879
<i>Missions</i>	46	297
<i>Communications and publications</i>	35	71
<i>Property, plant and equipment related expenses</i>	27	33
<i>Office supplies and maintenance</i>	24	232
<i>Training costs</i>	(14)	98
<i>Experts expenses</i>	(0)	47
<i>Other</i>	0	14
Total	4 514	4 335

Expenses with other consolidated entities include annual fees related to the Service Level Agreements (SLA) with the Commission. The increase is largely explained by the higher expenses with DG DIGIT due to centralisation of the IT services (2020: kEUR 1 130, 2019: kEUR 640) and increase of translation expenses under the SLA with the Translation Centre (2020: kEUR 1 026, 2019: kEUR 447). This increase was partially offset by a decrease of external non IT services, office supplies and maintenance, training costs and experts expenses which was triggered by the ongoing COVID-19 crisis and the upcoming transfer of the tasks of the CHAFEA to other executive agencies.

Included under this heading are also rental and charges of kEUR 1 032 (2019: kEUR 1023) related to the of the Drosbach building rented from the Office for Infrastructure and Logistics in Luxembourg (DG OIL). The amounts committed to be paid during the remaining term of this operating lease contracts are as follows:

	Future amounts to be paid			Total
	< 1 year	1- 5 years	> 5 years	
<i>Buildings</i>	258	-	-	258

4. CONTINGENT LIABILITIES AND ASSETS

4.1. CONTINGENT LIABILITY

As a consequence of the transfer of CHAFEA tasks to other executive agencies (see note **5.4**), the staff of CHAFEA will be recruited by other executive agencies and they will benefit from installation and daily subsistence allowances, as well as removal expenses. The staff not moving with the programmes will benefit from potential resettlement allowances, as well as unemployment benefits and a notice period in line with their contractual provisions (up to a maximum of 10 months). This leads to additional staff costs which are estimated at 31.12.2020 between kEUR 2 297 and kEUR 2 928. The obligation will be settled by the Executive Agency taking over the CHAFEA legacy in 2021.

5. OTHER SIGNIFICANT DISCLOSURES

5.1. OUTSTANDING COMMITMENTS NOT YET EXPENSED

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

EUR '000

	31.12.2020	31.12.2019
<i>Outstanding commitments not yet expensed</i>	690	1 345

5.2. RELATED PARTIES

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

5.3. KEY MANAGEMENT ENTITLEMENTS

The highest ranked civil servant of the CHAFEA is the Director, who executes the role of the Authorising Officer by delegation.

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

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

5.4. TRANSFER OF TASKS

Following Communication to the Commission C(2020) 7876 of 11 November 2020 on Delegation of implementation tasks to Executive Agencies for the 2021-2027 EU programmes, the tasks of the CHAFEA will be transferred to other executive agencies. In line with the with the EU Accounting Rules 1 and 19, the going concern principle can thus not be applied as a basis of preparation for the 2020 annual accounts of CHAFEA. However given that the operations will be transferred to other EU consolidated entities, this has no impact on the amounts of assets and liabilities in the 2020 annual accounts, which continue to be prepared on the same basis.

5.5. BREXIT

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

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

6. FINANCIAL RISK MANAGEMENT

6.1. TYPES OF RISK

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

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

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

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

Liquidity risk is the risk that arises from the difficulty in selling an asset; for example, the risk that a given security or asset cannot be traded quickly enough in the market to prevent a loss or meet an obligation.

6.2. CURRENCY RISKS

Exposure to currency risk at year-end

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

6.3. CREDIT RISK

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

6.4. LIQUIDITY RISK

Maturity analysis of financial liabilities by remaining contractual maturity

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

THE BUDGET IMPLEMENTATION REPORTS AND EXPLANATORY NOTES

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

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1. BUDGETARY PRINCIPLES AND STRUCTURE

1.1. BUDGETARY PRINCIPLES

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

The establishment and implementation of the CHAFEA budget is governed by the following principles:

Principles of unity and budget accuracy

This principle means that no revenue shall be collected and no expenditure effected unless booked to a line in the CHAFEA budget. 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 considered necessary.

