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Mr. Michael Makanga
Executive Director
Global Health EDCTP3 Joint Undertaking
Avenue de la Toison d'Or 56-60
1060 BRUSSELS

Your message of	**your reference**	**our reference**	**Melle**
		JASM/PLTH	2026-06-08

Dear Mr. Makanga,

We have been appointed as auditor of the Global Health EDCTP3 Joint Undertaking, according to the Framework Contract No: EU-Rail.OP.02.22-LOT1/01 and specific contract No – 01.

Please find enclosed our independent auditor's report on the final annual accounts.

Yours faithfully,

Baker Tilly Bedrijfsrevisoren BV

Jan Smits
Audit Partner

Christel De Blander
Audit Partner

GLOBAL HEALTH EDCTP3 JU

Independent Auditor's report on the Final Annual Accounts as at : 31 DECEMBER 2025

Date: June 8, 2026

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INDEPENDENT AUDITOR'S REPORT ON THE FINAL ANNUAL ACCOUNTS OF GLOBAL HEALTH EDCTP3 JOINT UNDERTAKING FOR THE FINANCIAL YEAR FROM 1 JANUARY TO 31 DECEMBER 2025

Opinion

We have audited the accompanying final annual accounts of the Global Health EDCTP3 Joint Undertaking, 'the Joint Undertaking' for the financial year from 1 January to 31 December 2025. Their annual accounts consist of the financial statements and the reports on the implementation of the budget for the financial year ended December 31, 2025. The financial statements comprise the balance sheet as at December 31, 2025, and the statement of financial performance, the cash flow statement and the statement of changes in net assets/liabilities for the year then ended, and a summary of significant accounting policies and other explanatory information. The auditor's opinion concerns an expression relating to the financial statements of the entity's initial year of financial autonomy. The balance sheet total amounts to 179.155.339,62 EUR and the statement of financial performance shows a loss of 89.563.679,59 EUR.

In our opinion, the final annual accounts of the Joint Undertaking present fairly, in all material aspects, its financial position as at December 31, 2025, and the results of its operations and its cash flow, for the year then ended, and are prepared in accordance with its Financial Regulation, and, in accordance with the accounting rules adopted by the Commission's accounting officer, and the International Public Sector Accounting Standards, as issued by the International Public Sector Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISA) and the ISSAI (International Standards of Supreme Audit Institutions, as issued by the International Organization of Supreme Audit Institutions (INTOSAI)). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Joint Undertaking in accordance with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the Annual Activity Report of the Joint Undertaking.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and those charged with Governance for the final annual accounts

Management is responsible for the preparation of the final annual accounts in accordance with its Financial Regulation, and, in accordance with the accounting rules adopted by the Commission's accounting officer, which are derived from the International Public Sector Accounting Standards, as issued by the International Public Sector Accounting Standards Board.

Management's responsibilities in respect of the annual accounts include designing, implementing and maintaining an internal control system relevant to the preparation and the fair presentation of the annual accounts that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies on the basis of the accounting rules adopted by the Commission' accounting officer; making accounting estimates that are reasonable in the circumstances. The Executive Director approves the annual accounts of the Joint Undertaking after its Accounting Officer has prepared them on the basis of all available information and established a note to accompany the accounts in which they deciare, inter alia, that they have reasonable assurance that the Annual Accounts present a true and fair view of the financial position of the Joint Undertaking in all material respects.

Those charged with governance are responsible for overseeing the Joint Undertakings financial reporting process.

Auditor's Responsibilities for the Audit of the final annual accounts

Our objectives are to obtain reasonable assurance about whether the final annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- ✓ Identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- ✓ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Joint Undertakings internal control.

- ✓ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- ✓ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Joint Undertakings ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Joint Undertaking to cease to continue as a going concern.

- ✓ Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Melle, June 8, 2026

Yours faithfully,

_____________	____________________
Jan Smits	Christel De Blander
Audit Partner	Audit Partner

Accountancy – Audit – Consultancy – Corporate Finance

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De handtekeningen in dit document zijn wettelijk bindend. Het document werd ondertekend met de Penneo veilige digitale handtekening. De identiteit van de ondertekenaars is vastgelegd en wordt hieronder vermeld.

"Door dit document te ondertekenen, bevestig ik alle data en inhoud die beschreven worden in dit document."

De Blander Christel Gentil A

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Smits Jan

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Global Health
EDCTP3

Final Annual Accounts Global Health EDCTP3 Joint Undertaking

Financial year 2025

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CERTIFICATION OF THE ACCOUNTS

I acknowledge my responsibility for the preparation and presentation of the annual accounts of the Global Health EDCTP3 Joint Undertaking (JU), in accordance with Article 52 of the Model Financial Regulation ('MFR')[1] and I hereby certify that the annual accounts of Global Health EDCTP3 for the year 2025 have been prepared in accordance with Chapter 8 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 Global Health EDCTP3'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 Global Health EDCTP3.

My assurance statement related to the Final Accounts 2025 will be transmitted to the Accounting Officer of the Commission. The Management Representation Letter, signed by the Authorising Officer and myself, will be sent to the European Court of Auditors for the audit of the Final Accounts.

Qualified electronic signature by: ANDREI

HRETU

Date 2026-06-05 12:28:18 UTC

Andrei Hretu

Accounting Officer
Global Health EDCTP3 Joint Undertaking

[1]COMMISSION DELEGATED REGULATION (EU) 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.

BACKGROUND INFORMATION NOTE

1. General background on the entity

Establishment

The Global Health EDCTP3 Joint Undertaking (JU) is a partnership between the European Union, represented by the European Commission, and the EDCTP Association, representing European and sub-Saharan African member countries participating in the partnership. On 31 December 2025, 15 European and 31 African countries were members of the EDCTP Association. The list of member countries of EDCTP Association can be found here: Members of the General Assembly - EDCTP.

EDCTP was the first initiative receiving EU support based on Article 185 of the Treaty on the Functioning of the EU (ex-Art. 169), which allows the EU's participation in research programmes jointly undertaken by several EU countries. During its first programme (EDCTP1, 2003-2015), EDCTP operated as a European Economic Interest Grouping (EEIG) incorporated in the Netherlands, with its membership restricted to 16 countries in the European Economic Area. Based on the success of EDCTP1, the second EDCTP programme (EDCTP2) was launched in 2014, transitioning from an EEIG to an international Association under Dutch law, a construct that allowed the European Framework Programme for Research and Innovation (Horizon 2020) associated countries and sub-Saharan African member states to become full members with equal voting rights, ensuring a true partnership of equals.

Global Health EDCTP3 was established by Council Regulation 2021/2085 of 19 November 2021 establishing the Joint Undertakings under Horizon Europe and operates in the frame of the Horizon Europe programme (Single Basic Act – SBA).

The seat of Global Health EDCTP3 is in Brussels, Belgium.

Following its financial autonomy obtained in November 2023, 2024 and 2025 marked the first full years in which Global Health EDCTP3 operated as a fully autonomous European Union body, independently implementing its work programme and budget.

Mission

Global Health EDCTP3 aims to deliver new solutions for reducing the burden of infectious diseases in sub-Saharan Africa and strengthen research capacities to prepare and respond to re-emerging infectious diseases in this region and across the world. It addresses the lack of appropriate diagnostics, treatments and vaccines, among other so-called health technologies, to address infectious diseases, such as HIV, malaria and tuberculosis but also other poverty-related and neglected infectious diseases, that are prevalent in Africa, especially in sub-Saharan Africa.

Main operational activities

The general objectives of Global Health EDCTP3 are:

(1) to contribute to the reduction of the socioeconomic burden of infectious diseases in sub-Saharan Africa by promoting the development and uptake of new or improved health technologies;

(2) to contribute to the increase of health security in sub-Saharan Africa and globally by strengthening the research- and innovation-based capacities for preparedness and response to control infectious diseases.

Moreover, Global Health EDCTP3 has the following specific objectives:

a. to advance the development and use of new or improved health technologies for tackling infectious diseases by supporting the conduct of the clinical trials, in sub-Saharan Africa;

b. to strengthen research and innovation capacity and the national health research systems in sub-Saharan Africa for tackling infectious diseases;

c. to facilitate better alignment of Member States, associated countries and sub-Saharan countries around a common Strategic Research and Innovation Agenda in the field of global health to increase the cost-effectiveness of European public investment;

d. to strengthen capacity in sub-Saharan Africa for epidemic preparedness through effective and rapid research response to develop essential diagnostics, vaccines and therapeutics for early detection and control of emerging diseases of epidemic potential;

e. to promote productive and sustainable networking and partnerships in the area of global health research building North–South and South–South relationships with multiple private and public-sector organisations.

The main activity of Global Health EDCTP3 to achieve its objectives is to fund research and innovation actions through open calls for proposals.

Governance

According to the relevant provisions of the Council Regulation establishing the joint undertakings under Horizon Europe, the bodies of Global Health EDCTP3 are:

a) Governing Board
b) Executive Director
c) Scientific Committee
d) Stakeholders Group

The **Governing Board** is the decision-making body of Global Health EDCTP3. It has the overall responsibility for the strategic orientation, coherence with the relevant Union objectives and policies and operations of the JU and supervises the implementation of its activities. It is composed of six representatives of the European Commission on behalf of the Union and six representatives of the EDCTP Association.

The **Executive Director** is the chief executive responsible for the day-to-day management of the JU. The Executive Director is the legal representative of Global Health EDCTP3 and is accountable to the Governing Board. He is supported in his activities by the Programme Office of the Joint Undertaking. On 16 November 2023, Dr Michael Makanga started his tenure as the Executive Director of Global Health EDCTP3.

The **Scientific Committee** is the scientific advisory body of Global Health EDCTP3, ensuring the inclusion of scientific expertise from African countries. Its main tasks include:

- assisting in the design of the strategic and scientific planning of the activities of the JU;
- advising on the scientific priorities to be addressed in the work programmes including on scope of calls for proposals, in line with the Strategic Research and Innovation Agenda and the Horizon Europe strategic planning;
- providing independent advice and scientific analysis on specific issues.

The **Stakeholders Group** provides input on the scientific, strategic and the technological priorities to be addressed by the JU as laid down in the Strategic Research and Innovation Agenda taking into account the progress and needs of Global Health and adjacent sectors. Its main tasks include:

- providing input on the scientific, strategic and technological priorities to be addressed by the JU;
- providing suggestions to enable concrete synergies to take place between the JU and the adjacent sectors or any sector whit which synergies will be deemed of added value;
- providing input to the EDCTP Forum.

Sources of financing

Global Health EDCTP3 is funded by its members – the European Union and the EDCTP-Association (Member States) – and the contributing partners. One of the two members, the Union, provides financial contribution to cover administrative and operational costs up to EUR 883.309.000[2], including up to EUR 61.256.000[3] for administrative costs. The other member, the EDCTP Association, arranges for its constituent or affiliated entities to make a total contribution of at least EUR 550.000.000[4] which can consist of in-kind contributions to Additional Activities (IKAA), in-kind contributions to operational activities (IKOP) and/or financial contribution. The contributing partners are expected to bring in contributions of up to EUR 400.000.000 in the form of IKOP and/or financial contribution to the JU.

If the contributions from the contributing partners do not meet the expected level, the EDCTP Association shall increase its contribution such that the Union's total contribution to the JU remains 50% of the total JU funding.

[2] EUR 800.000.000 in accordance with SBA Art.102 and a reduction of EUR 20.000.000 as per the general cut of Horizon Europe budget for 2025-2027. On top of that, a reduction of EUR 6.813.000 following the contribution to the AI Gigafactories in 2026 and 2027 budget. Finally, an increase of EUR 110.122.000 from the Union contribution as announced to the JU on 24 May 2024 by the European Commission following the association of the United Kingdom to Horizon Europe.

[3] Composed of EUR 59.756.000 in accordance with Article 102 of Council Regulation (EU) 2021/2085 establishing the JU and EUR 1.500.000 received in addition following the complementary funding from the UK Association to Horizon Europe.

[4] A letter from the EDCTP Association dated 22 December 2023 was received increasing its contribution commitment to the JU from EUR 439.878.000 by EUR 110.122.000, making its total contribution to be at least EUR 550.000.000.

2. Annual accounts

Basis for preparation

The legal framework and the deadlines for the preparation of the annual accounts are set by Model Financial Regulation (MFR)[5]. 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 MFR, the Governing Board of the entity appoints the Accounting Officer who is, amongst other tasks, responsible for the preparation of the annual accounts.

The Single Basic Act[6] establishing the new generations of JUs required, within one year following the date of entry into force of the Regulation, the establishment of back-office arrangements, to provide horizontal support functions to the joint undertakings, by concluding service level agreements. The Accounting Back Office (Acco BOA) was established and took over the accounting services from Accounting Officer the European Commission from 1 December 2022.

Following the decision of Global Health EDCTP3Governing Board of 3 August 2023, on behalf of the Acco BOA, as of 23 November 2023 Andrei Hretu acts as the Accounting Officer of Global Health EDCTP3.

Composition of the annual accounts

The annual accounts cover the period from 1 January to 31 December. 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.

In accordance with the article 173, paragraph 1 of the Single Basic Act[7], "The Commission shall be responsible for the establishment and initial operation of the Global Health EDCTP3 Joint Undertaking […] until they have the operational capacity to implement their own budget."

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) and to the audit company contracted by the JU. Following the audit, the Accounting Officer prepares the final annual accounts and submits them to the Governing Board for opinion.

The final annual accounts, together with the opinion of the Governing Board, are sent to the Accounting Officer of the Commission, the European Court of Auditors, the European Parliament and the Council by 1 July of the following financial year. The 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 Executive 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.

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[5] Commission Delegated Regulation (EU) 2019/887 of 13 March 2019 on the model financial regulation for public -private partnershipbodies referred to in Article 71 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council (OJ L 14 2, 29.5.2019, p. 16)

[6] COUNCIL REGULATION (EU) 2021/2085 of 19 November 2021 establishing the Joint Undertakings under Horizon Europe

[7] COUNCIL REGULATION (EU) 2021/2085 of 19 November 2021 establishing the Joint Undertakings under Horizon Europe

3. Operational highlights

2025 was a year in which Global Health EDCTP3 both delivered new results and took stock of more than two decades of the EDCTP movement, consolidating evidence of impact and using it to inform the programme's strategic direction. The year confirmed the maturity of the partnership and its continuing relevance for addressing persistent and emerging global health challenges.

Since its inception in 2003, EDCTP has evolved from an innovative concept into a distinctive Europe-Africa research partnership supported by the European Union and now 47 countries through the EDCTP Association. In 2025, this long trajectory provided an important reference point for assessing added value and shaping future priorities. The partnership has built an ecosystem rooted in equity, scientific excellence and shared purpose, focused on infectious diseases that disproportionately affect vulnerable populations while also threatening global health security.

