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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

JASM/HECL/PLTH

Melle

2024-06-14

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.

As requested, you will find enclosed:

- Our independent auditor's report on the final annual accounts - after fulfilling of all the pending issues listed in Annex 3;
- Annex 1: Preliminary findings;
- Annex 2: Follow-up of previous years comments;
- Annex 3: List of Open points regarding our audit 2023.

Yours faithfully,

Baker Tilly Bedrijfsrevisoren BV



Jan Smits  
Audit Partner





# **GLOBAL HEALTH EDCTP3 JU**

**Independent Auditor's report on the  
Final Annual Accounts as at :  
31 DECEMBER 2023**

**Date: June 14, 2024**



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Global Health EDCTP3 Joint Undertaking  
Avenue de la Toison d'Or 56-60  
1060 BRUSSELS

**INDEPENDENT AUDITOR'S REPORT ON THE FINAL ANNUAL ACCOUNTS OF  
GLOBAL HEALTH EDCTP3 JOINT UNDERTAKING FOR THE FINANCIAL YEAR FROM  
23 NOVEMBER TO 31 DECEMBER 2023**

**Opinion**

We have audited the accompanying final annual accounts of the Global Health EDCTP3 Joint Undertaking, 'the Agency' for the financial year from 23 November to 31 December 2023. Their annual accounts consist of the financial statements and the reports on the implementation of the budget for the financial year ended December 31, 2023. The financial statements comprise the balance sheet as at December 31, 2023, 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.

In our opinion, the final annual accounts of the Agency present fairly, in all material aspects, its financial position as at December 31, 2023, 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 Agency 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.



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## **Other Information**

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

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's accounting officer; making accounting estimates that are reasonable in the circumstances. The Executive Director approves the annual accounts of the Agency 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 declare, *inter alia*, that they have reasonable assurance that the Annual Accounts present a true and fair view of the financial position of the Agency in all material respects.

Those charged with governance are responsible for overseeing the Agency's 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 Agency's 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 Agency's 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 Agency 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.





**Restriction on use and distribution**

The opinion transmitted is only intended for the Agency and for the European Court of Auditors, for the purpose of forming an opinion on the final annual accounts of the Agency only. It may not be relied upon by you for any other objective or purpose, nor may it be distributed or made available to any other parties, except those who have regulatory rights of access to it. Any review, transmission, dissemination or other use of, or taking of any action in reliance upon this information by any persons or entities other than the Agency is prohibited and we will not assume any duty of care or liability towards these persons or entities.

Melle, June 14, 2024

Yours faithfully,

Baker Tilly Bedrijfsrevisoren BV



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Jan Smits  
Audit Partner



**ANNEX 1: Preliminary findings**

There are no preliminary findings to report.





**ANNEX 2: Follow-up of previous years comments**

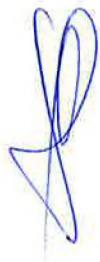
There is no follow up and comments about previous years.





**ANNEX 3: Open points regarding our audit 2023**

There are no open issues regarding our audit of the final accounts.







Global Health  
**EDCTP3**

Annual Accounts of the  
Global Health EDCTP3  
Joint Undertaking

**FINANCIAL YEAR 2023**

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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, in accordance with Article 52 of the Model Financial Regulation ('MFR')<sup>1</sup> and I hereby certify that the annual accounts of the Global Health EDCTP3 JU for the year 2023 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 the Global Health EDCTP3 JU's assets and liabilities and the budgetary implementation.

Based on this information, and on such checks as I deemed necessary to sign off the accounts, I have a reasonable assurance that the accounts present fairly, in all material aspects, the financial position, the results of the operations and the cash-flow of the Global Health EDCTP3 JU.

My assurance statement related to the Final Accounts 2023 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 HREȚU

Date: 2024-06-13 11:16:55 +02:00

Andrei Hretu  
Accounting Officer

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<sup>1</sup>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) 2010/1046 of the European Parliament and of the Council.

## BACKGROUND INFORMATION NOTE

### 1. GENERAL BACKGROUND ON THE ENTITY

#### Establishment

The European and Developing Countries Clinical Trials Partnership (EDCTP) exists to accelerate the clinical development of new or improved health technologies for the identification, treatment and prevention of poverty-related and neglected infectious diseases<sup>2</sup>, including (re-)emerging diseases, particularly those affecting sub-Saharan Africa (SSA). In addition, the EDCTP funds activities for research capacity building in Africa, supporting networking and researchers' careers and strengthening national health research systems. Furthermore, the partnership facilitates alignment of public and private funders around a common Strategic Research and Innovation Agenda.

In the context of the Commission's priorities of contributing to the United Nations Sustainable Development Goals (SDGs), in particular Sustainable Development Goal 3, the Comprehensive Strategy with Africa<sup>3</sup>, the Global Approach to Research & Innovation<sup>4</sup> and the new EU Global Health Strategy<sup>5</sup>, the EU is committed to ensuring healthy lives and promoting well-being for all, to building an even stronger partnership between the two continents and to supporting the development of research and innovation capacities within Africa.

The Global Health EDCTP3 Joint Undertaking (Global Health EDCTP3 JU) builds on the first and second European and Developing Countries Clinical Trials Partnership programmes. This new joint undertaking (JU) is a partnership between the EU and the EDCTP Association, whose members are several European and African countries.

The setting up of the joint undertakings under Horizon Europe has been regulated through Council Regulation No. 2021/2085 of 19 November 2021 and published in the Official Journal on 30 November 2021.