Principle of annuality

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

Principle of equilibrium

Revenue and payment appropriations shall be in balance.

Principle of unit of account

The budget shall be drawn up and implemented in euros and the accounts shall be presented in euros.

Principle of universality

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

Principle of specification

Appropriations shall be earmarked for specific purposes by title and chapter. The chapters shall be further subdivided into articles and items.

Principle of sound financial management

Appropriations shall be used in accordance with the principle of sound financial management, namely in accordance with the principles of economy, efficiency and effectiveness.

Principle of transparency

The budget shall be established and implemented and the accounts presented in accordance with the principle of transparency. The budget and any amending budgets shall be published in the Official Journal of the European Union within three months of their adoption.

1.2. STRUCTURE AND PRESENTATION OF THE BUDGET

The Agency is funded by a subsidy from the European Union (EU) shown in the Commission's budgetary accounts. The subsidy is transferred to the Agency in several instalments, according to Article 27 of the Commission decision C (2013) 9505 of 20/12/2013.

The budget consists only of non-differentiated appropriations.

The statement of expenditure must be set out on the basis of a nomenclature with a classification by purpose. That nomenclature shall be determined by CHAFEA and shall make a clear distinction between administrative appropriations and operating appropriations:

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 HR and PMO, social benefits and interim services.

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.

Title 3: Expenditure linked to the agency's operations

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

2. RESULT OF THE IMPLEMENTATION OF THE BUDGET

		<i>EUR '000</i>	
	Title	2020	2019
Revenue		10 751	11 224
of which:			
European Community contribution	1	10 750	11 108
Participation of Third countries	2	–	113
Miscellaneous revenue	9	0	4
Expenditure		(9 702)	(9 052)
of which:			
Staff expenditure	1	(7 100)	(6 547)
Administrative expenditure	2	(1 421)	(1 191)
Operating expenditure	3	(1 182)	(1 314)
Payment appropriat. carried over to the following year		(1 027)	(2 149)
of which:			
Staff expenditure	1	(104)	(285)
Administrative expenditure	2	(130)	(231)
Operating expenditure	3	(793)	(1 634)
Cancellation of unused appropr. carried over from year n-1		360	381
Exchange rate differences		(0)	(0)
Budget result		381	403

3. RECONCILIATION OF ECONOMIC RESULT WITH BUDGET RESULT

EUR '000

	2020	2019
ECONOMIC RESULT OF THE YEAR	(825)	247
Adjustment for accrual items (items not in the budgetary result but included in the economic result)	1 498	1 570
<i>Adjustments for accrual cut-off (net)</i>	(330)	25
<i>Unpaid invoices at year end but booked in expenses</i>	33	-
<i>Depreciation, amortization and impairment of intangible and tangible assets</i>	27	33
<i>Recovery orders issued in the year and not yet cashed</i>	(18)	(18)
<i>Payments made from carry-over of payment appropriations</i>	1 790	1 533
<i>Other individually immaterial</i>	(3)	(3)
Adjustment for budgetary items (item included in the budgetary result but not in the economic result)	(291)	(1 414)
<i>Asset acquisitions (less unpaid amounts)</i>	(5)	(52)
<i>New pre-financing received in the year and remaining open as at 31 December</i>	381	403
<i>Entitlements established in previous year and cashed in the year</i>	-	4
<i>Payment appropriations carried over to next year</i>	(1 027)	(2 149)
<i>Cancellation of unused carried over payment appropriations from previous year</i>	360	381
<i>Other individual immaterial</i>	(0)	(1)
BUDGET RESULT OF THE YEAR	381	403