As part of this stocktaking exercise in 2025, Global Health EDCTP3 reviewed tangible achievements from the past 20 years. These include nine health innovations now in use - among them the first malaria vaccines and improved paediatric formulations for HIV, tuberculosis and neglected tropical diseases - illustrating how clinical research conducted in Africa can generate globally relevant public health gains. The review also highlighted that more than 3,000 African scientists and health professionals have been supported through training and leadership opportunities, many of whom now lead major institutions across the continent. These lessons informed capacity-strengthening investments in 2025.

Taken together, these reflections - combined with concrete achievements in 2025 by Global Health EDCTP3, its third iteration - confirm that EDCTP's impact continues to grow.

Mobilised co-investments

In 2025, Global Health EDCTP3 made substantial progress in mobilising additional investments for research and capacity-building in infectious diseases. New and reinforced cash commitments from EDCTP Association members linked to grants and calls for proposals resulted in a cumulative total of EUR 35 million in additional financial contributions.
In parallel, EDCTP Association members significantly expanded their planned in-kind additional activities (IKAAs) aligned with the Global Health EDCTP3 mandate. The estimated value of these coordinated national investments now exceeds EUR 700 million, reflecting strong alignment between national research agendas and the JU's objectives.
IKAAs remain strategically critical for Global Health EDCTP3 because they enable structural coherence between national research systems and the JU - particularly in areas such as regulatory capacity, clinical research networks, workforce training and preparedness - that cannot be achieved through cash contributions alone. They also embed JU priorities within initiatives of national institutions, hence ensuring that investments will continue to generate impact beyond the lifetime of EU-funded projects.
Looking ahead, partner commitments are projected to increase further in 2026 to more than EUR 150 million, following the introduction in 2025 of new co-funding mechanisms designed to facilitate joint investments and coordinated programming.
Taken together, these developments indicate that Global Health EDCTP3 is on track to surpass its initial leverage target of mobilising at least EUR 1 from partners for every EUR 1 invested by the European Union through Horizon Europe. This reflects sustained confidence in the partnership and a shared commitment to strengthening research capacity, epidemic preparedness, and global health security.

Our portfolio as of 2025

Since its launch in 2022, Global Health EDCTP3 has steadily built a diverse, strategically oriented and demand-driven project portfolio. Between 2021 and 2025, the programme launched 13 calls across 30 topics, attracting 827 submitted proposals. As of December 2025, 107 projects have been funded with a total Joint Undertaking contribution of EUR 430 million, including 33 new projects in 2025. Of the 107 funded projects, 91 (EUR 413 million) focus on accelerating the development of medical countermeasures against infectious diseases, while 16 (EUR 17 million) support capacity building, networking and training. This reflects a balanced approach between innovation and system strengthening.

Investments cover all major priority disease areas, with the largest shares directed to malaria, neglected infectious diseases, tuberculosis, HIV and emerging/re-emerging pathogens. In terms of interventions, the portfolio prioritises therapeutics, followed by diagnostics, vaccines and surveillance tools. Beyond disease-specific work, projects contribute to wider scientific and societal priorities, including digital health, antimicrobial resistance, climate adaptation, women's health, and environment and biodiversity.

Nearly 400 organisations participate in the portfolio. In the spirit of a partnership of equals, 50% of participating entities are based in Africa and 45% in Europe. Education and research organisations represent about 65% of participants. SMEs, product development partnerships (PDPs) and private for-profit organisations are involved in close to 60% of funded projects, signalling a growing role for diverse actors in translating research into practical health solutions.

Looking ahead, on 3 December 2025 Global Health EDCTP3 published its Work Programme 2026, setting out an indicative budget of EUR 147 million for upcoming calls. The programme prioritises tuberculosis, lower respiratory tract infections, HIV and climate-related infectious diseases, among other strategic areas. Preparatory work completed in 2025 enabled calls to open in mid-January 2026, supported by online multilingual Info Days and a networking platform to facilitate partnership-building and high-quality consortia. The Work Programme also confirms the continuation of Global Collaboration Action calls, allowing contributing partners to align investments across four research and innovation topics.

Evolution of the programme

Over the past two decades, EDCTP has evolved into the world's largest health research funding partnership between Europe and Africa. This evolution is reflected in the steady growth of investments across its three iterations - EDCTP1, EDCTP2 and now Global Health EDCTP3. From relatively modest annual levels in the mid-2000s, cumulative investments increased progressively year after year, rising sharply from 2016 onwards and accelerating further with the launch of Global Health EDCTP3 in 2022. By 2025, cumulative funding for signed grants across all three programmes reached approximately EUR 1.5 billion, illustrating a sustained scaling-up of ambition, capacity and impact.
This trajectory demonstrates how consistent commitment from the European Union, EDCTP Association member countries and contributing partners has enabled the partnership to expand its scope, deepen its scientific portfolio, and strengthen its role in global health research and preparedness.

Growing external recognition

In 2025, Global Health EDCTP3's visibility and influence continued to expand across the global health and policy landscape. The programme was referenced in analyses by organisations such as the World Economic Forum, Impact Global Health, the Centre for European Policy Studies, and the Danish Alliance for Global Health, reflecting growing external attention to its role in evidence generation and policy discussions.
Throughout the year, Global Health EDCTP3 was represented at more than 45 scientific and policy fora across Europe and Africa, including the World Health Summit, the EU-AU High-Level Policy Dialogue on Science, Technology and Innovation, the POLITICO Health Care Summit, and the Union World Conference on Lung Health. The programme's digital presence also increased, reaching over 25,000 LinkedIn followers, approximately 47,000 website visitors, and more than 4,000 newsletter subscribers.

Stronger governance

Equity remained a defining principle of the EDCTP partnership in 2025, reflected in its governance arrangements. The composition of the Governing Board, Scientific Committee and Stakeholders' Group was renewed in part or in full, bringing in new leadership and expertise at an important moment for the programme.
The Governing Board welcomed María Pilar Aguar Fernández, Director for People: Health and Society at DG Research and Innovation, as Vice-Chair, and soon Chair. The Scientific Committee was also renewed, with Professor Harleen Grewal appointed Chair, continuing to provide independent scientific guidance and shape research priorities. In 2025, Global Health EDCTP3 launched a call for expressions of interest for membership of the Stakeholders' Group, with new appointments finalised in January 2026.

Celebrating the EDCTP movement

A major milestone of 2025 was the Twelfth EDCTP Forum in Kigali, Rwanda, which brought together approximately 1,200 delegates. The Forum showcased scientific achievements, strengthened networks, and reaffirmed shared commitment to clinical research, health equity and preparedness.

Preparations were initiated for the Thirteenth EDCTP Forum, scheduled for 5-9 April 2027 in Madrid, Spain, expected to be a key moment for reflection on the EDCTP legacy and future priorities.

More broadly, 2025 reinforced the cohesion of the EDCTP community - researchers, funders, policymakers and partners - whose sustained collaboration remains essential as Global Health EDCTP3 advances toward the final years of the current programme and contributes to shaping its successor.

Budget and budget implementation

Overall, Global Health EDCTP3 reached 100% execution of commitment and payment "active" appropriations (Titles 1, 2 and 3) in 2025.

Considering Titles 1, 2, 3 and 4, the implementation of commitment appropriations is also 100% and 99% for payment appropriations.

The annual budget for year 2025 was adopted by the Governing Board on 13 December 2024, per Decision GH-EDCTP3-GB/34/2024.

There were two amendments to the budget during 2025:

Amendment number 1 (AMBU1)

The Annual Budget for year 2025 was amended for the first time on 7 March, per Decision GH-EDCTP3-GB/03/2025.

Compared to the Work Programme 2025 and Budget as adopted on 13 December 2024, this amendment included the following new contributions:

Recognises and balances (revenue and expenditure) new contributions that could be presented accordingly:

- Contribution from contributing partner: The Coalition for Epidemic Preparedness Innovations (CEPI) will contribute to two topics of calls 2025 with a financial contribution up to EUR 14,48 million (EUR 9,75 million and EUR 4,73 million). This contribution is added to the revenue and expenditure of the budget subject to the signature of a funding agreement with CEPI.
- Contribution from the UK channelled through the EDCTP Association is expected as contribution from Members other than the EU: the Medical Research Council (MRC) will contribute EUR 0,9 million and the Department of Health and Social Care (DHSC) will contribute GBP 8,7 million (~EUR 10,4 million - up to and/or above and subject to the confirmation of the exchange rate difference with GBP).
- EUR 13,2 million were de-committed at the beginning of the year related to unused appropriations from 2023 calls for proposals. This amount will be reactivated in accordance with the JU FR article 6(5) and directly reallocated to operational expenditure budget to fund four projects from the available 2023 and 2024 reserve lists.

Amendment number 2 (AMBU2)

The Annual Budget for year 2025 was amended for the second time on 1 December, per Decision GH-EDCTP3-GB/26/2025.

Compared to Work Programme 2025 Amendment 1 and Budget as adopted 7 March 2025, this new version recognises and balances (revenue and expenditure) updated contributions that could be presented accordingly:

A revision of contribution channeled to the JU via the EDCTP Association as contributions from Members other than the EU: DHSC contribution from GBP 8,7 million to GBP 8,5 million (~EUR 10,1 million - up to and/or above and subject to the confirmation of the exchange rate difference with GBP). Therefore, representing a reduction in commitment appropriations of EUR 302.763 and with new total contribution from the EDCTP Association of ~EUR 14.293.363 for the year 2025.

A reduction in commitment appropriations following the contribution of the EDCTP Association from EUR 14.293.363 to EUR 11.645.253 to reflect the estimated EUR 2.648.110 budget that the EDCTP Association will need in order to perform its role of project coordinator in the context of the 2025 calls and for projects of the topics Fellowships and Networks of excellence. This decrease, in terms of financial contributions, is expected to be compensated for by in-kind contributions to operational costs (IKOP) generated by the EDCTP Association as eligible costs non reimbursable by Global Health EDCTP3, according to the specific conditions of the two aforementioned topics.

An increase of EUR 2.697.237 of payment appropriations for the contribution of the EDCTP Association 2025 corresponding to the payment of the first instalment of the total EUR 11.645.253 of commitment appropriations. The second instalment, corresponding to the payment of the balance, will be added as revenue in the Work Programme and Budget 2026.

Minor adjustments following the reactivation of EUR 83.164 payment appropriations as per the unused REA Expert costs 2024, the update of the EFTA rate for the year 2025 with EUR 100.000 in operational budget as per instructions received from the EC, and other recoveries of administrative costs.

Minor adaptation of the budget appropriation per line is proposed considering the evolution of budget needs identified for the last quarter of 2025. The transfers from Title 1 and Title 2 to administrative unused appropriations 2025 are to prepare the reactivation of EUR 500.000 from unused administrative appropriations to operational budget 2026 (in revenue) with the objective to mitigate part of the impact of the budget reduction following the AI Gigafactories contribution. This reactivation is reflected in the JU's Work Programme and Budget 2026.

This transfer could be possible considering that:

- In Title 1, the JU was not yet fully staffed by 2025 (it is expected to be in Q1 2026) and will be slightly underspending on salary budget lines.
- In Title 2, the JU spent less on office equipment, meeting expenses and other running costs and infrastructure than originally planned.

Administrative costs: Title 1 (Staff Expenditure) and Title 2 (Infrastructure and Operating Expenditure)

Title 1 and Title 2 of the budget were executed up to 100% and 100% respectively in commitment and payment "active" appropriations.

Title 1 was mainly used for the payment of salaries and allowances of the JU staff alongside the missions performed in 2025.

The higher figure in staff missions compared with previous years was attributed to that the biennial event of the Twelfth EDCTP Forum which took place in Kigali (Rwanda) and majority of the staff attended the event.

In addition, during the first half of the year, the JU had the support from interim staff recruited for the organisation of different events, and a couple of contracts were signed for coaching sessions and trainings for the new accounting tool SUMMA.

On top of that, an important amount in Title 1 was spent on payments to the European schools, childcare facilities and transportation costs.

As previous years, different services were provided by the European Commission (mostly DG HR and DG PMO) based on the signed Service Level Agreements (SLA) and costs related to staff reimbursements among others. These payments were made in the same year.

Title 2 was mostly used for the payment of rental costs of the White Atrium offices (offices, parking spaces and charges) and the purchase of different IT equipment needed for the JU (screens, renewal of different licenses, network switches, etc.). These goods were delivered and paid in the same year.

The payment of the balance was made following the finalisation of the works for the refurbishment of the new offices (between the end of 2024 and beginning of 2025), and a significant amount was spent on the complete renovation of the HVAC system and the purchase and delivery of additional movable property.

Different contracts connected to communication costs were signed during the year, such as graphic design and events support, participation in United Nations General Assembly Science Summit 2025 in New York and services to publish relevant articles in newsletters and social media. The first contract for the organisation of the EDCTP Forum 2027 in Madrid was also signed this year.

Moreover, an important part of the budget was allocated to sign other contracts, namely the M&E data ecosystem project, the assessment of the financial transactions for SUMMA readiness, Anaplan discovery phase and consultancy support services for the controller and the data protection officer among others. Since the end date of these contracts is in 2026, payments will proceed next year.

Finally, regarding other payments in Title 2, the JU was able to pay and close big contracts that were signed in 2025, in particular the expert knowledge and analysis of the applied process of certification of IKAA and graphic design support among others. Apart from that, other miscellaneous payments were made in connection with the signature of different SLAs with the EC and other JUs among other things.

Operational costs: Title 3 (Operational Expenditure)

Title 3 constitutes the JU's operational budget for the implementation of the Global Health EDCTP3 Programme activities under Horizon Europe, achieving an execution rate in commitment and payment appropriations of 100%.

The majority of the JU's budget under this category is represented by the four calls for proposal launched in 2025:

HORIZON-JU-GH-EDCTP3-2025-01-two-stage covering 3 topics for Research and Innovation Actions (RIA) with an indicative budget of EUR 122,7 million.

HORIZON-JU-GH-EDCTP3-2025-02-two-stage covering 1 topic for Coordination and Support Actions (CSA) with an indicative budget of EUR 14,4 million.

HORIZON-JU-GH-EDCTP3-2025-03-two-stage covering 1 topic for Coordination and Support Actions (CSA) with an indicative budget of EUR 51,0 million.

HORIZON-JU-GH-EDCTP3-2025-04-two-stage covering 2 topics Research and Innovation Actions (RIA) with an indicative budget of EUR 49,1 million.

Additionally, EUR 13,2 million were intended to fund four projects from the reserve list from previous years and EUR 3,0 million were attributed to the call for the Africa Office Grant (IBA).

The cost of experts and evaluators, a service which is managed by the Research Executive Agency (REA), is also included under Title 3 with an allocated budget of EUR 1,3 million.

Furthermore, for the organisation of the twelfth EDCTP Forum that took place in Kigali (Rwanda) in June 2025, an amendment to the contract was signed during the first quarter for an amount of around EUR 1 million in order to accommodate additional required services.