In accordance with the article 173, paragraph 1 of the Single Basic Act<sup>6</sup>, "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."

#### Mission

The Global Health EDCTP3 JU will 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 should address 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

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<sup>2</sup> WHO's list of neglected tropical diseases covers a diverse group of 20 diseases caused by different pathogens that have diverse manifestations, life cycles, and methods of transmission. The Global Health EDCTP3 JU's remit will cover the following diseases from this list: Buruli ulcer, dengue and chikungunya, dracunculiasis (guinea-worm disease), echinococcosis, foodborne trematodiases, human African trypanosomiasis (sleeping sickness), leishmaniasis, leprosy (Hansen disease), lymphatic filariasis, mycetoma, onchocerciasis (river blindness), rabies, schistosomiasis, soil-transmitted helminthiases, taeniasis/cysticercosis, trachoma, and yaws. The Global Health EDCTP3 JU's remit will not cover chromoblastomycosis and other deep mycoses, scabies and other ectoparasites, and snakebite envenoming.

<sup>3</sup> [https://ec.europa.eu/commission/presscorner/detail/en/fs\\_20\\_374](https://ec.europa.eu/commission/presscorner/detail/en/fs_20_374)

<sup>4</sup> [https://ec.europa.eu/commission/presscorner/detail/en/ip\\_21\\_2465](https://ec.europa.eu/commission/presscorner/detail/en/ip_21_2465)

<sup>5</sup> [https://ec.europa.eu/commission/presscorner/detail/en/ip\\_22\\_7153](https://ec.europa.eu/commission/presscorner/detail/en/ip_22_7153)

<sup>6</sup> COUNCIL REGULATION (EU) 2021/2085 of 19 November 2021 establishing the Joint Undertakings under Horizon Europe

The general objectives of the Global Health EDCTP3 JU 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, the Global Health EDCTP3 JU shall also have the following specific objectives:

- (3) 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;
- (4) to strengthen research and innovation capacity and the national health research systems in sub-Saharan Africa for tackling infectious diseases;
- (5) 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;
- (6) 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;
- (7) 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 JU 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 the Global Health EDCTP3 JU are:

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

The **Governing Board** is the decision-making body of the Global Health EDCTP3 JU. 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 the Global Health EDCTP3 JU 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 the Global Health EDCTP3 JU.

The **Scientific Committee** is the scientific advisory body of the Global Health EDCTP3 JU, 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 the 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 with which synergies will be deemed of added value;
- providing input to the EDCTP Forum.

### **Sources of financing**

The Global Health EDCTP3 Joint Undertaking is funded by its members and contributing partners. One of the two members, the Union, provides financial contribution to cover administrative and operational costs up to EUR 800.000.000, including up to EUR 59.756.000 for administrative costs. The other member, the EDCTP Association, will arrange for its constituent or affiliated entities to make a total contribution of at least EUR 439.878.000<sup>7</sup> which can consist of IKAA, IKOP and/or financial contribution. The contributing partners will bring in contributions of up to EUR 400.000.000 in the form of IKOP and/or financial contribution to the JU.

In the event that contribution 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.

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<sup>7</sup> 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 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)<sup>8</sup>. 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<sup>9</sup> 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 the Global Health EDCTP3 JU Governing Board of 3 August 2023, on behalf of the Acco BOA, as of 23 November 2023 Andrei Hretu acts as the Accounting Officer of the Global Health EDCTP3 JU.

### Composition of the annual accounts

The annual accounts cover the period from financial autonomy (23 November 2023) to 31 December (thereafter 1 January to 31 December) and comprise the financial statements and the reports on the implementation of the budget. While the financial statements and the complementary notes are prepared on an accrual accounting basis, the budget implementation reports are primarily based on movements of cash.

In accordance with the article 173, paragraph 1 of the Single Basic Act<sup>10</sup>, "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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<sup>8</sup> 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 142, 29.5.2019, p. 16)

<sup>9</sup> COUNCIL REGULATION (EU) 2021/2085 of 19 November 2021 establishing the Joint Undertakings under Horizon Europe

<sup>10</sup> COUNCIL REGULATION (EU) 2021/2085 of 19 November 2021 establishing the Joint Undertakings under Horizon Europe

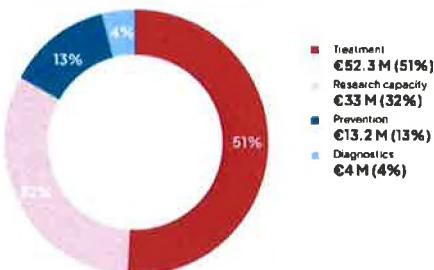
### 3. OPERATIONAL HIGHLIGHTS

#### Achievements of the year

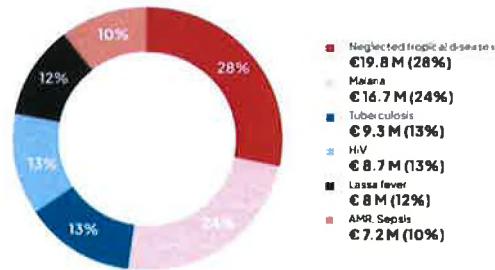
##### Signing of Grant Agreements under the 2022 Work Programme

In the course of 2023, agreements were concluded on grants from the first Annual Work Programme (AWP 2022) of the Global Health EDCTP3 JU. With a total funding of over EUR 102 million, the first [29 projects](#) funded under the Global Health EDCTP3 JU are now working on several fields and diseases.