4. IMPLEMENTATION OF BUDGET REVENUE

4.1. Implementation of budget revenue – Title 1

EUR '000

Item	Income appropriations		Entitlements established			Revenue				Out-standing
	Initial budget	Final budget	Current year	Carried over	Total	On entitlements of current year	On entitlements carried over	Total	%	
	1	2	3	4	5=3+4	6	7	8=6+7	9=8/2	
1000 European Community Contribution	11 301	10 596	10 750	–	10 750	10 750	–	10 750	101 %	–
Total Chapter 10	11 301	10 596	10 750	–	10 750	10 750	–	10 750	101 %	–
Total Title 1	11 301	10 596	10 750	–	10 750	10 750	–	10 750	101 %	–
2000 Participation of EFTA Countries	154	154	–	–	–	–	–	–	0 %	–
Total Chapter 20	154	154	–	–	–	–	–	–	0 %	–
Total Title 2	154	154	–	–	–	–	–	–	0 %	–
9000 Miscellaneous revenue	–	–	14	–	14	0	–	0	–	14
Total Chapter 90	–	–	14	–	14	0	–	0	–	14
Total Title 9	–	–	14	–	14	0	–	0	–	14
GRAND TOTAL	11 455	10 750	10 765	–	10 765	10 751	–	10 751	100 %	14

5. IMPLEMENTATION OF BUDGET EXPENDITURE

5.1. Breakdown & changes in commitment appropriations

5.1.1. Breakdown & changes in commitment appropriations – Title 1

EUR '000

Item	Budget appropriations			Additional appropriations			Total approp. available	
	Initial adopted budget	Amending budgets	Transfers	Final budget adopted	Carry- overs	Assigned revenue		Total
	1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
1111 Temporary agents	2 922	(253)	-	2 669	-	-	-	2 669
1121 Contractual agents	4 250	(400)	(44)	3 807	-	-	-	3 807
1131 Interim agents and blue book trainees	275	113	-	388	-	-	-	388
Total Chapter 11	7 448	(540)	(44)	6 864	-	-	-	6 864
1211 Recruitment, entering and leaving the service, transfer costs	15	(11)	-	4	-	-	-	4
1221 General, specific & language training courses	45	15	-	60	-	-	-	60
1231 Administrative and medical service - PMO and DG HR	102	20	41	163	-	-	-	163
1241 Social service and other intervention	115	-	-	115	-	-	-	115
1251 Internal meetings, events and reception	1	(1)	-	0	-	-	-	0
Total Chapter 12	279	23	41	343	-	-	-	343
Total Title 1	7 726	(517)	(3)	7 206	-	-	-	7 206

5.1.2. Breakdown & changes in commitment appropriations – Title 2

EUR '000

Item	Initial adopted budget	Budget appropriations			Additional appropriations			Total approp. available
		Amending budgets	Transfers	Final budget adopted	Carry-overs	Assigned revenue	Total	
	1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
2111 Rent of building and associated costs	1 050	-	(18)	1 032	-	-	-	1 032
2121 Fitting out	10	-	(10)	0	-	-	-	0
Total Chapter 21	1 060	-	(28)	1 032	-	-	-	1 032
2211 Hardware, software and linked expenditure	65	19	62	146	-	-	-	146
2221 ICT - DG DIGIT	190	-	(31)	160	-	-	-	160
Total Chapter 22	255	19	31	305	-	-	-	305
2311 Furniture and associated expenditure	6	10	-	16	-	-	-	16
2321 Office supplies, library stocks (books, newspapers, technical magazines) and associated expenditure	7	-	-	7	-	-	-	7
2331 Current administrative services (financial, legal and insurance services)	2	(1)	-	1	-	-	-	1
2341 Postal charges	9	-	-	9	-	-	-	9
2351 Other operating services	189	-	-	189	-	-	-	189
Total Chapter 23	212	9	-	221	-	-	-	221
Total Title 2	1 528	28	3	1 559	-	-	-	1 559