In addition, EUR 165.500 were committed to the members of the Scientific Committee with new contracts in force from June 2025 to June 2028.

In 2025, most of the payment appropriations were used for the pre-financing of the grants resulting from the 2024 calls for proposals (EUR 91,8 million), cost claims for REPAs (EUR 21,4 million), project evaluators and monitoring experts (EUR 1,08 million) and payments to the members of the Scientific Committee among others.

Finally, EUR 1,6 million were paid to honour the payment of the balance of the contracts signed related to the EDCTP Forum and EUR 180.000 were paid following the award of seven prestigious international prizes in 2025.

Title 4 (unused appropriations)

Regarding commitment appropriations, EUR 500.000 were transferred from Title 1 and Title 2 to administrative unused appropriations 2025 to be immediately reactivated and reallocated in operational budget 2026 with the objective to mitigate part of the impact of the budget reduction following the AI Gigafactories contribution. This reactivation is reflected into the JU's Work Programme and Budget 2026.

Concerning payment appropriations, once all the forecasted payments were successfully executed at the of the year, the remaining amount from administrative and operational budget was transferred to unused appropriations in the context of the data migration to SUMMA in 2026 with the unique purpose of having an easy tracking of all the unused payment appropriations after the migration. This amount will be gradually reactivated in the next three years based on the needs of the JU.

Impact of the activities in the financial statements

The activities of the JU during 2025 have contributed to the significant increase in the pre-financing on the balance sheet statement with the payments performed in 2025 accounting for an increase of 61,98 million of the overall pre-financing balance which represents approx. 97% of the total assets of the organisation (see note **2.3**).

The work done on projects financed via new and existing grant agreements has contributed to the increase of the accrued liabilities related to operating costs by 30,40 million during the year. The accrued liabilities account for approx. 87% of the total liabilities of the organisation (see note **2.8**).

In the statement of financial performance, the most significant amount (EUR 83,70 million) relates to the operating costs (see note **3.4**) which are for the most part composed of the accrued costs calculated on a pro-rata basis for the grant agreements.

For the financial year 2025, Members contribution recognised into the net assets of the organisation amounts to a total of 122,40 million (see note **2.9**).

GLOBAL HEALTH EDCTP3 JOINT UNDERTAKING

FINANCIAL YEAR 2025

FINANCIAL STATEMENTS AND EXPLANATORY NOTES

BALANCE SHEET

	Note	31.12.2025	31.12.2024
NON-CURRENT ASSETS			
Intangible assets	*2.1*	-	-
Property, plant and equipment	*2.2*	*670.660,28*	*252.787,11*
Pre-financing	*2.3*	*123.593.535,93*	*78.026.233,53*
		124.264.196,21	**78.279.020,64**
CURRENT ASSETS			
Pre-financing	*2.3*	*49.652.456,83*	*33.231.569,87*
Exchange receivables and non-exchange recoverables	*2.4*	*5.238.686,58*	*4.012.365,51*
		54.891.143,41	**37.243.935,38**
TOTAL ASSETS		**179.155.339,62**	**115.522.956,02**
CURRENT LIABILITIES			
Payables and other liabilities	*2.7*	*9.036.660,75*	*8.635.542,82*
Accrued charges and deferred income	*2.8*	*61.894.829,71*	*31.496.907,13*
		70.931.490,46	**40.132.449,95**
TOTAL LIABILITIES		**70.931.490,46**	**40.132.449,95**
Contribution from Members	*2.9*	*248.608.048,18*	*126.211.025,50*
Accumulated deficit		*(50.820.519,43)*	*(17.338.471,66)*
Economic result of the year		*(89.563.679,59)*	*(33.482.047,77)*
NET ASSETS		**108.223.849,16**	**75.390.506,07**
LIABILITIES AND NET ASSETS		**179.155.339,62**	**115.522.956,02**

STATEMENT OF FINANCIAL PERFORMANCE

	Note	2025	2024
REVENUE			
Revenue from non-exchange transactions			
Recovery of expenses	*3.1*	-	-
Other	*3.2*	-	-
Revenue from exchange transactions			
Recovery of administrative expenses	*3.3*	*450,00*	-
Total revenue		**450,00**	**-**
EXPENSES			
Operating costs	*3.4*	*(83.698.283,26)*	*(29.606.801,03)*
Staff costs	*3.5*	*(3.983.086,66)*	*(2.817.784,77)*
Financial expenses	*3.6*	*(2.058,29)*	-
Other expenses	*3.7*	*(1.880.701,38)*	*(1.057.461,97)*
Total expenses		**(89.564.129,59)**	**(33.482.047,77)**
ECONOMIC RESULT OF THE YEAR		**(89.563.679,59)**	**(33.482.047,77)**

CASHFLOW STATEMENT[8]

	2025	2024
Economic result of the year	*(89.563.679,59)*	*(33.482.047,77)*
Operating activities	**(32.336.500,57)**	**(43.639.435,11)**
Depreciation and amortization	*78.969,35*	*10.555,90*
(Increase)/decrease in pre-financing	*(61.988.189,36)*	*(63.648.131,80)*
(Increase)/decrease in exchange receivables and non-exchange recoverables	*(1.226.321,07)*	*(2.853.584,28)*
Increase/(decrease) in payables	*401.117,93*	*7.476.761,59*
Increase/(decrease) in accrued charges & deferred income	*30.397.922,58*	*15.374.963,48*
Financing activities[9]	**122.397.022,68**	**77.358.810,31**
Increase/(decrease) in cash contributions	*122.397.022,68*	*77.358.810,31*
Investing activities	**(496.842,52)**	**(237.327,43)**
(Increase)/decrease in intangible assets and property, plant and equipment	*(496.842,52)*	*(237.327,43)*
NET CASHFLOW	**-**	**-**
Net increase/(decrease) in cash and cash equivalents	-	-
Cash and cash equivalents at the beginning of the year	-	-
Cash and cash equivalents at year-end	-	-

[8] The treasury of Global Health EDCTP3 is integrated into the Commission's treasury system. Because of this, Global Health EDCTP3 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.

[9] The presentation of the increase / (decrease) in cash contributions was reclassified under the category of Financing activities while in the previous financial statements was shown as a separate heading under the category of Operating activities. The change is strictly a presentation change. The nature of the contributions presented under this heading did not change.

STATEMENT OF CHANGES IN NET ASSETS

	Contribution from Members	Accumulated Surplus/(Deficit)	Economic result of the year	Net Assets
BALANCE AS AT 31.12.2023	**48.852.215,19**	**-**	**(17.338.471,66)**	**31.513.743,53**
Allocation 2023 economic result	-	*(17.338.471,66)*	*17.338.471,66*	-
Cash contribution	*77.358.810,31*	-	-	*77.358.810,31*
Economic result of the year	-	-	*(33.482.047,77)*	*(33.482.047,77)*
BALANCE AS AT 31.12.2024	**126.211.025,50**	**(17.338.471,66)**	**(33.482.047,77)**	**75.390.506,07**
Allocation 2024 economic result	-	*(33.482.047,77)*	*33.482.047,77*	-
Cash contribution	*122.397.022,68*	-	-	*122.397.022,68*
Economic result of the year	-	-	*(89.563.679,59)*	*(89.563.679,59)*
BALANCE AS AT 31.12.2025	**248.608.048,18**	**(50.820.519,43)**	**(89.563.679,59)**	**108.223.849,16**

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 cash flows 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 euros, the budget implementation tables 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	31.12.2025	31.12.2024	Currency	31.12.2025	31.12.2024
BGN	**1,9558**	1,9558	**PLN**	**4,221**	4,275
CZK	**24,237**	25,185	**RON**	**5,0968**	4,9743
DKK	**7,4689**	7,4578	**SEK**	**10,8215**	11,459
GBP	**0,8726**	0,82918	**CHF**	**0,9314**	0,9412
NOK	**11,843**	11,795	**RWF**	**1.714,58**	1.435,51
HUF	**385,15**	411,35	**USD**	**1,175**	1,0389

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: financial risk of accounts receivable and the amounts disclosed in the notes concerning accrued revenue and charges, provisions, degree of impairment of intangible assets and property, plant and equipment, contingent assets and liabilities. 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 revised European Union Accounting Rules (EAR)

New EAR adopted and effective for annual periods beginning on or after 1 January 2025

On 12 December 2025 the Accounting Officer of the European Commission adopted a targeted amendment of EAR 1 'Financial Statements'. The amendment, which is effective for reporting periods beginning on or after 1 January 2025, introduced changes to the guidance on the Segment Report. As Global Health EDCTP3 is not obliged to, and does not prepare, a Segment Report, the amendment has no impact on its annual accounts.

New EAR adopted with application after 31 December 2025

Revised EAR 8: On 15 April 2025 the Accounting Officer of the European Commission adopted the revised EAR 8 'Leases', which is effective for accounting periods beginning on or after 1 January 2027. The revised EAR 8 has been updated in line with IPSAS 43 'Leases' (including the amendment 'Concessionary Leases and Other Arrangements Conveying Rights over Assets'). The main change as compared to the current EAR 8 is the introduction of a right-of-use recognition and measurement model, which requires lessees to recognise all leases, including concessionary leases, on the balance sheet, unless the short-term or low-value exemption applies. The current distinction of leases as either operating leases or finance leases, with only the latter recognised on the balance sheet, will no longer be applicable. For lessors, the revised EAR 8 largely carries forward the existing accounting requirements, with additional guidance and clarifications. Consequently, the initial application of the revised EAR 8 is expected to result in more leases being recognised on the balance sheet, with a corresponding increase in right-of-use assets and lease liabilities. The impact of the revised EAR 8, including on concessionary leases and other relevant arrangements, will continue to be assessed over the 2026 calendar year prior to the 1 January 2027 effective date.

The scope of lease contracts falling under IPSAS 43 will be limited to the rental commitment of the office building of the Joint Undertaking. The total commitment under **note 3.7** can give an indication of the impact of the new standard on the financial statements.

Revised EAR 1: On 15 April 2025 the Accounting Officer of the European Commission adopted the amended EAR 1 'Financial Statements', which is effective for accounting periods beginning on or after 1 January 2027. The objective of the amendment is to ensure a consistent classification of all borrowings within financing activities. Under the current EAR 1 borrowings related to leases, the acquisition of property, plant and equipment, and back-to-back operations are classified within operating activities. Under the revised EAR 1, financing activities will include all activities that result in changes on the size and composition of borrowings, without the above exceptions. The impact of the revised EAR 1 will continue to be assessed over the 2026 calendar year prior to the 1 January 2027 effective date.

Revised IPSAS standards which have been issued, and are effective for annual periods beginning on or after 1 January 2025

IPSAS 46 - Measurement: IPSAS 46 provides a unified framework for measuring assets and liabilities by setting out how commonly used measurement bases such as historical cost, fair value, cost of fulfilment, and the newly introduced current operational value should be applied in the public sector. It introduces generic guidance on fair value for the first time and establishes current operational value as a public-sector-specific basis for valuing assets held for service delivery rather than cash generation. The standard enhances consistency and clarity in initial and subsequent measurement across IPSAS. The application of this new standard is not expected to have a material impact on the Annual Accounts of the JU.

IPSAS 45 - Property, Plant and Equipment: IPSAS 45 updates the accounting requirements for property, plant, and equipment by replacing IPSAS 17, introducing current operational value as an additional measurement basis, and bringing heritage and infrastructure assets within scope where they meet the PPE definition. It provides new guidance on recognising and measuring these assets, highlighting traits such as restricted use, irreplaceability, and long or indefinite useful lives, and enhances consistency in PPE measurement and disclosure across the public sector. The application of this new standard is not expected to have a material impact on the Annual Accounts of the JU.

IPSAS 44 - Non-current Assets Held for Sale and Discontinued Operations: IPSAS 44 sets out the accounting, presentation, and disclosure requirements for non-current assets held for sale and discontinued operations, drawing largely from IFRS 5. It requires assets classified as held for sale to be measured at the lower of their carrying amount and fair value less costs to sell, with depreciation ceasing once classified, and mandates that such assets, as well as the results of discontinued operations, be presented separately in the financial statements. The application of this new standard will not have any impact on the JU given that it does not have any asset or operation that fall under IPSAS 44.

Revised and New IPSAS Standards which have been issued and are effective for the annual periods beginning on or after 1 January 2026

IPSAS 47 - Revenue: IPSAS 47 provides a single, comprehensive source of revenue accounting guidance for the public sector by replacing IPSAS 9, IPSAS 11 and IPSAS 23, and introducing two distinct accounting models based on whether a revenue transaction arises from a binding arrangement or from a non-binding arrangement. It requires entities to first identify the nature of the revenue transaction and then determine whether enforceable rights and obligations exist; revenue from binding arrangements is recognised and measured using principles tailored to enforceable performance requirements, while revenue from non-binding arrangements, including taxes and transfers, is accounted for using separate recognition and measurement requirements that reflect the absence of enforceable obligations. IPSAS 47 clarifies and refines public-sector revenue concepts, provides focused guidance to support consistent application across diverse revenue streams, and consolidates all revenue accounting principles into one standard. IPSAS 47 is effective for periods beginning on or after 1 January 2026, with early application permitted.

IPSAS 48 - Transfer Expenses: IPSAS 48 sets out the accounting requirements for transfer expenses - transactions where an entity provides goods, services, or other assets without receiving resources in return - using two accounting models based on whether a binding arrangement exists. Transfer expenses arising from binding arrangements are recognised when transfer rights are derecognised or transfer obligations are recognised, while those without binding arrangements are recognised when a provision is recorded or, if none exists, when control of the resources is lost. The standard file a major gap in IPSAS by providing clear recognition, measurement, presentation, and disclosure requirements from the perspective of the transfer provider. IPSAS 48 is effective for periods beginning on or after 1 January 2026, with early application permitted.

Amendments to IPSAS 12 - Inventory, IPSAS 21 - Impairment Non-Cash Generating Assets and IPSAS 3 - Accounting Policies, Changes in Accounting Estimates and Errors: The amendments include the introduction of current operational value in IPSAS 12, and IPSAS 21, the addition of a definition of accounting estimates to IPSAS 3, and the enhancement of the terminology in current value measurement disclosures. These amendments will be effective for periods beginning on or after 1 January 2028, with early application permitted.

The Accounting Officer of the European Commission (following consultation with the accounting officers of other EU bodies) is assessing the impact of the above standards on the Annual Accounts and considering a possible revision of relevant EAR accordingly. For the new standards and amendments where early application has been permitted, no early application has been adopted.

1.3. BALANCE SHEET

1.3.1. Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance. An asset is identifiable if it is either separable or arises from binding arrangements. Acquired intangible assets are stated at historical cost less accumulated amortisation and impairment losses. Internally developed intangible assets are capitalised when the relevant criteria of the EU accounting rules are met and the expenses relate solely to the development phase of the asset. Intangible assets are amortised on a straight-line basis over their estimated useful lives (3 to 11 years).