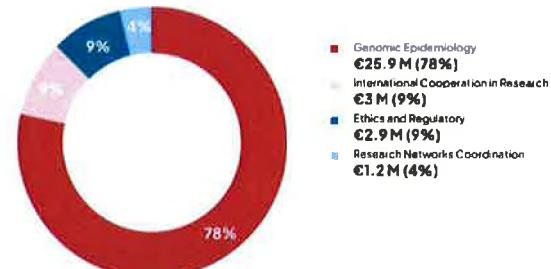
Budget by type of intervention  
(in millions)



Budget by disease area  
(in millions)



Budget by type of capacity-building activity (in millions)



All projects funded under the Global Health EDCTP3 JU support South-South and South-North collaboration. This is a requirement when applying for funding, as all consortia are obliged to have at least one partner from a European Union member state or country associated to Horizon Europe, and at least one partner from a sub-Saharan African country that is members of the EDCTP Association.

## Implementation of the 2023 Annual Work Programme

On 4 April 2023, the Global Health EDCTP3 JU published its 2023 Annual Work Programme with over EUR 130 million in funding opportunities to support research into infectious diseases. This Annual Programme included different funding opportunities (topics), dividing into single-stage and two-stage topics.

### Single-stage topics

With a total budget of over EUR 74 million, five of these topics closed submission of proposals on 4 July 2023. Ninety-nine proposals were submitted involving 392 different partners from 60 countries. 30% of these partners are based in the European Union and Horizon Europe Associated Countries, and over 60% come from sub-Saharan African (SSA) countries that are members of the EDCTP Association. After evaluation by experts, the 27 proposals selected for funding were informed in November 2023 and invited to start the process of Grant Agreement Preparation (GAP).

Topic name	Total budget and expected budget per proposal (in million)	Proposals submitted and selected for funding
Global Health EDCTP3 Training Networks - Clinical Research Fellowships	Indicative total budget: €15.30 M Expected project size: €5 M	Submitted: 25 Selected: 4
Funding to successfully finalise EDCTP2-funded clinical trials that were negatively impacted by the COVID-19 pandemic	Indicative total budget: €14 M Expected project size: €0.25-2.5 M	Submitted: 18 Selected: 8
Implementation research/real life assessment of existing interventions in women and children's health	Indicative total budget: €26 M Expected project size: €4 M	Submitted: 28 Selected: 6
Research to rapidly evaluate interventions on Ebola outbreaks in sub-Saharan Africa	Indicative total budget: €11 M Expected project size: €3 M	Submitted: 10 Selected: 3
Strengthening ethics and regulatory capacity	Indicative total budget: €8 M Expected project size: €1 M	Submitted: 18 Selected: 6

### Two-stage topics

On 27 June 2023, two further topics with EUR 56 million in support available were opened for submission of proposals. 79 first-stage proposals, comprising 412 different partners from 60 countries, were submitted by the deadline, 28 September 2023. Eligible proposals subsequently underwent expert evaluation that focused on the scientific excellence and expected impact. 37 proposals were invited to submit their complete research proposal by 03 April 2024, after which the second and final evaluation stage will take place.

Topic name	Total budget and expected budget per proposal (in million)	Proposals submitted and invited for second stage
Improving modes of delivery, deployment, and uptake of vaccines through phase IV/implementation research	Indicative total budget: €30 M Expected project size: €5 M	Submitted: 28 Invited: 16
Advancing point-of-care diagnostics to the market	Indicative total budget: €26 M Expected project size: €5 M	Submitted: 51 Invited: 21

## Working with like-minded partners

During 2023, the Global Health EDCTP3 JU has engaged and collaborated with partners in different ways.

- (1) Active participation in different global health fora has held a high priority in the programme and included the attendance and/or organisation of sessions at the European Molecular Biology Laboratory (EMBL) annual meeting (Germany, May), the 3rd Africa Health Research and Innovation Funders Forum (South Africa, August), Grand Challenges Forum (Senegal, October), World Health Summit (Germany, October), EDCTP Forum (France, November), the WHO Global Clinical Trials Forum (Switzerland, November), the Global Health Policy Forum (Belgium, November) and the International Conference on Public Health in Africa (Zambia, November).
- (2) The Global Health EDCTP3 JU participated in the first ever health-day at COP 28 (United Arab Emirates, December), as well as at the Reaching the Last Mile Forum side-event, where we announced a pledge of over EUR 46 million to fight Neglected Tropical Diseases (NTDs) in sub-Saharan Africa.
- (3) The BMGF-Global Health EDCTP3 collaboration has seen its joint projects launched. All grant agreements are signed, and the consortia have kick-started their work. On the occasion of the Grand Challenges meeting held in Dakar (Senegal) in October, the consortia and partners of the GENEPI collaboration held their first joint meeting to initiate discussions between the Global Health-EDCTP3 projects and the genomics initiatives supported by BMGF. Moreover, a collaboration agreement and joint working groups are being established in order to streamline and coordinate the work of the projects.

Furthermore, we were honoured to accept the Prize for Science Diplomacy awarded by the Government of South Africa during the Science Forum South Africa (South Africa, December), where we also hosted a side session on the role of health research to achieving sustainable development. This Award was received on 6 December, after the financial autonomy of the JU, and as a recognition of the successful partnership and collaboration among the years, including since the EDCTP3 Programme has started in December 2021 and worked performed to build the new Programme.