5.1.3. Breakdown & changes in commitment appropriations – Title 3

EUR '000

Item	Initial adopted budget	Budget appropriations			Additional appropriations			Total approp. available
		Amending budgets	Transfers	Final budget adopted	Carry-overs	Assigned revenue	Total	
	1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
3111 Meetings and information days	150	(71)	-	79	-	-	-	79
3131 Missions and related expense	275	(200)	-	75	-	-	-	75
3141 Data collection IT services to support programme management	280	-	-	280	-	-	-	280
3142 Programme management specific IT systems - DG DIGIT & DG RTD	800	40	-	840	-	-	-	840
3151 Communication, editing, publications, website and conferences	362	(195)	-	167	-	-	-	167
3161 Ex-post auditing	175	(175)	-	-	-	-	-	-
3171 Studies, consultancy, translation and other programme support expenditure	159	385	-	544	-	-	-	544
Total Chapter 31	2 201	(216)	-	1 985	-	-	-	1 985
Total Title 3	2 201	(216)	-	1 985	-	-	-	1 985
GRAND TOTAL	11 455	(705)	(0)	10 750	-	-	-	10 750

5.2. Breakdown & changes in payment appropriations

5.2.1. Breakdown & changes in payment appropriations – Title 1

EUR '000

Item	Budget appropriations				Additional appropriations			Total appropri- available	
	Initial budget adopted	Amending budgets	Transfers	Final adopted budget	Carry- overs	Assigned revenue	Total		
	1	2	3	4=1+2+3	5	6	7=5+6		
1111	Temporary agents	2 922	(253)	-	2 669	56	-	56	2 725
1121	Contractual agents	4 250	(400)	(44)	3 807	70	-	70	3 877
1131	Interim agents and blue book trainees	275	113	-	388	55	-	55	443
Total Chapter 11		7 448	(540)	(44)	6 864	181	-	181	7 045
1211	Recruitment, entering and leaving the service, transfer costs	15	(11)	-	4	1	-	1	5
1221	General, specific & language training courses	45	15	-	60	48	-	48	108
1231	Administrative and medical service - PMO and DG HR	102	20	41	163	35	-	35	198
1241	Social service and other intervention	115	-	-	115	19	-	19	134
1251	Internal meetings, events and reception	1	(1)	-	0	0	-	0	0
Total Chapter 12		279	23	41	343	104	-	104	446
Total Title 1		7 726	(517)	(3)	7 206	285	-	285	7 491

5.2.2. Breakdown & changes in payment appropriations – Title 2

EUR '000

Item	Budget appropriations				Additional appropriations			Total appropriations available
	Initial budget adopted	Amending budgets	Transfers	Final adopted budget	Carry-overs	Assigned revenue	Total	
	1	2	3	4=1+2+3	5	6	7=5+6	
2111 Rent of building and associated costs	1 050	-	(18)	1 032	-	-	-	1 032
2121 Fitting out	10	-	(10)	0	14	-	14	15
Total Chapter 21	1 060	-	(28)	1 032	14	-	14	1 047
2211 Hardware, software and linked expenditure	65	19	62	146	40	-	40	186
2221 ICT - DG DIGIT	190	-	(31)	160	94	-	94	254
Total Chapter 22	255	19	31	305	135	-	135	440
2311 Furniture and associated expenditure	6	10	-	16	0	-	0	16
2321 Office supplies, library stocks (books, newspapers, technical magazines) and associated expenditure	7	-	-	7	5	-	5	12
2331 Current administrative services (financial, legal and insurance services)	2	(1)	-	1	2	-	2	3
2341 Postal charges	9	-	-	9	1	-	1	9
2351 Other operating services	189	-	-	189	74	-	74	263
Total Chapter 23	212	9	-	221	82	-	82	303
Total Title 2	1 528	28	3	1 559	231	-	231	1 790

5.2.3. Breakdown & changes in payment appropriations – Title 3

EUR '000

Item	Initial budget adopted	Budget appropriations			Additional appropriations			Total	Total approp. available
		Amending budgets	Transfers	Final adopted budget	Carry-overs	Assigned revenue	Total		
	1	2	3	4=1+2+3	5	6	7=5+6	8=4+7	
3111 Meetings and information days	150	(71)	–	79	21	–	21	100	
3131 Missions and related expense	275	(200)	–	75	67	–	67	142	
3141 Data collection IT services to support programme management	280	–	–	280	231	–	231	511	
3142 Programme management specific IT systems - DG DIGIT & DG RTD	800	40	–	840	116	–	116	956	
3151 Communication, editing, publications, website and conferences	362	(195)	–	167	111	–	111	278	
3161 Ex-post auditing	175	(175)	–	–	106	–	106	106	
3171 Studies, consultancy, translation and other programme support expenditure	159	385	–	544	982	–	982	1 526	
Total Chapter 31	2 201	(216)	–	1 985	1 634	–	1 634	3 619	
Total Title 3	2 201	(216)	–	1 985	1 634	–	1 634	3 619	
GRAND TOTAL	11 455	(705)	(0)	10 750	2 149	–	2 149	12 900	