1.3.2. 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 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
Buildings	*4 % to 10 %*
Plant and equipment	*10 % to 25 %*
Furniture and vehicles	*10 % to 25 %*
Computer hardware	*25 % to 33 %*
Other	*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.

1.3.3. 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.

1.3.4. Financial assets

The classification of the financial instruments is determined at initial recognition. Based on the management model and the asset contractual cash-flow characteristics the financial assets can be classified in three categories: Financial assets at amortised cost ('AC'), financial assets at fair value through net assets/equity ('FVNA') or financial assets at fair value through surplus or deficit ('FVSD'). Based on this classification, the entity has only 'financial assets at amortised cost', which are exchange receivables.

Financial assets at amortised cost are non-derivative financial assets that meet two conditions: 1) The entity holds them in order to collect the contractual cash flows. 2) On specified days, there are contractual cash flows that are solely payments of the principal and interest on the outstanding principal.

Financial assets at amortised cost are included in current assets, except for those with a maturity of more than 12 months from the balance sheet reporting date.

Initial recognition and measurement

Financial assets at amortised cost are initially recognised at their fair value plus the transaction costs.

Subsequent measurement

Financial assets at amortised cost are carried at amortised cost, which is the amount initially recognised minus the principal repayments, plus or minus the cumulative amortisation of the interests using the effective interest method. In addition, the entity recognises a loss allowance for expected credit losses over the lifetime of the financial assets. At each reporting date, the annual movement in the loss allowance adjusts the carrying amount of the financial asset. In the statement of financial performance, the entity recognises an impairment gain or loss for the adjustment of the loss allowance.

Derecognition

Financial assets at amortised cost are derecognised either when the rights to receive cashflows from the investments have expired or are waived, or when the entity has transferred substantially all risks and rewards of ownership to another party.

1.3.5. Pre-financing amounts

Pre-financing is a payment intended to provide the beneficiary with a cash advance, i.e. a float. It may be split into several payments over a period defined in the particular contract, decision, agreement or basic legal act. The float or advance is either used for the purpose for which it was provided during the period defined in the agreement or it is repaid. If the beneficiary does not incur eligible expenditure, he has the obligation to return the pre-financing advance to the entity. Thus, as the entity retains control over the pre-financing and is entitled to a refund for the ineligible part, the amount is recognised as an asset.

Pre-financing is initially recognised on the balance sheet when cash is transferred to the recipient. It is measured at the amount of the consideration given. In subsequent periods pre-financing is measured at the amount initially recognised on the balance sheet less eligible expenses (including estimated amounts where necessary) incurred during the period. Pre-financing is classified as a current asset unless it is considered unlikely to be cleared within the next twelve months from the reporting period, in which case it is classified as long-term pre-financing.

1.3.6. Receivables and recoverables

The EU accounting rules require 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. The entity classified them as financial assets at amortised cost and measured them accordingly.

Recoverables from non-exchange transactions are carried at fair value as at the date of acquisition 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.

1.3.7. Cash and cash equivalents

Cash and cash equivalents are financial assets at amortised cost 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.

1.3.8. 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 **1.3.5**), or non-validated in-kind contributions to operational activities (see note **1.6.2**).

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.

1.3.9. 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.

1.3.10. Provisions

Provisions are recognised when the entity has a present legal or constructive obligation towards third parties as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are not recognised for future operating losses. The amount of the provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date. Where the provision involves many items, the obligation is estimated by weighting all possible outcomes by their associated probabilities ('expected value' method).

When an obligation arises by uncertain future events that are not wholly within the control of the entity a contingent liability is disclosed (refer to note **1.5.2**).

1.3.11. Net assets

Net assets are the residual of assets and liabilities and comprise of accumulated contributions received from the members of the JU (EU and industry) less the accumulated contributions used. The contributions include financial contributions received by the JU and contributions provided by the members to the funded projects in-kind. The net assets also contain reserves, if applicable. Refer to note **1.6** for details.

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 members.

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. CONTRIBUTIONS FROM MEMBERS

The contributions from the Members of the Joint Undertakings (JU) form the funding of the JU and are treated as contributions from owners. An owner in this context does not mean an owner in the sense of owning shares of the JU (no shares are issued) but rather in the sense of political interest and governance of the JU by exercising the voting rights linked to these contributions.

1.6.1. Financial contributions

Financial contributions are contributions of Members made in cash in order to provide funding of the operational or administrative needs of the JU.

Horizon Europe Programme:

- EU Contributions: In accordance with Article 19 of the Financial Framework Partnership Agreement (FFPA) 2020-2027, the JU received from the European Union a pre-financing payment for the implementation of the Horizon Europe Framework Programme.

- According to the Specific Guidance for the accounting of the EU cash contributions received by the Joint Undertakings under FFPA related to MFF 2021-2027, the contributions payments done by the EU for the Horizon Europe Programme are accounted as ‘Contributions in cash to be validated’. During the provisional accounting closure, the JU should, on the basis of the payment’s implementation report, determine the amount of operating and administrative expenditure that have been covered from the EU financial contributions to the Horizon Europe Programme. In the accounting of the JU the underlying amount should be, for the purpose of the preparation of the provisional financial statements, transferred from the provisional payments to the net assets of the JU (cut-off procedure). It will be qualified as final payments and formally transferred to the net assets once the Commission has accepted the Consolidated Annual Activity Report – AAR (Art. 19.2 FFPA).

1.6.2. In-kind contributions

Members other than the EU (i.e. 'Private Members') can also contribute resources other than cash, e.g. laboratory equipment, specialised staff, etc. These in-kind contributions consist of the costs incurred by Private Members in implementing indirect actions.

The Regulation distinguishes between two types of in-kind contributions: (1) In-kind contributions to operational activities (IKOP) and (2) in-kind contributions to additional activities (IKAA).

The IKOP represents in-kind contributions made to the JU linked to its work plan and co-financed by the EU. The IKOP is recognised in net assets of the JU in the period when the conditions for Members' contributions stipulated by the Regulation are met.

As IKOP calculated from periodic cost claims of projects is not automatically recorded in the statement of financial performance, at year-end, this incurred IKOP as well as IKOP not yet reported (via received costs claims) is estimated and recorded as other liabilities ('Contributions of Members to be validated').

The EU makes available the cash contributions in advance (until the payments reach 90%), providing the beneficiaries with sufficient level of funds to implement the program activities; while the in-kind contributions provided by the private members can be verified and recognised only after the activities are concluded, reported and certified.

The EU cash contributions are validated and recognised in the accounts of the JU when paid to the JU (or based on the payments processed by the JU, in case of Horizon Europe, see note **2.9**) at the beginning of the project implementation, while members' in-kind contributions are only recognised after validation of the costs incurred and declared. Consequently, due to this time gap, during the program implementation the amounts of contributions recognised per member category (EU and private members) differ significantly from each other. This gap between the recognised amount of EU cash contributions on one hand and in-kind contributions on the other hand will be closed as the program is approaching the finalisation stage.

Due to major simplifications introduced in H2020 programme (which continue to be applied for Horizon Europe too), the certification for IKOP is based on the CFS certificate for the total eligible project costs. The certificates for IKOP are only due to be submitted to the JU after the end of the last project reporting period. This time difference is a cause of a major delay between the time when the IKOP balances are committed (upon signature of the grant) until they could be validated and recognised in net assets of the JU.

The IKAA relates to contributions linked to implementing additional activities, included in the annual additional activities plan annexed to the main part of the work programme, that does not receive financial support from the joint undertaking but contributes to its objectives.

Because the outflow of resources related to those activities is outside of the control of the JU, these contributions are not recognised in the financial statements of the JU. However, to provide a complete picture of the operational activities related to the JU they are still disclosed as additional information in the notes.

2. NOTES TO THE BALANCE SHEET

ASSETS

2.1. INTANGIBLE ASSETS

At 31 December 2025 the Joint Undertaking has no intangible assets (2024: nil).

2.2. 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. The tangible assets of the Joint Undertaking are comprised of new IT equipment and communication equipment purchased before and after the financial autonomy.

	Works on leased space	Plant and equipment	Furniture and vehicles	Computer hardware	Other Fixtures and Fittings	Assets under construction	TOTAL
Gross carrying amount at 31.12.2024	-	*12.886,89*	-	*59.412,39*	-	*192.020,31*	*264.319,59*
Transfers between headings	*192.020,31*	-	-	-	-	*(192.020,31)*	-
Additions	*99.053,81*	*5.027,40*	*59.134,71*	*11.312,71*	*300.742,04*	*21.571,85*	*496.842,52*
Disposals	-	-	-	-	-	-	-
Gross carrying amount at 31.12.2025	**291.074,12**	**17.914,29**	**59.134,71**	**70.725,10**	**300.742,04**	**21.571,85**	**761.162,11**
Accumulated depreciation at 31.12.2024	-	*(2.165,95)*	-	*(9.366,53)*	-	-	*(11.532,48)*
Depreciation charge for the year	*(38.116,85)*	*(3.880,07)*	*(4.757,49)*	*(16.738,55)*	*(15.476,39)*	-	*(78.969,35)*
Disposals	-	-	-	-	-	-	-
Accumulated depreciation at 31.12.2025	**(38.116,85)**	**(6.046,02)**	**(4.757,49)**	**(26.105,08)**	**(15.476,39)**	**-**	**(90.501,83)**
NET CARRYING AMOUNT AT 31.12.2025	**252.957,27**	**11.868,27**	**54.377,22**	**44.620,02**	**285.265,65**	**21.571,85**	**670.660,28**
NET CARRYING AMOUNT AT 31.12.2024	-	*10.720,94*	-	*50.045,86*	-	*192.020,31*	*252.787,11*

During 2025 the Joint Undertaking had significant increases of its tangible assets following the refurbishment of its office space located in the White Atrium building. The refurbishment works started in 2024 were completed in 2025 which led to a transfer between the heading "Assets under construction" and "Works on leased spaces". The value of expenses incurred on the refurbishments works in 2024 and 2025 which were not subject to capitalisation amounted to a total EUR 29,5 thousand.

The additions made under the headings "Other fixtures and fittings", "Plant and equipment" and "Furniture and vehicles" include the installation of a new air ventilation (HVAC) system and the purchases of items required for the furnishing of the newly renovated premises.

The purchases of new IT equipment were made in support of the Joint Undertaking's IT autonomy which was achieved in 2025.

The heading "Assets under construction" comprises various components of an audio-visual system which will be installed in the common meeting rooms located in the White Atrium building. The assets will be held in common by all the participating Joint Undertakings and are presented at the value of the individual share of ownership. Global Health EDCTP3 JU holds an ownership share of 10,6% based on their contribution to the expected total value of the asset.

2.3. PRE-FINANCING

Pre-financing is a payment intended to provide the beneficiary with a cash advance, i.e. a float. It may be split into a number of payments over a period defined in the particular underlying contract, decision, agreement or basic legal act.

	31.12.2025	31.12.2024
Non-current pre-financing	*123.593.535,93*	*78.026.233,53*
Current pre-financing	*49.652.456,83*	*33.231.569,87*
Total	**173.245.992,76**	**111.257.803,40**

The non-current and current pre-financing at 31 December 2025 relates exclusively to grant agreements financed under the Horizon Europe programme.

The pre-financing value is presented as net of the cut-off estimated clearing (2025: EUR 34,98 million EUR and 2024: EUR 8,04 million).

The estimation of the clearing is made using information from cost claims received until 30 April 2026 for periods before 31 December 2025 and a pro-rata temporis cost calculation for periods until 31 December 2025 which are not covered by a cost claim. The pre-financing is cleared as per the grant agreements conditions, i.e. once the value of the disbursed payments has reached 90% of the grant agreement value.

The estimation of the pre-financing to be cleared during the year 2026 is based solely on a pro-rata temporis cost calculation. All the pre-financing that is considered unlikely to be cleared in the course of 2026 is classified as long-term pre-financing.

The increase in the overall value of the pre-financing is mostly due to payment of the advances for 33 newly launched projects.

2.4. 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.

The amounts included under this heading are fully composed of current receivables from exchange transactions.

	31.12.2025	31.12.2024
Recoverables from non-exchange transactions		
Central treasury liaison accounts	*5.219.135,65*	*3.990.975,82*
Other	-	-
Total Recoverables	**5.219.135,65**	
Receivables from exchange transactions		
Accrued income and deferred charges	*19.550,93*	*17.677,95*
Other	-	*3.711,74*
Total Receivables	**19.550,93**	**21.389,69**
Total	**5.238.686,58**	**4.012.365,51**

The biggest value of receivables relates to the entitlement of the Joint Undertaking over the cash held in the EU Commission's bank accounts as per the service level agreement for treasury services.

The deferred charges are composed exclusively of advance payments for small administrative expenditure items, i.e. software subscriptions, transportation costs and office services.

2.5. CASH AND CASH EQUIVALENTS

The payments and receipts are processed via the Commission's treasury system and registered on liaison accounts, which are presented under heading 'recoverables from non-exchange transactions' (see note **2.4**).

The Joint Undertaking does not hold any form of cash or cash equivalents at hand or in accounts with financial institutions under its name.

LIABILITIES

2.6. PROVISIONS

Provisions are recognised when the entity has a present legal or constructive obligation towards third parties as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are not recognised for future operating losses. The amount of the provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date. Where the provision involves a large number of items, the obligation is estimated by weighting all possible outcomes by their associated probabilities ('expected value' method).

At 31 December 2025 the Joint Undertaking has not established any provisions (2024: none).

2.7. 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).

	31.12.2025	31.12.2024
Cash contribution from EU to be validated	*5.218.709,24*	*3.993.789,81*
Total contributions to be validated	**5.218.709,24**	**3.993.789,81**
Sundry payables	*3.817.951,51*	*4.641.753,01*
Total payables to entities	**3.817.951,51**	**4.641.753,01**
Total	**9.036.660,75**	**8.635.542,82**

The 'Cash contributions from EC to be validated' are the received but unspent EC financial contributions to the Horizon Europe Programme (see note **1.6.1**).

The Sundry payables heading is mostly composed of cost claims received in connection with the grant agreements for which a payment was not made before the end of the year.

The increase in cash advances received from the EU which remain unspent at 31 December 2025 and the decrease in the sundry payables represents a standard yearly variation.

The level of sundry payables at approx. 27% below the value of the receivables from "Central treasury liaison accounts" (see note 2.4) indicates that the organisation has enough funding readily available to settle in full its liabilities at the end of the year while demonstrating a tight management over its public funding.

2.8. 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.

	31.12.2025	31.12.2024
Accrued charges	*61.894.829,71*	*31.496.907,13*

The accrued charges are largely composed of estimated operating expenses of EUR 61,50 million (2024: EUR 31,07 million) for on-going projects.

The estimation of the operational liabilities is made using information from cost claims received until 30 April 2026 for periods before 31 December 2025 and a pro-rata temporis cost calculation for periods until 31 December 2025 which are not covered by a cost claim.