## Budget and budget implementation

The annual budget for year 2023 was adopted by the Governing Board on 3 April 2023, per Decision GH-EDCTP3-GB/05/2023 "Annual Work Programme 2023 and Annex I (call topics) and Annex II (IKAAAs)".

There were two amendments of the budget during 2023:

### Amendment number 1 – Before the financial autonomy on 23 November 2023

The Annual Budget for year 2023 was amended for the first time on 21 November 2023 (before the financial autonomy of the JU on 23 November 2023), per Decision GH-EDCTP3-GB/32/2023.

Following the preparation for the Global Health EDCTP3 JU's financial autonomy in the accounting system (ABAC), the Executive Director proposed to the Governing Board adaptation of the Budget in the Statement of Expenditure in order to make a transfer of EUR 2.923.466 of both commitment and payment appropriations from administrative expenditure (Title 1 and 2) to operational expenditure (Title 3). This transfer was proposed since the administrative expenditure was lower than budgeted and the unused appropriations allowed to fund additional proposals from the reserve list, as the response to the calls was large and the success rate low.

Consequently, Title 1 was amended to EUR 1.831.800 and Title 2 to EUR 904.734, bringing the total administrative expenditure to EUR 2.736.534. The operational expenditure (Title 3) was amended to EUR 134.820.778.

In addition, an amount of EUR 190.000 was transferred from budget line "Meeting expenses" (Title 2) to "External services" (Title 1) in order to ensure sufficient appropriations in the destination budget line for commitments level 2 position.

Amendment number 2 – After the financial autonomy on 23 November 2023

The Executive Director proposed to the Governing Board adaptation of the Budget due to technical and administrative issues linked to the transfer of files from the European Commission to the Global Health EDCTP3 JU in the accounting system (ABAC) in connection with the process of financial autonomy. Therefore, the amount of payment appropriations for operational expenditure in the Annual Budget for year 2023 needed to be decreased by EUR 4.790.048.

This transfer was reflected in both Statement of Revenue and Statement of Expenditure.

The last amendment was approved by the Governing Board on 18 December 2023, per Decision GH-EDCTP3-GB/43/2023.

**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 71% and 68% respectively in commitment appropriations.

Title 1 (Staff Expenditure) was mainly used for the salaries of the JU staff and recruitment costs.

On top of that, a significant amount of this execution rate was used in the contribution agreement related to schools and childcare facilities.

In addition, related commitments in the field of missions of the staff during the year and different Service Level Agreements (SLA) signed with the European Commission (mostly with DG HR) among others.

Title 2 (Infrastructure and Operating Expenditure) was mostly used for the rental costs of the White Atrium offices and the purchase of different IT equipment for the setting up of the JU.

Different events in Paris on the side of the EDCTP Forum from 7 to 10 November 2023 also represented an important amount together with the signature of the SLA with DG Budget and other JUs.

The implementation rate of the payment appropriations was 24% for Title 1 and 40% for Title 2.

Concerning Title 1, these payments comprise a majority of salaries of the staff members, missions' expenses and external services such as the monthly salary of the interim contract with Randstad and the transport of schools.

As per Title 2, payments were made to honour the rental of the offices and invoices covering costs for different IT supplies among others.

In this regard, it is important to highlight that the financial autonomy of the Global Health EDCTP3 JU was achieved on 23 November 2023. After the autonomy, the JU received cash for the first time from the Commission in its bank account (first instalment of the EU contribution 2023) on 14 December 2023, a week before the last working week of the year. Even due to this limited period, all outstanding invoices and debit notes were paid on time in 2023.

**Operational costs: Title 3 (Operational Expenditure)**

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

The majority of the JU's budget under this category is represented by the two calls for proposals launched in 2023: single stage call (EUR 78.223.466) and two stage call (EUR 56.000.000).

The cost of Experts Evaluators, a service which is managed by the REA, are also included under Title 3.

The implementation rate of the operational budget in payment appropriations was 83%.

In 2023, most of the payment appropriations were used for the pre-financing of the grants resulting from the 2022 calls for proposal (EUR 47.812.540), REA Experts costs (EUR 476.685) and the payments of the members of the Scientific Committee (around EUR 88.610).

### **Impact of the activities in the financial statements**

It should be noted that Global Health EDCTP3 Joint Undertaking became financially autonomous as of 23 November 2023. The 2023 annual accounts are thus the first annual accounts established for this Joint Undertaking. Consequently, there are no comparative figures to be shown for the financial year 2022.

Before autonomy, the activities related to the operational structure and support systems for the Global Health EDCTP3 Joint Undertaking were carried out by the Commission. As a result, 47.610 kEUR of pre-financing (see note **2.3**) has been transferred from the Commission.

The most significant contribution from the Members of the Global Health EDCTP3 Joint Undertaking recognised in the statement of changes in net assets for a total of 48.852 kEUR is the transfer of the pre-financing from the Commission and the financial contribution received from the EU after the financial autonomy which has been implemented by payments.

In the statement of financial performance, the most significant amount (16.052 kEUR) 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 which all rights and obligations have been taken over by the Global Health EDCTP3 Joint Undertaking following the financial autonomy.