5.3. Implementation of commitment appropriations

5.3.1. Implementation of commitment appropriations - Title 1

EUR '000

Item	Total approp. available	Commitments made					Appropriations carried over to 2021			Appropriations lapsing			
		from final adopt. budget	from carry-overs	from assign. revenue	Total	%	Assign. revenue	By decision	Total	from final adopt. budget	from carry-overs	from assign. revenue	Total
	1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10+11+12
1111 Temporary agents	2 669	2 669	-	-	2 669	100 %	-	-	-	1	-	-	1
1121 Contractual agents	3 807	3 805	-	-	3 805	100 %	-	-	-	2	-	-	2
1131 Interim agents and blue book trainees	388	388	-	-	388	100 %	-	-	-	-	-	-	-
Total Chapter 11	6 864	6 861	-	-	6 861	100 %	-	-	-	3	-	-	3
1211 Recruitment, entering and leaving the service, transfer costs	4	4	-	-	4	100 %	-	-	-	-	-	-	-
1221 General, specific & language training courses	60	60	-	-	60	100 %	-	-	-	-	-	-	-
1231 Administrative and medical service - PMO and DG HR	163	163	-	-	163	100 %	-	-	-	-	-	-	-
1241 Social service and other intervention	115	115	-	-	115	100 %	-	-	-	-	-	-	-
1251 Internal meetings, events and reception	0	0	-	-	0	100 %	-	-	-	-	-	-	-
Total Chapter 12	343	343	-	-	343	100 %	-	-	-	-	-	-	-
Total Title 1	7 206	7 204	-	-	7 204	100 %	-	-	-	3	-	-	3

5.3.2. Implementation of commitment appropriations - Title 2

EUR '000

Item	Total approp. available	Commitments made					Appropriations carried over to 2021			Appropriations lapsing				
		from final adopt. budget	from carry-overs	from assign. revenue	Total	%	Assign. revenue	By decision	Total	from final adopt. budget	from carry-overs	from assign. revenue	Total	
	1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10+11+12	
2111	Rent of building and associated costs	1 032	1 032	-	-	1 032	100 %	-	-	-	-	-	-	-
2121	Fitting out	0	-	-	-	-	0 %	-	-	-	0	-	-	0
Total Chapter 21		1 032	1 032	-	-	1 032	100 %	-	-	-	0	-	-	0
2211	Hardware, software and linked expenditure	146	145	-	-	145	100 %	-	-	-	1	-	-	1
2221	ICT - DG DIGIT	160	160	-	-	160	100 %	-	-	-	-	-	-	-
Total Chapter 22		305	305	-	-	305	100 %	-	-	-	1	-	-	1
2311	Furniture and associated expenditure	16	15	-	-	15	94 %	-	-	-	1	-	-	1
2321	Office supplies, library stocks (books, newspapers, technical magazines) and associated expenditure	7	5	-	-	5	81 %	-	-	-	1	-	-	1
2331	Current administrative services (financial, legal and insurance services)	1	1	-	-	1	50 %	-	-	-	1	-	-	1
2341	Postal charges	9	9	-	-	9	100 %	-	-	-	-	-	-	-
2351	Other operating services	189	185	-	-	185	98 %	-	-	-	5	-	-	5
Total Chapter 23		221	214	-	-	214	97 %	-	-	-	7	-	-	7
Total Title 2		1 559	1 550	-	-	1 550	99 %	-	-	-	8	-	-	8