Included under this heading are also accrued administrative expenses of EUR 281 thousand (2024: EUR 336 thousand) and accrued staff expenses for untaken leave of EUR 109 thousand (2024: EUR 91 thousand).

The increase in the heading was expected as the value of the grant agreements which have been signed for the projects of the Joint Undertaking during the course of the year 2025 has exceeded the value of the payments made for the value of the deliverables received for intermediary milestones. This trend is considered normal for organizations which are in the first half of the programme implementation timeline. As the value of the accrued charges exceeds the value of its short term recoverables, indicates that the organisation will be relying mostly on its 2026 funding to cover the operational accrued charges.

NET ASSETS

2.9. CONTRIBUTIONS FROM MEMBERS

The JU is funded by contributions from its members. Given their funding nature these contributions, which comprise both cash contributions and contributions in kind, are recognized in the JU's net assets as 'Contributions from owners' once validated. The term 'owner' does not imply ownership of any shares of the JU (in fact no shares are issued) but reflects the specific governance of the JU where voting rights are allocated in accordance with the contributions made.

Programming period	2025		2024	
	Cash	Total	Cash	Total
Horizon Europe	*248.608.048,18*	*248.608.048,18*	*126.211.025,50*	*126.211.025,50*
Total	**248.608.048,18**	**248.608.048,18**	**126.211.025,50**	**126.211.025,50**

With regards to Horizon Europe programme, Council Regulation (EU) 2021/2085, distinguishes between Members (European Union represented by the European Commission and the Private Founding Members) and non-members of the JU. In addition, the in-kind contributions to operational activities should be accounted for solely on the basis of eligible costs and should be reported and audited in accordance with the mechanism applicable to the specific grant agreement. Under Horizon Europe only validated and accepted contributions by the Executive Director can be recognized under net assets. Therefore, the same accounting treatment as used under the previous regulations is applied to IKOP under Horizon Europe.

2.9.1. Research and Innovation funding programme for 2021-2027 (Horizon Europe)

Member	EU Commission	EDCTP Association		Total	
	Cash	Cash	In kind	Cash	In kind
Running costs contributions at 31.12.2024	*4.528.348,77*	-	-	*4.528.348,77*	-
Current year contributions	*6.359.653,44*	-	-	*6.359.653,44*	-
Running costs contributions at 31.12.2025	**10.888.002,21**	**-**	**-**	**10.888.002,21**	**-**
Operating costs contributions at 31.12.2024	*116.407.368,73*	*5.275.308,00*	-	*121.682.676,73*	-
Current year contributions	*98.340.132,24*	*17.697.237,00*	-	*116.037.369,24*	-
Operating costs contributions at 31.12.2025	**214.747.500,97**	**22.972.545,00**	**-**	**237.720.045,97**	**-**
TOTAL contributions at 31.12.2024	*120.935.717,50*	*5.275.308,00*	-	*126.211.025,50*	-
TOTAL contributions at 31.12.2025	**225.635.503,18**	**22.972.545,00**	**-**	**248.608.048,18**	**-**

According to the specific guidance issued by the EC Accounting Officer[10] for the accounting of the EU cash contributions received under Horizon Europe program, the accounting treatment of the EU contribution should align with Art. 19.1 of the Financial Framework Partnership Agreement (FFPA), defining that the Union contributions take form of provisional payments ("pre-financings"). Based on this new requirement, the JU determines, on the basis of the payment implementation report the amount of operating and administrative expenditure that have been covered from the EU financial contributions to the Horizon Europe Programme and enters only this amount into the net assets. The unspent funds are recorded in the liabilities section as "Contributions in cash to be validated".

Based on the funding established through the Single Basic Act, it is expected that the Joint Undertaking will be financed entirely by cash contributions as no contributions in the form of in-kind services to operational activities are foreseen at the moment.

During 2025, the EU has contributed 86% out of the total cash value of EUR 122,40 million registered to the year, while the contribution of the EDCTP Association amounted to 14% of the total, leading to an overall funding ratio of 91% from the EU and 9% from the EDCTP Association from the total cumulative value of EUR 248,61 million.

The vast majority of the contributions, approx. 96% of the cumulative value, were contributions towards the operating costs of the Joint Undertaking. The running costs have only amounted to approx. 4% of the total contributions recognized in the net assets of the Joint Undertaking.

[10] Ares(2022)6810956 – 03/10/2022 : Specific Guidance: Accounting for EU cash contributions received by Joint Undertakings under the Financial Framework Partnership Agreement related to MFF 2021-2027

3. NOTES TO THE STATEMENT OF FINANCIAL PERFORMANCE

REVENUE

NON-EXCHANGE REVENUE

Revenue from non-exchange transactions relates to transactions where the transferor provides resources to the recipient entity without the recipient entity providing approximately equal value directly in exchange. The heading mainly includes amounts received from the Commission during the year and recoveries of operational expenses.

3.1. RECOVERY OF EXPENSES

The revenue resulting from recovery of expenses refers to operational expenses recovered from beneficiaries during the year and adjustments coming from audits that will be collected in the following year.

The Joint Undertaking did not have any recovery of expenses during 2025 (2024: none).

3.2. OTHER NON-EXCHANGE REVENUE

The Joint Undertaking did not have any non-exchange revenue during 2025 (2024: none).

EXCHANGE REVENUE

3.3. REVENUE FROM EXCHANGE TRANSACTIONS

The revenue from exchange transactions and events relates to following types of transactions: rendering of services; sales of goods; and the use by others of entity assets yielding interest, royalties and dividends.

	2025	2024
Recovery of administrative expenses	*450,00*	*0,00*

EXPENSES

3.4. OPERATIONAL COSTS

Included under this heading are operational expenses related to projects that were carried out in the current year. The part of the operational costs related to on-going projects without any validated cost claims (or equivalent) available on 31 December was estimated using the best information available at the time of preparation of the annual accounts. The estimation is based on the case-by-case assessment of completion which ensures that only costs that reflect the services or work performed by 31 December are included in the operational costs of the year. Depending on the availability of information at the time of preparation of the annual accounts, the estimates are based on costs incurred to date as a proportion of the estimated total costs of the projects ("pro-rata temporis").

The break-down of the operational costs between operational costs incurred on the basis of validated cost claims (or equivalent) and estimated operational costs is given in the table below:

	2025	2024
Operational costs	*83.698.283,26*	*29.606.801,03*

Out of the total operational costs approx. 97% are costs related grant agreements while the remaining 3% are related to procurements and external experts providing support to the implementation of the operational projects of the Joint Undertaking.

Approx. 57% of the increase in costs is due to the start of 41 new projects financed through grant agreements during the course of the year 2025. The remaining part of the increase stems from the natural progression of costs for projects financed through grant agreements concluded in previous years.

3.5. STAFF COSTS

This heading includes the expenses for salaries, allowances and other employment - related benefits. Based on the service level agreement between the JU 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 JU 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 JU staff, the JU 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 JU accounts. Similarly, no provision related to the future pension payments is recognised in the annual accounts of the JU, as the obligation falls to the Commission.

As per Article 83a (2) of the Staff Regulations, the part paid by the JU shall correspond to the percentage share between a) the JU's revenues without the subsidy from the general budget, and b) its total revenues. To avoid disruptive variations over time, the JUs employer's pension contribution is calculated with a single percentage share for the whole duration of the JU. This single percentage was established on the basis of the EU and non-EU members' respective contributions, as foreseen in the JU's legal basis, with a correction and regularisation at the last year of existence of the JU. Consequently, the contribution of Global Health EDCTP3 was set as 0,0% of the total pension scheme contributions.

	2025	2024
Staff costs	*3.983.086,66*	*2.817.784,77*

Most of the staff costs represent the expenditure of Global Health EDCTP3 related to its personnel for the year 2025. The 41% increase in staff costs was expected as the organisation is still in its growth phase and during the course of the year eight new staff members were recruited.

3.6. FINANCIAL EXPENSES

The finance costs include the expenses generated by the late payment interest and foreign currency exchange transactions.

	2025	2024
Finance costs	*2.058,29*	-

3.7. 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

	2025	2024
External IT services	*521.926,08*	*325.284,33*
Operating lease expenses	*249.458,60*	*190.139,87*
Communications & publications	*285.380,72*	*33.919,51*
Missions	*214.378,35*	*71.769,73*
External non IT services	*276.767,03*	*327.514,97*
Recruitment costs	*18.090,96*	*9.577,37*
Legal Expenses	*14.039,81*	*23.822,66*
Property, plant and equipment related expenses	*78.969,35*	*10.555,90*
Maintenance and security of the building	*130.572,96*	*50.792,54*
Office Supplies & maintenance	*56.516,94*	*3.331,08*
Experts expenses	*266,80*	*1.200,00*
Training costs	*34.333,78*	*9.554,01*
Total	**1.880.701,38**	**1.057.461,97**

The increase of approx. 78% in the administration costs of the organisation stem mainly from three events.

The increase in mission costs following the higher number of staff members recruited and the organisation of the twelfth EDCTP Forum that took place in Kigali (Rwanda) in June 2025 as well as the increase in communication costs related to the contract signed for graphic design, editorial & events support to the Joint Undertaking, the participation in the Science Summit held during 2025 in New York (linked to the United Nations General Assembly meeting) and the preparatory work for the next EDCTP Forum 2027 in Madrid (Spain), account for approx. 48% of the cost increase.

The move of the organisation into the newly refurbished premises in White Atrium building at the beginning of the year has led to an increase of the leasing and building maintenance costs as well as the depreciation and amortization costs which would account in total for approx. 25% of the year-on-year cost increase.

An additional 24% of the total cost increase stems from the additional expenses on IT services following the preparatory activities for the onboarding of the organisation to SUMMA, the new financial and accounting software used by the organisation starting from 1 January 2026.

The cost increases in the area of recruitment, training and office supplies were expected as the organisation was in a growth stage during 2025.

The Joint Undertaking has co-signed a new lease agreement for the rental of the office space and parking places located in the White Atrium building for the years 2025-2031.

An overview of the amounts to be committed and paid during the remaining term of the sublease contract are as follow:

	Future amounts to be paid			
	< 1 year	1- 5 years	> 5 years	Total
Buildings	*251.552,54*	*1.057.536,97*	*300.916,73*	*1.610.006,24*

4. OTHER SIGNIFICANT DISCLOSURES

4.1. CONTINGENT ASSETS

No contingent assets of material significance were identified for the Joint Undertaking at 31 December 2025.

4.2. CONTINGENT LIABILITIES

No contingent liabilities of material significance were identified for the Joint Undertaking at 31 December 2025.

4.3. 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 de-commitments have not yet been made. This is the normal consequence of the existence of multi-annual programmes.

	31.12.2025	31.12.2024
Outstanding commitments not yet expensed	*389.266.236,13*	*301.447.213,86*

The amount outstanding comprises mostly the open value of the operational grant agreements.

4.4. IN-KIND CONTRIBUTIONS

According to the Council Regulation (EU) No 2021/2085, the members other than the Union shall provide in-kind contributions to the Joint Undertaking.

Under the Horizon Europe program, a simplified reporting mechanism was put in place for the members, who are no longer required to report on non-eligible costs for in-kind contributions to operational activities. According to Art.2.(8) of the Council Regulation (EU) No 2021/2085: "in-kind contributions to operational activities' means contributions by private members, constituent entities or the affiliated entities of either, by international organisations and by contributing partners, consisting of the eligible costs incurred by them in implementing indirect actions less the contribution of that joint undertaking and of the participating states of that joint undertaking to those costs". Consequently, in-kind contributions to operational activities are accounted for solely on the basis of eligible costs and reported and audited in accordance with the mechanism applicable to the specific grant agreement. Such accounting on the basis of eligible costs allows for the automated calculation of in-kind contributions to operational activities via the Horizon Europe IT tools.

4.5. IN-KIND IN ADDITIONAL ACTIVITIES (IKAA)

The Joint Undertakings provide a systematic opportunity and incentive for members other than the Union to combine their research and innovation activities with those of the joint undertaking. Additional activities should not receive financial support from the joint undertaking. However, they can be accounted for as members' in-kind contributions to additional activities when they contribute to the objectives of the joint undertaking and are directly linked to its activities, including non-eligible costs of indirect actions funded by the joint undertaking where this is provided for in the annual additional activities plan. That link can be established through the uptake of results from indirect actions funded by the joint undertaking or its preceding initiatives, or by demonstrating a significant Union added value. The respective costs should be certified by an independent audit body appointed by the entity concerned subject to the valuation method being open to verification by the joint undertaking in the event of uncertainty. Council Regulation (EU) No 2021/2085 laid down more specific provisions concerning the scope of additional activities for each joint undertaking, to the extent that it is necessary to achieve the desired directionality and impact.

"Additional activity" means an activity, included in the annual additional activities plan annexed to the main part of the work programme, that does not receive financial support from the joint undertaking but contributes to its objectives and is directly linked to the uptake of results from projects under that joint undertaking or its preceding initiatives or that has a significant Union added value.

In-kind contributions to additional activities mean contributions by the private members, constituent entities or the affiliated entities of either, and by international organisations, consisting of the costs incurred by them in implementing additional activities less any contribution to those costs from the Union and from the participating states of that joint undertaking.

Art. 104 of the Council Regulation (EU) No 2021/2085defines the scope of Global Health EDCTP3s additional activities:

(1) activities of constituent or affiliated entities of the EDCTP Association aligned with similar activities from other constituent or affiliated entities of the EDCTP Association and independently managed in accordance with national funding rules;
(2) activities implemented by sub-Saharan African governmental research organisations;
(3) activities which promote networking and partnerships building relationships with multiple private and public-sector organisations;
(4) support for the development of research infrastructures such as clinical trial networks or cohorts related to the scope of Global Health EDCTP3, and support for strengthening health systems' preparedness for carrying out research activities within the scope of the Global Health EDCTP3 Joint Undertaking.

Following Article 104 (1) of the Council Regulation (EU) No 2021/2085, the additional activities of Global Health EDCTP3 shall be developed and implemented in an aligned, integrated and coherent manner by the EDCTP Association and its constituent or affiliated entities and shall follow the Global Health EDCTP3 Strategic Research and Innovation Agenda. They are valued in accordance with the usual cost accounting practices of the entities concerned, to the applicable accounting standards of the country where the entity is established, and to the applicable International Accounting Standards and International Financial Reporting Standards (Article 11(2) of the SBA).

By the end of the current programme, the level of IKAA is expected to be at least EUR 550.000.000[11] which is the contribution commitment of the EDCTP Association. As of the time of writing this report, a plan for additional activities to be initiated in year 2026 has been received, bringing the total planned IKAA to date to EUR 767.845.766.

[11] A letter from the EDCTP Association dated 22 December 2023 was received increasing its contribution commitment to the JU by EUR 110.122.000, making its total contribution EUR 550.000.000.