GLOBAL HEALTH EDCTP3 JOINT UNDERTAKING  
FINANCIAL YEAR 2023

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**FINANCIAL STATEMENTS AND  
EXPLANATORY NOTES**

## BALANCE SHEET

	Note	31.12.2023
<b>NON-CURRENT ASSETS</b>		
<i>Intangible assets</i>	2.1	-
<i>Property, plant and equipment</i>	2.2	26.015,58
<i>Pre-financing</i>	2.3	41.019.821,93
		<b>41.045.837,51</b>
<b>CURRENT ASSETS</b>		
<i>Pre-financing</i>	2.3	6.589.849,67
<i>Exchange receivables and non-exchange recoverables</i>	2.4	1.158.781,23
		<b>7.748.630,90</b>
<b>TOTAL ASSETS</b>		<b>48.794.468,41</b>
<b>CURRENT LIABILITIES</b>		
<i>Payables and other liabilities</i>	2.7	1.158.781,23
<i>Accrued charges and deferred income</i>	2.8	16.121.943,65
		<b>17.280.724,88</b>
<b>TOTAL LIABILITIES</b>		<b>17.280.724,88</b>
<i>Contribution from Members</i>	2.9	48.852.215,19
<i>Accumulated deficit</i>		-
<i>Economic result of the year</i>		(17.338.471,66)
<b>NET ASSETS</b>		<b>31.513.743,53</b>
<b>LIABILITIES AND NET ASSETS</b>		<b>48.794.468,41</b>

## STATEMENT OF FINANCIAL PERFORMANCE

	Note	2023
<b>REVENUE</b>		
<b>Revenue from non-exchange transactions</b>		
<i>Recovery of expenses</i>	3.1	-
<i>Other</i>	3.2	-
<b>Revenue from exchange transactions</b>		
<i>Other</i>	3.3	-
<b>Total revenue</b>		-
<b>EXPENSES</b>		
<i>Operating costs</i>	3.4	(16.570.466,65)
<i>Staff costs</i>	3.5	(201.870,00)
<i>Other expenses</i>	3.7	(566.135,01)
<b>Total expenses</b>		<b>(17.338.471,66)</b>
<b>ECONOMIC RESULT OF THE YEAR</b>		<b>(17.338.471,66)</b>

## CASHFLOW STATEMENT<sup>11</sup>

	2023
<i>Economic result of the year</i>	(17.338.471,66)
<b>Operating activities</b>	<b>17.365.463,82</b>
Depreciation and amortization	976,58
(Increase)/decrease in pre-financing	(47.609.671,60)
(Increase)/decrease in exchange receivables and non-exchange recoverables	(1.158.781,23)
Increase/(decrease) in payables	1.158.781,23
Increase/(decrease) in accrued charges & deferred income	16.121.943,65
Increase/(decrease) in cash contributions	48.852.215,19
<b>Investing activities</b>	<b>(26.992,16)</b>
(Increase)/decrease in intangible assets and property, plant and equipment	(26.992,16)
<b>NET CASHFLOW</b>	<b>-</b>

<sup>11</sup> The treasury of Global Health EDCTP3 JU is integrated into the Commission's treasury system. Because of this Global Health EDCTP3 JU does not have any bank accounts of its own. All payments and receipts are processed via the Commission's treasury system and registered on intercompany accounts, which are presented under the heading exchange receivables.

## STATEMENT OF CHANGES IN NET ASSETS

	Contribution from Members	Accumulated Surplus/(Deficit)	Economic result of the year	Net Assets
<i>Cash contribution</i>	<b>48.852.215,19</b>	-	-	<b>48.852.215,19</b>
<i>Unpaid cash contributions</i>	-	-	-	-
<i>Economic result of the year</i>	-	-	(17.338.471,66)	(17.338.471,66)
<b>BALANCE AS AT 31.12.2023</b>	<b>48.852.215,19</b>	-	<b>(17.338.471,66)</b>	<b>31.513.743,53</b>

# 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.

As the Global Health EDCTP3 Joint Undertaking was financially autonomous from the European Commission starting from 23 November 2023, the annual accounts present the period starting from 23 November and ending 31 December.

In accordance with the article 173, paragraph 1 of the Single Basic Act<sup>12</sup>, "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."

#### 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.

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<sup>12</sup> COUNCIL REGULATION (EU) 2021/2085 of 19 November 2021 establishing the Joint Undertakings under Horizon Europe

**Euro exchange rates**

Currency	31.12.2023	31.12.2022	Currency	31.12.2023	31.12.2022
<b>BGN</b>	<b>1.9558</b>	1.9558	<b>PLN</b>	<b>4.3395</b>	4.6808
<b>CZK</b>	<b>24.724</b>	24.116	<b>RON</b>	<b>4.9756</b>	4.9495
<b>DKK</b>	<b>7.4529</b>	7.4365	<b>SEK</b>	<b>11.096</b>	11.1218
<b>GBP</b>	<b>0.8869</b>	0.8869	<b>CHF</b>	<b>0.926</b>	0.9847
<b>NOK</b>	<b>11.2405</b>	10.4812	<b>JPY</b>	<b>156.33</b>	140.66
<b>HUF</b>	<b>382.80</b>	400.87	<b>USD</b>	<b>1.105</b>	1.0666

**1.2.3. Use of estimates**

In accordance with IPSAS and generally accepted accounting principles, the financial statements necessarily include amounts based on estimates and assumptions by management based on the most reliable information available. Significant estimates include, but are not limited to: amounts for employee benefit liabilities, financial risk of accounts receivable and the amounts disclosed in the notes concerning financial instruments, impairment allowance for financial assets at amortised cost and for financial guarantee contract liabilities, accrued revenue and charges, provisions, degree of impairment of intangible assets and property, plant and equipment, net realisable value of inventories, 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)**