5.3.3. Implementation of commitment appropriations - Title 3

EUR '000

Item	Total approp. available	Commitments made					Appropriations carried over to 2021			Appropriations lapsing			
		from final adopt. budget	from carry-overs	from assign. revenue	Total	%	Assign. revenue	By decision	Total	from final adopt. budget	from carry-overs	from assign. revenue	Total
	1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10+11+12
3111 Meetings and information days	79	79	-	-	79	100 %	-	-	-	0	-	-	0
3131 Missions and related expense	75	75	-	-	75	100 %	-	-	-	-	-	-	-
3141 Data collection IT services to support programme management	280	280	-	-	280	100 %	-	-	-	0	-	-	0
3142 Programme management specific IT systems - DG DIGIT & DG RTD	840	840	-	-	840	100 %	-	-	-	-	-	-	-
3151 Communication, editing, publications, website and conferences	167	157	-	-	157	94 %	-	-	-	10	-	-	10
3171 Studies, consultancy, translation and other programme support expenditure	544	544	-	-	544	100 %	-	-	-	-	-	-	-
Total Chapter 31	1 985	1 975	-	-	1 975	99 %	-	-	-	10	-	-	10
Total Title 3	1 985	1 975	-	-	1 975	99 %	-	-	-	10	-	-	10
GRAND TOTAL	10 750	10 729	-	-	10 729	100 %	-	-	-	21	-	-	21

5.4. Implementation of payment appropriations

5.4.1. Implementation of payment appropriations - Title 1

EUR '000

Item	Total approp. availab.	Payments made					Appropriations carried over to 2021				Appropriations lapsing			
		from final adopt. budget	from carry-overs	from assign. revenue	Total	%	Autom. carry-overs	By decision	Assigned rev.	Total	from final adopt. budget	from carry-overs	from assign. rev.	Total
	1	2	3	4	5=2+3+4	6=5/1	7	8	9	10=7+8+9	11	12	13	14=11+12+13
1111 Temporary agents	2 725	2 669	-	-	2 669	98 %	-	-	-	-	1	56	-	57
1121 Contractual agents	3 877	3 805	-	-	3 805	98 %	-	-	-	-	2	70	-	72
1131 Interim agents and blue book trainees	443	329	27	-	356	80 %	59	-	-	59	-	28	-	28
Total Chapter 11	7 045	6 802	27	-	6 829	97 %	59	-	-	59	3	154	-	156
1211 Recruitment, entering and leaving the service, transfer costs	5	1	1	-	2	44 %	3	-	-	3	-	0	-	0
1221 General, specific & language training courses	108	42	38	-	80	74 %	18	-	-	18	-	10	-	10
1231 Administrative and medical service - PMO and DG HR	198	140	35	-	175	88 %	24	-	-	24	-	-	-	-
1241 Social service and other intervention	134	115	11	-	126	94 %	0	-	-	0	-	8	-	8
1251 Internal meetings, events and reception	0	0	0	-	0	56 %	0	-	-	0	-	0	-	0
Total Chapter 12	446	298	85	-	383	86 %	45	-	-	45	-	18	-	18
Total Title 1	7 491	7 100	113	-	7 212	96 %	104	-	-	104	3	172	-	175