4.6. CONTRIBUTIONS PER PROGRAMME

	Members' contributions				
Programme	EU cash[12] (a)	Third country contributions (UK) (b)	EDCTP3 Members IKAA and financial contributions[13] (c)	Contributing Partners IKOP and financial contributions (d)	**Total (e)=(a)+(b)+(c)+(d)**
Horizon Europe	*773.187.000,00*	*110.122.000,00*	*550.000.000,00*	*400.000.000,00*	***1.833.309.000,00***

	Members contributions as of 31.12.2025							
Programme	EU cash validated	EU cash not validated (PF)	EDCPT3 Members Validated cash contributions	EDCPT3 Members IKAA to be certified	EDCPT3 Members IKAA certified	Contributing Partners Estimated contributions	**Total**	**Achievement rate**
Horizon Europe	*225.635.503,18*	*5.218.709,24*	*22.972.545,00*	*201.828.132,00*	*144.875.233,00*	*16.456.115,04*	***616.986.237,46***	***34%***

Global Health EDCTP3 receives contribution from its member, the EDCTP Association, predominantly in the form of IKAA. In the year 2025, the EDCTP Association, through its constituents, submitted a plan, which was approved by the Governing Board, to initiate additional activities in year 2026 with an estimated value of EUR 53.151.757. This brings the total estimated value of all initiated additional activities by the end of year 2025 to EUR 767.845.766. It should be noted that these additional activities are largely multi-annual in duration.

By 31 May 2026, the JU received a report from the EDCTP Association that for the additional activities (AA) reported incurred costs to date is EUR 346.703.365. Out of these incurred costs, EUR 144.875.233 has been certified.

By the end of the current programme, the level of financial (cash) and in-kind contribution is expected to be at least EUR 550.000.000[14] which is the contribution commitment of the EDCTP Association.

Compared to 2024, the Horizon Europe contribution has evolved as per the table "Members' contributions" above:

Column (a) EUR 800 million in accordance with SBA Art.102 with a reduction of EUR 20 million as per the general cut of Horizon Europe budget for 2025-2027 (with total impact for all the JUs of EUR 2,1 billion), and with second reduction of EUR 6.813.000 following the HE budget reduction and reallocation

[12] The EU contribution reflects the adjusted figure following the mid-term revision of the Multiannual Financial Framework (MFF) and the funding proposal for the AI Gigafactories.
[13] The EDCTP3 Members contributions reflect the adjusted values of the contributions as per the commitment letter signed by the Board Chair and the Acting Executive Director of the EDCTP Association.
[14] A letter from the EDCTP Association dated 22 December 2023 was received increasing its contribution commitment to the JU by EUR 110.122.000, making its total contribution EUR 550.000.000.

to AI Gigafactories (with an impact on the JU budget for 2026 and 2027), and finally with EUR 110,1 million of increased Union contribution as announced to the JU on 24 May 2024 by the European Commission following the association of the United Kingdom to Horizon Europe, as shown in column (b).

Column (c) EUR 439,9 million in accordance with SBA Art.103 with additional EUR 110,1 million to match the contribution of the EDCTP Association for the remainder of the programme.

On the table "Members' contributions as of 31.12.2025":

The EU cash validated category comprises the funds received after the financial autonomy which have been implemented through payments before 31 December and the cash equivalent contribution of the open pre-financing and IT equipment transferred from the EC on autonomy date.

The EU cash not validated comprises the balance of cash received after the financial autonomy which has not been implemented through payments before 31 December.

The estimated contribution of the Contributing partners comprises the expected financial contribution from the Contributing Partner, Gates Foundation, confirmed in the signed project NGS4PublicHealth and addition Financial Contribution provided by BioNTech. With respect to the Gates Foundation contribution, the value is based on the total project costs less the total EU contribution to the project. The project was started in September 2022 and is expected to be finalized in July 2026. In 2025, only one Contributing Partners estimated contribution reached conclusion of the process of grant agreements signature. Moreover, in the course of 2025, the JU has either signed or prepared endorsement letters with several new Contributing Partners. With CEPI with a Funding Agreement signed in December 2025 for a total of 11.1m€ of Financial Contribution which contribution is expected to be materialized in signed grants (coming from the call 2025) agreement by the end of April 2026.

In addition, in the context of the same call 2025, the JU received the proposal of a total of 102m€ of contributions reflected in Letter of Endorsement signed and received by the JU. Following the confirmation of the JU Governing Board in December 2025, to follow-up the signature with the grant agreements, the JU is expecting to be able to reflect those additional 102m€ also by the end of July 2026. Engagement with Third Parties was significantly scaled up in 2025 which is expected to have higher contributions materialised in the signature of grant agreements in 2025 and in 2026 respectively.

4.7. RELATED PARTIES

The related parties of the organisation include its Executive Director and the Governing Board members holding voting rights.

As transactions between the JU and these parties take place as part of the normal operations of the JU and on terms and conditions that are normal for such transactions, no specific disclosures are required.

The key management entitlements are disclosed in note **4.8**.

More information on the composition of the Governing Board can be found on the organisation's website in the section Global Health EDCTP3 Governance.

4.8. KEY MANAGEMENT ENTITLEMENTS

The Executive Director is remunerated in accordance with the Staff Regulations of the European Union, which establish the rights and obligations of all officials of the EU. The Staff Regulations are published on the Europa website.

	31.12.2025	31.12.2024
Executive Director	*AD 14*	*AD 14*

4.9. OTHER EVENTS

Russia-Ukraine War

At the time of preparation of these financial statements, the management is not aware of any events linked to the war in Ukraine that should be disclosed as non-adjusting events or taken into account in these financial statements as adjusting events.

For subsequent reporting periods, the war may affect the recognition and measurement of some assets on the balance sheet and also of some expenses recognised in the statement of financial performance. Based on the facts and circumstances at the time of preparation of these financial statements, in particular the evolving situation, the financial effect of the war in Ukraine cannot be reliably estimated.

Conflict in Goma, the capital of the Democratic Republic of Congo(DRC)'s North Kivu province

At the time of preparation of these financial statements, the management is not aware of any events linked to the war in DRC that should be disclosed as non-adjusting events or taken into account in these financial statements as adjusting events.

For subsequent reporting periods, the conflict may affect the recognition and measurement of some assets on the balance sheet and also of some expenses recognized in the statement of financial performance. Based on the facts and circumstances at the time of preparation of these financial statements, in particular the evolving situation, the financial effect of the war conflict in DRC cannot be reliably estimated.

The JU is carefully monitoring the situation as regards impact on Global Health EDCTP3 grants. At the moment, for current beneficiaries it has no material effect.

Furthermore, in agreement with its Governing Board, the JU had in place several monitoring actions to regularly assess the potential impact of this this conflict on the Twelfth EDCTP Forum, that took place on 15-20 June 2025 at the Kigali Convention Center in Rwanda. This event was hosted by the Ministry of Health of Rwanda and the Rwanda Biomedical Centre. As part of risk management he back-up plan for organizing the Forum in other location had been considered but there was no need to be activated. Ultimately, this Forum turned out to be a very big success.

The probable demise of US Agency for International Development (USAID)

At the time of preparation of these financial statements, the management is not aware of any events linked to the probable demise of the USAID that should be disclosed as non-adjusting events or taken into account in these financial statements as adjusting events.

However, the confirmation from the US Secretary of State that almost the majority of programmes funded by USAID are likely to be ended, is signaling the end of an organization that has brought crucial aid to millions globally. And generating a void that would certainly be complicated to fill. Global Health EDCTP3 will work in collaboration with its Governing Board, the European Commission and the EDCTP Association to assess how it could contribute to the required increased cooperation and action for SSA countries.

The JU is monitoring the situation as regards impact on Global Health EDCTP3 grants. At the moment, for current beneficiaries it has no material effect, or beneficiaries having reported being affected have indicated having activating mitigation plans to mitigate the impact.

4.10. OTHER INFORMATION

Switzerland, South Korea and Egypt join the Horizon Europe programme

On 10 November 2025, Switzerland became associated to Horizon Europe, with retroactive application as of 1 January 2025. The agreement places Swiss researchers and organisations on the same footing as those in EU Member States: they may lead consortia, receive direct EU funding, and access all thematic pillars and instruments of the programmes.

On 17 July 2025, the Republic of Korea became the first Asian country to associate to Horizon Europe. Korean researchers and organisations can now participate in several areas of the programme on equal terms with those for EU Member States. They will be able to join and lead international research consortia, access funding and collaborate with leading research institutions across Europe and beyond to tackle global challenges. The Republic of Korea will also contribute financially to the programme's budget. Since 1 January 2025, under the transitional arrangement, Korean entities have been able to apply and be evaluated as prospective beneficiaries in Horizon Europe proposals for all calls implementing Pillar II already in the budget 2025.

On 22 October 2025, Egypt became associated to Horizon Europe, with retroactive application as of 10 April 2025. This grants Egyptian researchers, universities, innovators and entities access to all parts of the programme on similar terms to those of EU Member States. It enables them to lead projects, contribute to cutting-edge research, and support national research reforms and institutional capacity-building.

4.11. EVENTS AFTER REPORTING DATE

At the time of preparation of these financial statements, the management is not aware of any events that should be disclosed as non-adjusting events or taken into account in these financial statements as adjusting events.

4.12. OBSERVATIONS ON MANAGEMENT AND CONTROL SYSTEMS

Not applicable.

5. FINANCIAL RISK MANAGEMENT

5.1. 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 fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. This risk arises from the change in the price of a foreign currency against the functional currency of an entity.

(2) Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As an example, higher interest rates will lead to lower prices of fixed rate bonds (other things equal), 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 an EU entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

5.2. CURRENCY RISKS

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

5.3. CREDIT RISK

At the end of the year, the financial assets comprise exchange receivables that are not past due for more than 30 days. As no credit loss is expected during the lifetime of those receivables the entity is not exposed to any significant credit risk.

5.4. LIQUIDITY RISK

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

GLOBAL HEALTH EDCTP3 JOINT UNDERTAKING

FINANCIAL YEAR 2025

THE BUDGET IMPLEMENTATION REPORTS AND EXPLANATORY NOTES

.

1. BUDGETARY PRINCIPLES AND STRUCTURE

1.1. BUDGETARY PRINCIPLES

The establishment and implementation of the budget of Global Health EDCTP3 is governed by the following basic principles set out in the Chapter 2 of the Financial Rules of the joint undertaking:

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 budget of the joint undertaking. 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 euro and the accounts shall be presented in euro.

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 at least by title and chapter.

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 economy

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

Principle of efficiency

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

Principle of effectiveness

The principle of effectiveness concerns the attainment of the specific objectives set and the achievementof the intended results.

Principle of internal control

The principle of internal control of budget implementation means that the JU budget shall be implemented in compliance with effective and efficient internal control in order to provide reasonable assurance of achieving effectiveness, efficiency and economy of operations; reliability of reporting; safeguarding of assets and information; prevention, detection, correction and follow-up of fraud and irregularities; inadequate management of the risks relating to the legality and regularity of the underlying transactions, taking into account the multi-annual character of the programmes as well as the nature of the payments concerned.

Principle of transparency

The budget shall be established, implemented, and the accounts presented in accordance with the principle of transparency. The budget and any amending budgets shall be published on the internet site of the joint undertaking within four weeks of their adoption and shall be transmitted to the Commission and the Court of Auditor.

1.2. STRUCTURE AND PRESENTATION OF THE BUDGET

Since 1 January 2015, no distinction between non-dissociated and dissociated appropriations is made. All appropriations follow the dissociated logic.

Following the provisions of the Financial rules of the joint undertaking, the budget accounts shall consist of a statement of revenue and a statement of expenditure. The budget is distributed in the following titles:

Title 1

Budget lines relating to staff expenditure such as salaries and allowances for personnel working with the joint undertaking. It also includes recruitment expenses, staff missions, expenses for the socio-medical infrastructure and representation costs.

Title 2

Budget lines relating to all infrastructure, equipment and miscellaneous administrative expenditure.

Title 3

Budget lines providing for the implementation of the activities and tasks assigned to the joint undertaking in accordance with its establishing Council Regulation.

2. RESULT OF THE IMPLEMENTATION OF THE BUDGET

EUR '000

	Title	2025	2024
Revenue		**123.622**	**80.194**
of which:			
EU Contribution – Administrative	*10*	*6.579*	*6.490*
EU Contribution - Operational	*11*	*97.515*	*65.871*
EFTA and third countries contribution – Administrative	*20*	*281*	*230*
EFTA and third countries contribution - Operational	*21*	*1.550*	*2.328*
Members other than the EU financial contribution	*31*	*17.697*	*5.275*
Recoveries - Administrative	*60*	*0*	*-*
Expenditure		**(122.397)**	**(77.359)**
of which:			
Staff expenditure	*1*	*(4.445)*	*(2.994)*
Administrative expenditure	*2*	*(1.915)*	*(1.013)*
Operational expenditure	*3*	*(116.037)*	*(73.352)*
Budget result		**1.225**	**2.835**

3. RECONCILIATION OF ECONOMIC RESULT WITH BUDGET RESULT

	2025	2024
ECONOMIC RESULT OF THE YEAR	**(89.563.679,59)**	**(33.482.047,77)**
Adjustment for accrual items (items not in the budgetary result but included in the economic result)	**59.501.407,63**	**27.786.442,53**
Adjustments for accrual cut-off (net)	*56.628.310,15*	*27.723.649,89*
Depreciation of intangible and tangible assets	*78.969,35*	*10.555,90*
Pre-financing given in previous year and cleared in the year	*2.794.128,13*	*52.235,20*
Other individually immaterial		*1,54*
Adjustment for budgetary items (item included in the budgetary result but not in the economic result)	**31.287.170,05**	**8.530.613,82**
Members' cash contributions collected in the year	*123.621.942,11*	*80.193.818,89*
Asset acquisitions (less unpaid amounts) and assets pre-financing	*(496.842,52)*	*(237.327,43)*
New pre-financing paid in the year and remaining open as at 31 Dec	*(91.841.863,11)*	*(71.421.494,78)*
Other individually immaterial	*3.933,57*	*(4.382,86)*
BUDGET RESULT OF THE YEAR	**1.224.898,09**	**2.835.008,58**