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

The following IPSAS standards are effective as of January 1, 2025 (earlier application is permitted):

- **IPSAS 43 Leases:** IPSAS 43 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to lessee accounting by removing the distinction between operating and finance lease and requiring the recognition of a right -of-use asset and a lease liability at commencement for all leases, except for short-term leases and leases of low value assets.
- **IPSAS 44 Non-current Assets Held for Sale and Discontinued Operations:** IPSAS 44 specifies the accounting for assets held for sale and the presentation and disclosure of discontinued operations. IPSAS 44 includes additional public sector requirements, in particular, the disclosure of the fair value of assets held for sale that are measured at their carrying amounts, when the carrying amount is materially lower than their fair value.

The Accounting Officer is assessing the impact of the above standards on the Annual Accounts and considering a possible revision of relevant EAR accordingly.

## 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 on other assets is calculated using the straight-line method to allocate their cost less their residual values over their estimated useful lives, as follows:

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

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

### Leases

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

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

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

### 1.3.3. 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 and 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 a number of 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.

### 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 a large number of items, the obligation is estimated by weighting all possible outcomes by their associated probabilities ('expected value' method).

When the obligation whose existence will be confirmed by uncertain future events that are not wholly within the control of the entity, is possible, no provision is recognised, but a contingent liability is disclosed. Refer to note 1.5.2 for details.

### 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 owners.

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

(i) *Revenue from non-exchange transactions*

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

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

(ii) *Revenue from exchange transactions*

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

### 1.4.2. Expenses

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

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

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

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

## 1.5. CONTINGENT ASSETS AND LIABILITIES

### 1.5.1. Contingent assets

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

### 1.5.2. Contingent liabilities

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

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

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

## 1.6. 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 the 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 2023, the Joint Undertaking has no intangible assets.

## 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.

	Computer hardware	Other	TOTAL
<i>Additions</i>	19.883,83	7.108,33	26.992,16
<i>Disposals</i>	-	-	-
<b>Gross carrying amount at 31.12.2023</b>	<b>19.883,83</b>	<b>7.108,33</b>	<b>26.992,16</b>
<i>Depreciation charge for the year</i>	(828,49)	(148,09)	(976,58)
<b>Accumulated depreciation at 31.12.2023</b>	<b>(828,49)</b>	<b>(148,09)</b>	<b>(976,58)</b>
<b>NET CARRYING AMOUNT AT 31.12.2023</b>	<b>19.055,34</b>	<b>6.960,24</b>	<b>26.015,58</b>

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

The gross value of tangible assets purchased before the financial autonomy was 19.883,83. The assets have been received directly by the Global Health EDCTP3 Joint Undertaking at no extra costs. The corresponding transfer of value on the date of the financial autonomy has been recognised as a contribution from Members in Net Assets (see note 2.9).

## 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.

	31.12.2023
<i>Non-current pre-financing</i>	41.019.821,93
<i>Current pre-financing</i>	6.589.849,67
<b>Total</b>	<b>47.609.671,60</b>

For all pre-financing amounts open at 31 December 2023 a case-by-case assessment has been performed and all the pre-financing that was considered unlikely to be cleared in the course of 2024 was classified as long-term pre-financing.

The outstanding pre-financing presented under this heading is net of estimated (cut-off) expenses for ongoing projects without validated costs on 31 December 2023. The clearing of pre-financing with year-end (cut-off) adjustments amounted to 203 kEUR.

The pre-financing was paid before the financial autonomy and relates to the first call launched by the organisation in 2022. The amount was paid for 28 projects which have started between September 2022 and July 2023. As most of the projects have started during 2023 and have an average duration of approx. 44 months, a bigger portion of the pre-financing is expected to be cleared after 2024 considering an average linear work completion.

The full amount of the pre-financing (47.813 kEUR) was paid by the European Commission before the financial autonomy and was subsequently transferred to the Joint Undertaking on the date of the financial autonomy. The corresponding transfer of value has been recognised as a contribution from Members in Net Assets (see note 2.9).

The calculated value of the pre-financing clearing for accrual adjustments at the date of the financial autonomy corresponds to approx. 125 kEUR.

## 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.

31.12.2023

**Recoverables from non-exchange transactions**

*Central treasury liaison accounts* 1.158.781,23

*Other*

**Receivables from exchange transactions**

*Customers*

*Accrued income and deferred charges*

*Other*

**Total**

**1.158.781,23**

The full amount 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.

## 2.5. CASH AND CASH EQUIVALENTS

The majority of 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 2023 the Joint Undertaking has not established any provisions.

### 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).

		31.12.2023
<i>Cash contribution from EC to be validated</i>		1.158.781,23
<b>Total</b>		<b>1.158.781,23</b>

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**).

After the financial autonomy the Joint Undertaking has received in 2023 a cash contribution of 1.7M from the EU Commission and has implemented through payments approx. 0.55M for operational and administrative expenditure.

### 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.

		31.12.2023
<i>Accrued charges</i>		16.121.943,65

The accrued charges are largely composed of estimated operating expenses (15 849 kEUR) for on-going projects, where the 2023 expense was estimated on a case-by-case basis using the best available information about the projects at 31 December 2023.

Included under this heading are also accrued administrative expenses of 244 kEUR and accrued staff expenses for untaken leave (29 kEUR).