5.4.2. Implementation of payment appropriations - Title 2

EUR '000

Item	Total approp. availab.	Payments made					Appropriations carried over to 2021					Appropriations lapsing			
		from final adopt. budget	from carry-overs	from assign. revenue	Total	%	Autom. carry-overs	By decision	Assigned rev.	Total	from final adopt. budget	from carry-overs	from assign. rev.	Total	
	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	
2111 Rent of building and associated costs	1 032	1 032	-	-	1 032	100 %	-	-	-	-	-	-	-	-	
2121 Fitting out	15	-	9	-	9	62 %	-	-	-	-	0	5	-	6	
Total Chapter 21	1 047	1 032	9	-	1 041	99 %	-	-	-	-	0	5	-	6	
2211 Hardware, software and linked expenditure	186	124	40	-	163	88 %	21	-	-	21	1	0	-	1	
2221 ICT - DG DIGIT	254	122	71	-	193	76 %	37	-	-	37	-	24	-	24	
Total Chapter 22	440	246	111	-	357	81 %	59	-	-	59	1	24	-	25	
2311 Furniture and associated expenditure	16	-	-	-	-	0 %	15	-	-	15	1	0	-	1	
2321 Office supplies, library stocks (books, newspapers, technical magazines) and associated expenditure	12	2	1	-	3	27 %	3	-	-	3	1	4	-	5	
2331 Current administrative services (financial, legal and insurance services)	3	0	0	-	0	14 %	0	-	-	0	1	2	-	2	
2341 Postal charges	9	7	-	-	7	80 %	1	-	-	1	-	1	-	1	
2351 Other operating services	263	133	72	-	205	78 %	52	-	-	52	5	2	-	6	
Total Chapter 23	303	143	73	-	216	71 %	71	-	-	71	7	8	-	16	
Total Title 2	1 790	1 421	193	-	1 614	90 %	130	-	-	130	8	38	-	46	

5.4.3. Implementation of payment appropriations - Title 3

EUR '000

Item	Total approp. availab.	Payments made					Appropriations carried over to 2021				Appropriations lapsing			
		from final adopt. budget	from carry-overs	from assign. revenue	Total	%	Autom. carry-overs	By decision	Assigned rev.	Total	from final adopt. budget	from carry-overs	from assign. rev.	Total
	1	2	3	4	5=2+3+4	6=5/1	7	8	9	10=7+8+9	11	12	13	14=11+12+13
3111 Meetings and information days	100	1	18	-	18	18 %	78	-	-	78	0	4	-	4
3131 Missions and related expense	142	56	30	-	86	60 %	19	-	-	19	-	37	-	37
3141 Data collection IT services to support programme management	511	143	199	-	343	67 %	137	-	-	137	0	31	-	32
3142 Programme management specific IT systems - DG DIGIT & DG RTD	956	808	105	-	912	95 %	32	-	-	32	-	11	-	11
3151 Communication, editing, publications, website and conferences	278	23	94	-	117	42 %	134	-	-	134	10	17	-	27
3161 Ex-post auditing Studies, consultancy, translation and other	106	-	106	-	106	100 %	-	-	-	-	-	-	-	-
3171 programme support expenditure	1 526	152	933	-	1 085	71 %	392	-	-	392	-	49	-	49
Total Chapter 31	3 619	1 182	1 484	-	2 666	74 %	793	-	-	793	10	150	-	160
Total Title 3	3 619	1 182	1 484	-	2 666	74 %	793	-	-	793	10	150	-	160
GRAND TOTAL	12 900	9 702	1 790	-	11 492	89 %	1 027	-	-	1 027	21	360	-	381

6. OUTSTANDING COMMITMENTS

6.1. Outstanding commitments – Title 1

EUR '000

Item	Commitments outstanding at the end of previous year				Commitments of the current year				Total commitm. outstanding at year-end
	Commitm. carried for- ward from pre- vious year	Decommit. Revaluation Cancel- lations	Pay- ments	Total	Commit- ments made during the year	Pay- ments	Cancel- lation of commit. which cannot be carried forward	Commit. outstand- ing at year-end	
	1	2	3	4=1+2-3	5	6	7	8=5-6-7	
1111 Temporary agents	-	-	-	-	2 669	2 669	-	-	-
1121 Contractual agents	-	-	-	-	3 805	3 805	-	-	-
1131 Interim agents and blue book trainees	55	(28)	27	-	388	329	-	59	59
Total Chapter 11	55	(28)	27	-	6 861	6 802	-	59	59
1211 Recruitment, entering and leaving the service, transfer costs	1	(0)	1	-	4	1	-	3	3
1221 General, specific & language training courses	48	(10)	38	-	60	42	-	18	18
1231 Administrative and medical service - PMO and DG HR	35	-	35	-	163	140	-	24	24
1241 Social service and other intervention	19	(8)	11	-	115	115	-	0	0
1251 Internal meetings, events and reception	0	(0)	0	-	0	0	-	0	0
Total Chapter 12	104	(18)	85	-	343	298	-	45	45
Total Title 1	159	(46)	113	-	7 204	7 100	-	104	104