4. IMPLEMENTATION OF BUDGET REVENUE

4.1. Implementation of budget revenue

EUR '000

		Income appropriations		Entitlements established			Revenue				Out-standing
	Item	Initial budget	Final budget	Current year	On entitlements carried over/reactivated	Total	On entitlements of current year	On entitlements carried over/reactivated	Total	%	
		1	2	3	4	5=3+4	6	7	8=6+7	9=8/5	10=5-8
10	EU contribution - Administrative	6 579	6 579	6 579	0	6 579	6 579	0	6 579	100 %	0
Total Chapter 10		6 579	6 579	6 579	0	6 579	6 579	0	6 579	100 %	0
11	EU contribution - Operational	96 366	96 366	96 366	0	96 366	96 366	0	96 366	100 %	0
Total Chapter 11		96 366	96 366	96 366	0	96 366	96 366	0	96 366	100 %	0
Total Title 1		**102 945**	**102 945**	**102 945**	**0**	**102 945**	**102 945**	**0**	**102 945**	**100 %**	**0**
20	EFTA and third countries contribution - Administrative	181	281	281	0	281	281	0	281	100 %	0
Total Chapter 20		181	281	281	0	281	281	0	281	100 %	0
21	EFTA and third countries contribution - Operational	2 650	2 650	2 600	0	2 600	2 600	0	2 600	100 %	0
Total Chapter 21		2 650	2 650	2 600	0	2 600	2 600	0	2 600	100 %	0
Total Title 2		**2 831**	**2 931**	**2 881**	**0**	**2 881**	**2 881**	**0**	**2 881**	**100 %**	**0**
31	Members other than the EU financial contribution -	15 000	17 697	17 697	0	17 697	17 697	0	17 697	100 %	0
Total Chapter 31		15 000	17 697	17 697	0	17 697	17 697	0	17 697	100 %	0
Total Title 3		**15 000**	**17 697**	**17 697**	**0**	**17 697**	**17 697**	**0**	**17 697**	**100 %**	**0**
60	Recoveries - Administrative	p.m.	p.m.	0	0	0	0	0	0	-	0
Total Chapter 60		0	0	0	0	0	0	0	0	-	0
61	Recoveries - Operational*	p.m.	p.m.	99	0	99	99	0	99	-	0
Total Chapter 61		0	0	99	0	99	99	0	99	-	0
Total Title 6		**0**	**0**	**99**	**0**	**99**	**99**	**0**	**99**	**-**	**0**
Subtotal cash transactions		**120 776**	**123 573**	**123 622**	**0**	**123 622**	**123 622**	**0**	**123 622**	**100 %**	**0**

81	Unused operational appropriations	0	83	0	83	83	0	83	83	100 %	0
Total Chapter 81		0	83	0	83	83	0	83	83	100 %	0
Total Title 8		**0**	**83**	**0**	**83**	**83**	**0**	**83**	**83**	**100 %**	**0**
GRAND TOTAL		**120 776**	**123 657**	**123 622**	**83**	**123 706**	**123 622**	**83**	**123 705**	**100 %**	**0**

* This amount corresponds to the final regularisation made for REA Expert costs 2024 (EUR 99.004,11).

5. IMPLEMENTATION OF BUDGET EXPENDITURE

5.1. Breakdown & changes in commitment appropriations

5.1.1. Breakdown & changes in commitment appropriations – Title 1

EUR '000

		Budget appropriations				Additional appropriations			
	Item	Initial adopted budget	Amending budgets	Transfers	Final adopted budget	Reactivated appropriations	Assigned revenue	Total	Total appropr. available
		1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
110	*Establishment plan posts*	*3.094*	*(2)*	*-*	*3.092*	-	-	-	*3.092*
111	*External personnel*	*764*	*(20)*	*-*	*744*	-	-	-	*744*
Total Chapter 11		3.858	(21)	-	3.837	-	-	-	3.837
130	*Mission expenses*	*207*	*(5)*	*15*	*217*	-	-	-	*217*
Total Chapter 13		207	(5)	15	217	-	-	-	217
150	*Training*	*60*	*(3)*	*-*	*57*	-	-	-	*57*
Total Chapter 15		60	(3)	-	57	-	-	-	57
190	*Other staff-related expenditure*	*305*	*(94)*	*(48)*	*163*	-	-	-	*164*
Total Chapter 19		305	(94)	(48)	163	-	-	-	164
Total Title 1		**4.430**	**(123)**	**(33)**	**4.274**	**-**	**-**	**-**	**4.275**

5.1.2. Breakdown & changes in commitment appropriations – Title 2

EUR '000

		Budget appropriations				Additional appropriations			
	Item	Initial adopted budget	Amending budgets	Transfers	Final adopted budget	Reactivated appropriations	Assigned revenue	Total	Total appropr. available
		1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
200	*Rental of buildings and associated costs*	*376*	*10*	*351*	*737*	-	-	-	*737*
Total Chapter 20		376	10	351	737	-	-	-	737
210	*Information, communication technology and data pro*	*450*	*(99)*	*(31)*	*320*	-	-	-	*320*
Total Chapter 21		450	(99)	(31)	320	-	-	-	320
220	*Movable property and associated costs*	*200*	*(3)*	*(82)*	*14*	-	-	-	*14*
Total Chapter 22		200	(3)	(82)	14	-	-	-	14
230	*Current administrative expenditure*	*40*	-	*(2)*	*38*	-	-	-	*38*
Total Chapter 23		40	-	(2)	38	-	-	-	38
240	*Postage / Telecommunications*	*40*	*(9)*	*(24)*	*7*	-	-	-	*7*
Total Chapter 24		40	(9)	(24)	7	-	-	-	7
250	*Meeting expenses*	*200*	*(22)*	*(173)*	*5*	-	-	-	*5*
Total Chapter 25		200	(22)	(173)	5	-	-	-	5
260	*Running costs in connection with operational activities*	*120*	*(30)*	*(90)*	-	-	-	-	-
Total Chapter 26		120	(30)	(90)	-	-	-	-	-
270	*Information and publishing*	*400*	*(41)*	-	*359*	-	-	-	*359*
Total Chapter 27		400	(41)	-	359	-	-	-	359
280	*Service contracts*	*200*	-	*170*	*370*	-	-	-	*370*
Total Chapter 28		200	-	170	370	-	-	-	370
290	*Other infrastructure and operating expenditure*	*304*	*(84)*	*15*	*235*	-	-	-	*235*
Total Chapter 29		304	(84)	15	235	-	-	-	235
Total Title 2		**2.330**	**(277)**	**33**	**2.086**	**-**	**-**	**-**	**2.086**

5.1.3. Breakdown & changes in commitment appropriations – Title 3

EUR '000

		Budget appropriations				Additional appropriations			
	Item	Initial adopted budget	Amending budgets	Transfers	Final adopted budget	Reactivated appropriations	Assigned revenue	Total	Total appropr. available
		1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
300	*Grants*	*212.900*	*22.735*	*(459)*	*235.176*	*18.308*	-	*18.308*	*253.484*
Total Chapter 30		212.900	22.735	(459)	235.176	18.308	-	18.308	253.484
310	*Expert costs*	*1.000*	-	*350*	*1.350*	-	-	-	*1.350*
Total Chapter 31		1.000	-	350	1.350	-	-	-	1.350
320	*Other operational costs*	*1.100*	-	*109*	*1.209*	-	-	-	*1.209*
Total Chapter 32		1.100	-	109	1.209	-	-	-	1.209
Total Title 3		**215.000**	**22.735**	**-**	**237.735**	**18.308**	**-**	**18.308**	**256.043**

5.1.4. Breakdown & changes in commitment appropriations – Title 4

EUR '000

		Budget appropriations				Additional appropriations			
	Item	Initial adopted budget	Amending budgets	Transfers	Final adopted budget	Reactivated appropriations	Assigned revenue	Total	Total appropr. available
		1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
410	*Unused operational appropriations*	-	*500*	-	*500*	-	-	-	*500*
Total Chapter 41		-	500	-	500	-	-	-	*500*
Total Title 4		**-**	**500**	**-**	**500**	**-**	**-**	**-**	**500**
GRAND TOTAL		**221.760**	**22.835**	**-**	**244.595**	**18.308**	**-**	**18.308**	**262.903**

5.2. Breakdown & changes in payment appropriations

5.2.1. Breakdown & changes in payment appropriations – Title 1

EUR '000

		Budget appropriations				Additional appropriations			
	Item	Initial adopted budget	Amending budgets	Transfers	Final adopted budget	Reactivated appropriations	Assigned revenue	Total	Total appropr. available
		1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
110	*Establishment plan posts*	*3.094*	*(2)*	-	*3.092*	-	-	-	*3.092*
111	*External personnel*	*764*	*64*	*(5)*	*823*	-	-	-	*823*
Total Chapter 11		3.858	62	(5)	3.915	-	-	-	3.915
130	*Mission expenses*	*207*	*(22)*	*33*	*219*	-	-	-	*219*
Total Chapter 13		207	(22)	33	219	-	-	-	219
150	*Training*	*60*	*(4)*	*(20)*	*36*	-	-	-	*36*
Total Chapter 15		60	(4)	*(20)*	36	-	-	-	36
190	*Other staff-related expenditure*	*305*	*(14)*	*(16)*	*275*	-	-	-	*275*
Total Chapter 19		305	(14)	(16)	275	-	-	-	275
Total Title 1		**4.430**	**22**	**(8)**	**4.444**	**-**	**-**	**-**	**4.445**

5.2.2. Breakdown & changes in payment appropriations – Title 2

EUR '000

		Budget appropriations				Additional appropriations			
	Item	Initial adopted budget	Amending budgets	Transfers	Final adopted budget	Reactivated appropriations	Assigned revenue	Total	Total appropr. available
		1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
200	*Rental of buildings and associated costs*	*376*	*26*	*382*	*784*	-	-	-	*784*
Total Chapter 20		376	26	382	784	-	-	-	784
210	*Information, communication technology and data pro*	*450*	*(83)*	*(78)*	*289*	-	-	-	*289*
Total Chapter 21		450	(83)	(78)	289	-	-	-	289
220	*Movable property and associated costs*	*200*	*(3)*	*(97)*	*100*	-	-	-	*100*
Total Chapter 22		200	(3)	(97)	100	-	-	-	100
230	*Current administrative expenditure*	*40*	*(16)*	*(3)*	*21*	-	-	-	*21*
Total Chapter 23		40	(16)	(3)	21	-	-	-	21
240	*Postage / Telecommunications*	*40*	*(34)*	-	*5*	-	-	-	*5*
Total Chapter 24		40	(34)	-	5	-	-	-	5
250	*Meeting expenses*	*200*	*(19)*	*(176)*	*5*	-	-	-	*5*
Total Chapter 25		200	(19)	(176)	5	-	-	-	5
260	*Running costs in connection with operational activities*	*120*	*(25)*	*(95)*	-	-	-	-	-
Total Chapter 26		120	(25)	(95)	-	-	-	-	-
270	*Information and publishing*	*400*	*(53)*	*(193)*	*154*	-	-	-	*154*
Total Chapter 27		400	(53)	(193)	154	-	-	-	154
280	*Service contracts*	*200*	*3*	-	*203*	-	-	-	*203*
Total Chapter 28		200	3	-	203	-	-	-	203
290	*Other infrastructure and operating expenditure*	*304*	*10*	*41*	*355*	-	-	-	*355*
Total Chapter 29		304	10	41	355	-	-	-	355
Total Title 2		**2.330**	**(195)**	**220**	**1.915**	**-**	**-**	**-**	**1.915**

5.2.3. Breakdown & changes in payment appropriations – Title 3

EUR '000

		Budget appropriations				Additional appropriations			
	Item	Initial adopted budget	Amending budgets	Transfers	Final adopted budget	Reactivated appropriations	Assigned revenue	Total	Total appropr. available
		1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
300	*Grants*	*111.916*	*2.697*	*(1.549)*	*113.064*	*83*	-	*83*	*113.147*
Total Chapter 30		111.916	2.697	(1.549)	113.064	83	-	83	113.147
310	*Expert costs*	*1.000*	-	*82*	*1.082*	-	-	-	*1.082*
Total Chapter 31		1.000	-	82	1.082	-	-	-	1.082
320	*Other operational costs*	*1.100*	-	*709*	*1.809*	-	-	-	*1.809*
Total Chapter 32		1.100	-	709	1.809	-	-	-	1.809
Total Title 3		**114.016**	**2.697**	**(759)**	**115.954**	**83**	**-**	**83**	**116.037**

5.2.4. Breakdown & changes in payment appropriations – Title 4

EUR '000

		Budget appropriations				Additional appropriations			
	Item	Initial budget adopted	Amending budgets	Transfers	Final adopted budget	Reactivated appropriations	Assigned revenue	Total	Total appropr. available
		1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
400	*Unused administrative appropriations*	-	*272*	*228*	*500*	-	-	-	*500*
Total Chapter 40		-	272	228	500	-	-	-	500
410	*Unused operational appropriations*	-	-	*759*	*759*	-	-	-	*759*
Total Chapter 41		-	-	759	759	-	-	-	759
Total Title 4		**-**	**272**	**987**	**1.259**	**-**	**-**	**-**	**1.259**
GRAND TOTAL		**120.776**	**2.797**	**-**	**123.573**	**83**	**-**	**84**	**123.657**

5.3. IMPLEMENTATION OF COMMITMENT APPROPRIATIONS

5.3.1. Implementation of commitment appropriations – Title 1

EUR '000

			Commitments made					Appropriations lapsing			
	Item	Total approp. available	from final adopt. budget	from re-activations	from assign. revenue	Total	%	from final adopt. budget	from re-activa-tions	from assign. revenue	Total
		1	2	3	4	5=2+3+4	6=5/1	10	11	12	13=10+11+12
110	*Establishment plan posts*	*3.092*	*3.092*	-	-	*3.092*	*100%*	-	-	-	-
111	*External personnel*	*744*	*744*	-	-	*744*	*100%*	-	-	-	-
Total Chapter 11		3.837	3.837	-	-	3.837	100%	-	-	-	-
130	*Mission expenses*	*217*	*217*	-	-	*217*	*100%*	-	-	-	-
Total Chapter 13		217	217	-	-	217	100%	-	-	-	-
150	*Training*	*57*	*57*	-	-	*57*	*100%*	-	-	-	-
Total Chapter 15		57	57	-	-	57	100%	-	-	-	-
190	*Other staff-related expenditure*	*164*	*163*	-	-	*164*	*100%*	-	-	-	-
Total Chapter 19		164	163	-	-	164	100%	-	-	-	-
Total Title 1		**4.275**	**4.274**	**-**	**-**	**4.275**	**100%**	**-**	**-**	**-**	**-**