The accrued charges for operational grants are estimated on a pro-rata basis considering the full duration of the contractual period. Based on this, it can be considered that approx. 13.121 kEUR of the liability has been calculated for the period prior to the financial autonomy (from the start of the grant agreements until 22 November 2023) while 2.728 kEUR corresponds to the period after the financial autonomy (from the date of the financial autonomy, 23 November 2023 until 31 December 2023).

## 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	2023		
	Cash	in-Kind	Total
Horizon Europe	48.852.215,19	-	48.852.215,19
<b>Total</b>	<b>48.852.215,19</b>	<b>-</b>	<b>48.852.215,19</b>

As the Joint Undertaking has become financially autonomous only on 23 Nov 2023 the contributions comprise only the transfers of value received from the EU Commission on the date of the financial autonomy and the cash contributions received after the financial autonomy which were implemented by payments.

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.

Annual accounts of the Global Health EDCTP3 Joint Undertaking 2023

Member	EU Commission	EDCPT Association		Total	
		Cash	In kind	Cash	In kind
<i>Current year contributions running costs</i>	<b>521.153,68</b>	-	-	<b>521.153,68</b>	-
<b>Running costs contributions at 31.12.2023</b>	<b>521.153,68</b>	-	-	<b>521.153,68</b>	-
<i>Current year contributions operating costs</i>	<b>48.331.061,51</b>	-	-	<b>48.331.061,51</b>	-
<b>Operating costs contributions at 31.12.2023</b>	<b>48.331.061,51</b>	-	-	<b>48.331.061,51</b>	-
<b>TOTAL contributions at 31.12.2023</b>	<b>48.852.215,19</b>	-	-	<b>48.852.215,19</b>	-
<i>% of total contributions (by type)</i>	<b>100,00%</b>	<b>0,00%</b>	<b>0,00%</b>	<b>100,00%</b>	<b>0,00%</b>
<i>Total contribution in %</i>	<b>100,00%</b>	<b>0,00%</b>		<b>0,00%</b>	
<i>Voting rights %</i>	<b>50,00%</b>	<b>50,00%</b>		<b>100,00%</b>	

According to the specific guidance issued by the EC Accounting Officer<sup>13</sup> 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 (approx. 1.159 kEUR) are recorded in the liabilities section as "Contributions in cash to be validated".

The cash contribution recognized as a contribution from its members is composed of the EU cash contribution received after the financial autonomy which has been implemented through payments during 2023 (approx. 1.019 kEUR) and the equivalent cash value of the assets transferred from the EC to the Joint Undertaking in the form of open pre-financing (approx. 47.813 kEUR) and IT equipment (approx. 20 kEUR).

The current year contributions to running costs include the value of the IT equipment which has been purchased before the financial autonomy (approx. 20 kEUR) and the value of payments implemented after the financial autonomy on the administrative budget lines (approx. 501 kEUR).

The current year contributions to operating costs include the value of the pre-financing which was paid by the EU Commission before the financial autonomy and transferred to the Joint Undertaking on the date of the financial autonomy (approx. 47.813 kEUR) and the value of payments implemented after the financial autonomy on the operational budget lines (approx. 518 kEUR).

<sup>13</sup> 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 from the start of their financial autonomy until 31 December 2023.

##### **3.2. OTHER NON-EXCHANGE REVENUE**

The Joint Undertaking did not have any non-exchange revenue from the start of their financial autonomy until 31 December 2023.

### **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.

The Joint Undertaking did not have any exchange revenue from the start of their financial autonomy until 31 December 2023.

## 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:

2023	
<i>Operational costs: validated EU contributions</i>	518.521,99
<i>Operational costs: estimated EU contributions</i>	16.051.944,66
<b>Total operational costs from EU contributions</b>	<b>16.570.466,65</b>
<b>Total</b>	<b>16.570.466,65</b>

The operational costs incurred by the Joint Undertaking (validated EU contributions) were in relation to the members of the Scientific Committee paid directly (approx. 42 kEUR) and indirectly through the European Research Executive Agency (approx. 476 kEUR).

The estimated operational costs (estimated EU contributions) are related to the estimated work completion rate on the on-going grant agreements, calculated using a linear pro-rated method over the full duration of the agreements.

Based on this, the calculated total of the estimated operational costs, approx. 13.245 kEUR corresponds to the time period prior to the financial autonomy (from the start of the grant agreement implementation until 22 November 2023), while 2.807 kEUR corresponds to the period after the financial autonomy (from 23 November 2023 until 31 December 2023).

### 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 JU's 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. The contribution of the Global Health EDCTP3 Joint Undertaking was set as 0.0 % of the total pension scheme contributions.

	2023
<i>Staff costs</i>	201.870,00

Most of the staff costs represent the expenditure of the JU related to its personnel for the months of November and December 2023.

## 3.6. FINANCE EXPENSES

The Joint Undertaking did not incur any financial expenses from the start of their financial autonomy until 31 December 2023.

## 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

	2023
<i>External IT services</i>	210.628,72
<i>Operating leasing expenses</i>	152.754,47
<i>Communications &amp; publications</i>	125.220,60
<i>Missions</i>	33.773,31
<i>External non IT services</i>	25.556,33
<i>Recruitment costs</i>	13.485,00
<i>Legal Expenses</i>	3.740,00
<i>Property, plant and equipment related expenses</i>	976,58
<b>Total</b>	<b>566.135,01</b>

Most of the running costs of the Joint Undertaking have been incurred in the IT area as the Joint Undertaking is preparing to obtain its IT autonomy during 2024, followed by the cost of the sublease for the premises in White Atrium.