6.2. Outstanding commitments – Title 2

EUR '000

Item	Commitments outstanding at the end of previous year				Commitments of the current year				Total commitm. outstanding at year-end
	Commitm. carried forward from previous year	Decommit. Revaluation Cancellations	Pay-ments	Total	Commit-ments made during the year	Pay-ments	Cancel-lation of commit. which cannot be carried forward	Commit. outstand-ing at year-end	
	1	2	3	4=1+2-3	5	6	7	8=5-6-7	9=4+8
2111 Rent of building and associated costs	-	-	-	-	1 032	1 032	-	-	-
2121 Fitting out	14	(5)	9	-	-	-	-	-	-
Total Chapter 21	14	(5)	9	-	1 032	1 032	-	-	-
2211 Hardware, software and linked expenditure	40	(0)	40	-	145	124	-	21	21
2221 ICT - DG DIGIT	94	(24)	71	-	160	122	-	37	37
Total Chapter 22	135	(24)	111	-	305	246	-	59	59
2311 Furniture and associated expenditure	0	(0)	-	-	15	-	-	15	15
2321 Office supplies, library stocks (books, newspapers, technical magazines) and associated expenditure	5	(4)	1	-	5	2	-	3	3
2331 Current administrative services (financial, legal and insurance services)	2	(2)	0	-	1	0	-	0	0
2341 Postal charges	1	(1)	-	-	9	7	-	1	1
2351 Other operating services	74	(2)	72	-	185	133	-	52	52
Total Chapter 23	82	(8)	73	-	214	143	-	71	71
Total Title 2	231	(38)	193	-	1 550	1 421	-	130	130

6.3. Outstanding commitments – Title 3

EUR '000

Item	Commitments outstanding at the end of previous year				Commitments of the current year				Total commitm. outstanding at year-end
	Commitm. carried forward from previous year	Decommit. Revaluation Cancellations	Pay-ments	Total	Commit-ments made during the year	Pay-ments	Cancel-lation of commit. which cannot be carried forward	Commit. outstanding at year-end	
	1	2	3	4=1+2-3	5	6	7	8=5-6-7	9=4+8
3111 Meetings and information days	21	(4)	18	–	79	1	–	78	78
3131 Missions and related expense	67	(37)	30	–	75	56	–	19	19
3141 Data collection IT services to support programme management	231	(31)	199	–	280	143	–	137	137
3142 Programme management specific IT systems - DG DIGIT & DG RTD	116	(11)	105	–	840	808	–	32	32
3151 Communication, editing, publications, website and conferences	111	(17)	94	–	157	23	–	134	134
3161 Ex-post auditing	106	–	106	–	–	–	–	–	–
3171 Studies, consultancy, translation and other programme support expenditure	982	(49)	933	–	544	152	–	392	392
Total Chapter 31	1 634	(150)	1 484	–	1 975	1 182	–	793	793
Total Title 3	1 634	(150)	1 484	–	1 975	1 182	–	793	793
GRAND TOTAL	2 023	(233)	1 790	–	10 729	9 702	–	1 027	1 027

7. GLOSSARY

Administrative appropriations

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

Adopted budget

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

Amending budget

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

Appropriations

Budget funding.

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

Assigned revenue

Revenue dedicated to finance specific items of expenditure.

Budget result

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

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

Budget implementation

Consumption of the budget through expenditure and revenue operations.

Budget item / Budget line / Budget position

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

Budgetary commitment

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

Cancellation of appropriations

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

Carryover of appropriations

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

Commitment appropriations

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

De-commitment

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

Differentiated appropriations

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

Economic result

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

Entitlements established

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

Exchange rate difference

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

Expenditure

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

Grants

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

Lapsing appropriations

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

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

Legal basis / basic act

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

Legal commitment

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

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

Non-differentiated appropriations

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

Operational appropriations

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

Outstanding commitments

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

Payment appropriations

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

RAL (Reste à liquider)

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

Surplus

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

Transfer between budget lines

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