5.3.2. Implementation of commitment appropriations – Title 2

EUR '000

	Item	Total approp. available	Commitments made					Appropriations lapsing			
			from final adopt. budget	from re-activations	from assign. revenue	Total	%	from final adopt. budget	from re-activa-tions	from assign. revenue	Total
		1	2	3	4	5=2+3+4	6=5/1	10	11	12	13=10+11+12
200	*Rental of buildings and associated costs*	*737*	*737*	-	-	*737*	*100%*	-	-	-	-
Total Chapter 20		737	737	-	-	737	100 %	-	-	-	-
210	*Information, communication technology and data pro*	*320*	*320*	-	-	*320*	*100%*	-	-	-	-
Total Chapter 21		320	320	-	-	320	100 %	-	-	-	-
220	*Movable property and associated costs*	*14*	*14*	-	-	*14*	*100%*	-	-	-	-
Total Chapter 22		14	14	-	-	14	100 %	-	-	-	-
230	*Current administrative expenditure*	*38*	*38*	-	-	*38*	*100%*	-	-	-	-
Total Chapter 23		38	38	-	-	38	100 %	-	-	-	-
240	*Postage / Telecommunications*	*7*	*7*	-	-	*7*	*100%*	-	-	-	-
Total Chapter 24		7	7	-	-	7	100 %	-	-	-	-
250	*Meeting expenses*	*5*	*5*	-	-	*5*	*100%*	-	-	-	-
Total Chapter 25		5	5	-	-	5	100 %	-	-	-	-
260	*Running costs in connection with operational activities*	-	-	-	-	-	*100%*	-	-	-	-
Total Chapter 26		-	-	-	-	-	100 %	-	-	-	-
270	*Information and publishing*	*359*	*359*	-	-	*359*	*100%*	-	-	-	-
Total Chapter 27		359	359	-	-	359	100 %	-	-	-	-
280	*Service contracts*	*370*	*370*	-	-	*370*	*100%*	-	-	-	-
Total Chapter 28		370	370	-	-	370	100 %	-	-	-	-

290	*Other infrastructure and operating expenditure*	*235*	*235*	-	-	*235*	*100%*	-	-	-	-
Total Chapter 29		235	235	-	-	235	100%	-	-	-	-
Total Title 2		**2.086**	**2.086**	**-**	**-**	**2.086**	**100%**	**-**	**-**	**-**	**-**

5.3.3. Implementation of commitment appropriations – Title 3

EUR '000

			Commitments made					Appropriations lapsing			
	Item	Total approp. available	from final adopt. budget	from re-activations	from assign. revenue	Total	%	from final adopt. budget	from re-activa-tions	from assign. revenue	Total
		1	2	3	4	5=2+3+4	6=5/1	10	11	12	13=10+11+12
300	*Grants*	*253.484*	*235.176*	*18.308*	-	*253.484*	*100%*	-	-	-	-
Total Chapter 30		253.484	235.176	18.308	-	253.484	100%	-	-	-	-
310	*Expert costs*	*1.350*	*1.350*	-	-	*1.350*	*100%*	-	-	-	-
Total Chapter 31		1.350	1.350	-	-	1.350	100%	-	-	-	-
320	*Other operational costs*	*1.209*	*1.209*	-	-	*1.209*	*100%*	-	-	-	-
Total Chapter 32		1.209	1.209	-	-	1.209	100%	-	-	-	-
Total Title 3		**256.043**	**237.735**	**18.308**	**-**	**256.043**	**100%**	**-**	**-**	**-**	**-**

5.3.4. Implementation of commitment appropriations – Title 4

EUR '000

			Commitments made					Appropriations lapsing			
	Item	Total approp. available	from final adopt. budget	from re-activations	from assign. revenue	Total	%	from final adopt. budget	from re-activa-tions	from assign. revenue	Total
		1	2	3	4	5=2+3+4	6=5/1	10	11	12	13=10+11+12
400	*Unused administrative appropriations*	*500*	-	-	-	-	*0%*	*500*	-	-	*500*
Total Chapter 40		500	-	-	-	-	0%	500	-	-	500
Total Title 4		**500**	**-**	**-**	**-**	**-**	**0%**	**500**	**-**	**-**	**500**

GRAND TOTAL TITLES 1, 2 AND 3*	**262 403**	**244 095**	**18 308**	**0**	**262 403**	**100 %**	**0**	**0**	**0**	**0**

GRAND TOTAL	**262 903**	**244 095**	**18 308**	**0**	**262 403**	**99,8 %**	**500**	**0**	**0**	**500**

*Title 4 is not included in "Grand total Titles 1, 2 and 3" since the implementation of commitment appropriations only refers to "active" appropriations. Taking into account Titles 1, 2, 3 and 4, the implementation of commitment appropriations is 99,8%.

5.4. IMPLEMENTATION OF PAYMENT APPROPRIATIONS

5.4.1. Implementation of payment appropriations – Title 1

EUR '000

		Total approp. availab.	Payments made					Appropriations lapsing			
	Item		from final adopt. budget	from re-activations	from assign. revenue	Total	%	from final adopt. budget	from re-activa-tions	from assig. rev.	Total
		1	2	3	4	5=2+3+4	6=5/1	11	12	13	14=11+12+13
110	*Establishment plan posts*	*3.092*	*3.092*	-	-	*3.092*	*100%*	-	-	-	-
111	*External personnel*	*823*	*823*	-	-	*823*	*100%*	-	-	-	-
Total Chapter 11		3.915	3.915	-	-	3.915	100%	-	-	-	-
130	*Mission expenses*	*219*	*219*	-	-	*219*	*100%*	-	-	-	-
Total Chapter 13		219	219	-	-	219	100%	-	-	-	-
150	*Training*	*36*	*36*	-	-	*36*	*100%*	-	-	-	-
Total Chapter 15		36	36	-	-	36	100%	-	-	-	-
190	*Receptions, events and representation*	*275*	*275*	-	-	*275*	*100%*	-	-	-	-
Total Chapter 19		275	275	-	-	275	100%	-	-	-	-
Total Title 1		**4.445**	**4.444**	-	-	**4.445**	**100%**	**-**	-	-	**-**

5.4.2. Implementation of payment appropriations – Title 2

EUR '000

		Total approp. availab.	Payments made					Appropriations lapsing			
	Item		from final adopt. budget	from re-activations	from assign. revenue	Total	%	from final adopt. budget	from re-activa-tions	from assig. rev.	Total
		1	2	3	4	5=2+3+4	6=5/1	11	12	13	14=11+12+13
200	*Rental of buildings and associated costs*	*784*	*784*	-	-	*784*	*100%*	-	-	-	-
Total Chapter 20		784	784	-	-	784	100%	-	-	-	-
210	*Information, communication technology and data pro*	*289*	*289*	-	-	*289*	*100%*	-	-	-	-
Total Chapter 21		289	289	-	-	289	100%	-	-	-	-
220	*Movable property and associated costs*	*100*	*100*	-	-	*100*	*100%*	-	-	-	-
Total Chapter 22		100	100	-	-	100	100%	-	-	-	-
230	*Current administrative expenditure*	*21*	*21*	-	-	*21*	*100%*	-	-	-	-
Total Chapter 23		21	21	-	-	21	100%	-	-	-	-
240	*Postage / Telecommunications*	*5*	*5*	-	-	*5*	*100%*	-	-	-	-
Total Chapter 24		5	5	-	-	5	100%	-	-	-	-
250	*Meeting expenses*	*5*	*5*	-	-	*5*	*100%*	-	-	-	-
Total Chapter 25		5	5	-	-	5	100%	-	-	-	-
260	*Running costs in connection with operational activities*	-	-	-	-	-	*100%*	-	-	-	-
Total Chapter 26		-	-	-	-	-	100%	-	-	-	-
270	*Information and publishing*	*154*	*154*	-	-	*154*	*100%*	-	-	-	-
Total Chapter 27		154	154	-	-	154	100%	-	-	-	-
280	*Service contracts*	*203*	*203*	-	-	*203*	*100%*	-	-	-	-
Total Chapter 28		203	203	-	-	203	100%	-	-	-	-
290	*Other infrastructure and operating expenditure*	*355*	*355*	-	-	*355*	*100%*	-	-	-	-
Total Chapter 29		355	355	-	-	355	100%	-	-	-	-
Total Title 2		**1.915**	**1.915**	-	-	**1.915**	**100%**	**-**	-	-	**-**

5.4.3. Implementation of payment appropriations – Title 3

EUR '000

		Total approp. availab.	Payments made					Appropriations lapsing			
	Item		from final adopt. budget	from re-activations	from assign. revenue	Total	%	from final adopt. budget	from re-activa-tions	from assig. rev.	Total
		1	2	3	4	5=2+3+4	6=5/1	11	12	13	14=11+12+13
300	*Grants*	*113.147*	*113.064*	*83*	-	*113.147*	*100%*	-	-	-	-
Total Chapter 30		113.147	113.064	83	-	113.147	100%	-	-	-	-
310	*Expert costs*	*1.082*	*1.082*	-	-	*1.082*	*100%*	-	-	-	-
Total Chapter 31		1.082	1.082	-	-	1.082	100%	-	-	-	-
320	*Other operational costs*	*1.809*	*1.809*	-	-	*1.809*	*100%*	-	-	-	-
Total Chapter 32		1.809	1.809	-	-	1.809	100%	-	-	-	-
Total Title 3		**116.037**	**115.954**	**83**	-	**116.037**	**100%**	**-**	-	-	**-**

5.4.4. Implementation of payment appropriations – Title 4

EUR '000

		Total approp. availab.	Payments made					Appropriations lapsing			
	Item		from final adopt. budget	from re-activations	from assign. revenue	Total	%	from final adopt. budget	from re-activa-tions	from assig. rev.	Total
		1	2	3	4	5=2+3+4	6=5/1	11	12	13	14=11+12+13
400	*Grants*	*500*	-	-	-	-	*0%*	*500*	-	-	*500*
Total Chapter 40		500	-	-	-	-	0%	500	-	-	500
410	*Expert costs*	*750*	-	-	-	-	*0%*	*759*	-	-	*759*
Total Chapter 41		759	-	-	-	-	0%	759	-	-	759
Total Title 4		**1.259**	**-**	-	-	**-**	**0%**	**1.259**	-	-	**1.259**
GRAND TOTAL TITLES 1, 2 AND 3*		**122.397**	**122.314**	**83**	-	**122.397**	**100%**	**-**	-	-	**-**
GRAND TOTAL		**123.657**	**122.314**	**83**	-	**122.397**	**99,0%**	**1.259**	-	-	**1.259**

*Title 4 is not included in "Grand total Titles 1, 2 and 3" since the implementation of payment appropriations only refers to "active" appropriations. Taking into account Titles 1, 2, 3 and 4 (grand total), the implementation of payment appropriations is 99,0%.

6. OUTSTANDING COMMITMENTS

6.1. Outstanding commitments – Title 1

EUR '000

		Commitments outstanding at the end of previous year				Commitments of the current year				Total commitm. outstanding at year-end
	Item	Commitm. carried forward from previous year	Decommit. Revaluation Cancellations	Payments	Total	Commitments made during the year	Payments	Cancellation 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
110	*Establishment plan posts*	*583*	*(583)*	-	-	*3.092*	*3.092*	-	-	-
111	*External personnel*	*108*	*(30)*	*78*	-	*744*	*470*	-	-	-
Total Chapter 11		691	(613)	78	-	3.837	3.837	-	-	-
130	*Mission expenses*	*56*	*(52)*	*4*	-	*217*	*214*	-	*3*	*3*
Total Chapter 13		56	(52)	4	-	217	214	-	3	3
150	*Training*	*51*	-	*3*	*48*	*57*	*32*	-	*25*	*73*
Total Chapter 15		51	-	3	48	57	32	-	25	73
190	*Receptions, events and representation*	*558*	*(339)*	*119*	*100*	*164*	*156*	-	*8*	*108*
Total Chapter 19		558	(339)	119	100	164	156	-	8	108
Total Title 1		**1.357**	**(1.004)**	**205**	**148**	**4.275**	**4.240**	**-**	**35**	**183**

6.2. Outstanding commitments – Title 2

EUR '000

		Commitments outstanding at the end of previous year				Commitments of the current year				
	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 carried forward	Commit. outstand-ing at year-end	Total commitm. outstanding at year-end
		1	2	3	4=1+2-3	5	6	7	8=5-6-7	9=4+8
200	*Rental of buildings and associated costs*	*482*	*(348)*	*134*	-	*737*	*650*	-	*87*	*87*
Total Chapter 20		482	(348)	134	-	737	650	-	87	87
210	*Information, communication technology and data pro*	*212*	*(128)*	*83*	-	*320*	*205*	-	*115*	*115*
Total Chapter 21		212	(128)	83	-	320	205	-	115	115
220	*Movable property and associated costs*	*96*	-	*96*	-	*14*	*4*	-	*10*	*10*
Total Chapter 22		96	-	96	-	14	4	-	10	10
230	*Current administrative expenditure*	*24*	*(16)*	*8*	-	*38*	*12*	-	*26*	*26*
Total Chapter 23		24	(16)	8	-	38	12	-	26	26
240	*Postage / Telecommunications*	*12*	*(11)*	-	-	*7*	*5*	-	*2*	*2*
Total Chapter 24		12	(11)	-	-	7	5	-	2	2
250	*Meeting expenses*	*5*	*(5)*	-	-	*5*	*5*	-	-	*0*
Total Chapter 25		5	(5)	-	-	5	5	-	-	0
260	*Running costs in connection with operational activities*	*6*	*(6)*	-	-	-	-	-	-	*0*
Total Chapter 26		6	(6)	-	-	-	-	-	-	0
270	*Information and publishing*	*241*	*(113)*	*128*	-	*359*	*26*	-	*333*	*333*
Total Chapter 27		241	(113)	128	-	359	26	-	333	333
280	*Service contracts*	*208*	*(15)*	*145*	*48*	*370*	*58*	-	*311*	*359*
Total Chapter 28		208	(15)	145	48	370	58	-	311	359
290	*Other infrastructure and operating expenditure*	*488*	*(288)*	*200*	-	*235*	*155*	-	*80*	*80*
Total Chapter 29		488	(288)	200	-	235	155	-	80	80
Total Title 2		**1.773**	**(931)**	**794**	**48**	**2.086**	**1.121**	**-**	**964**	**1.012**

6.3. Outstanding commitments – Title 3

EUR '000

		Commitments outstanding at the end of previous year				Commitments of the current year				
	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 carried forward	Commit. outstand-ing at year-end	Total commitm. outstanding at year-end
		1	2	3	4=1+2-3	5	6	7	8=5-6-7	9=4+8
300	*Grants*	*328.341*	*(15.443)*	*108.085*	*204.813*	*253.484*	*5.062*	-	*248.421*	*453.234*
Total Chapter 30		328.341	(15.443)	108.085	204.813	253.484	5.062	-	248.421	453.234
310	*Expert costs*	*95*	*(79)*	*16*	-	*1.350*	*1.066*	-	*284*	*284*
Total Chapter 31		95	(79)	16	-	1.350	1.066	-	284	284
320	*Other operational costs*	*1.341*	*(585)*	*756*	-	*1.209*	*1.052*	-	*156*	*156*
Total Chapter 32		1.341	(585)	756	-	1.209	1.052	-	156	156
Total Title 3		**329.777**	**(16.107)**	**108.857**	**204.813**	**256.043**	**7.181**	**-**	**248.862**	**453.675**
GRAND TOTAL		**332.906**	**(18.041)**	**109.856**	**205.009**	**262.403**	**12.542**	**-**	**249.861**	**454.870**

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 acharge for the Union budget.

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