Most of the communication and publications costs are related to the EDCPT forum event that took place in Paris during November 2023.

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			Total
	< 1 year	1- 5 years	> 5 years	
<i>Buildings</i>		140.652,85		

## 4. OTHER SIGNIFICANT DISCLOSURES

### 4.1. CONTINGENT ASSETS

No contingent assets of material significance were identified for the Joint Undertaking at 31 December 2023.

### 4.2. CONTINGENT LIABILITIES

No contingent liabilities of material significance were identified for the Joint Undertaking at 31 December 2023.

### 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.

31.12.2023

<i>Outstanding commitments not yet expensed</i>	174.787.493,28
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The amount outstanding comprises almost exclusively the future operational expenditure related to grant contracts.

### 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 SBA: "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 SBA defines the scope of Global Health EDCTP3 JU's 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 the Global Health EDCTP3 Joint Undertaking, 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 Single Basic Act, the additional activities of the Global Health EDCTP3 JU 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).

The Global Health EDCTP3 JU receives contribution from its member, the EDCTP Association, predominantly in the form of IKAA. For the year 2023, the EDCTP Association, through its constituents, submitted a plan, which was approved by the Governing Board, to initiate additional activities with an estimated value of EUR 86.621.213. This brings the total estimated value of all initiated additional activities by the end of year 2023 to EUR 387.605.543. It should be noted that these additional activities are largely multi-annual in duration.

In year 2024, the JU has received a report from the EDCTP Association that for the additional activities initiated in previous years, EUR 152.821.896 has been incurred. Out of this amount, none has been certified yet. Due to the multi-annual duration of most of the additional activities, it has been agreed that the certification may or may not take place or be submitted annually but the 'cumulative' certified amount should cover the entire value reported. It is the certified value that will be validated by the Governing Board as IKAA.

By the end of the current programme, the level of IKAA is expected to be at least EUR 550.000.000<sup>14</sup> 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 2024 has been received, bringing the total planned IKAA to date to EUR 540.449.712.

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<sup>14</sup> 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

Programme	Members' contributions (as per Funding regulation)					Total (d)=(a)+(b)+(c)
	EU cash (a)	EDCTP Members In-kind (b)	EDCTP Members Financial contributions (c)	Contributing Partners IKOP	Contributing Partners Financial contributions	
Horizon Europe	800.000.000,00	439.878.000,00	360.122.000,00			1.600.000.000,00

Programme	Members contributions as of 31.12.2023							
	EU cash validated	EU cash not validated (PF)	EDCTP Members Validated contributions	EDCTP Members reported contributions	Contributing Partners Validated contributions	Contributing Partners Estimated contributions	Total	Achievement rate
Horizon Europe	48.852.215,19	1.158.781,23	0,00	152 821 896,00	0,00	15.565.115,04	218.398.007,46	14%

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.

EDCTP Association's reported contribution comprises of the IKAA value reported by 31 May 2024 for the years 2022 and 2023. **The EDCTP Members planned value to be initiated in year 2023 in accordance with the Work Programme 2023 and associated validated IKAA plan** as well as in the previous years is estimated for a **total of EUR 387.605.543,00**. The JU, together with the EDCTP Association is currently preparing a guidance document for the certification of Member's reported contribution, and in collaboration with Member States. It is expected that by 31 May 2025, the JU would be able to report certified Members contribution for the year 2022, 2023 and 2024, and for a total value between EUR 388 million (total estimated) and EUR 153 million (currently reported for 2022 and 2023).

The estimated contribution of the Contributing partners comprises the expected financial contribution from the Contributing Partner, Bill & Melinda Gates Foundation, confirmed in the signed project NGS4PublicHealth. 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 January 2026.

## 4.7. RELATED PARTIES

The related parties of the JU and the key management personnel of these entities. 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.

## 4.8. KEY MANAGEMENT ENTITLEMENTS

The Director, or head of entity, 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.

31.12.2023

*Executive Director*

*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.

## 4.10. OTHER INFORMATION

The Global Health EDCTP3 Joint Undertaking has become financially autonomous on 23 November 2023. The annual accounts for the financial year 2023 cover the period 23 November to 31 December 2023. As this represents the entity's first year of independent financial operations, no comparative figures are available.

## 4.11. EVENTS AFTER REPORTING DATE

Not applicable.

## 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.

## **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 annuity**

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 achievement of 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 and 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.

### 1.3. RESULT OF THE IMPLEMENTATION OF THE BUDGET

	Title	EUR '000 2023
<b>Revenue</b>		<b>2 179</b>
of which (1):		
EU Contribution	1	2 179
<b>Expenditure</b>		<b>(1 020)</b>
of which (2):		
Staff expenditure	1	(183)
Administrative expenditure	2	(318)
Operational expenditure	3	(519)
<b>Exchange rate differences</b>		-
<b>Budget result</b>		<b>1 159</b>

(1) Recovery orders cashed after the financial autonomy on 23 November 2023.

(2) Executed budget (payments made) by the JU after the financial autonomy on 23 November 2023.

## 1.4. RECONCILIATION OF ECONOMIC RESULT WITH BUDGET RESULT

		2023
<b>ECONOMIC RESULT OF THE YEAR</b>		<b>(17.338.471,66)</b>
<b>Adjustment for accrual items (items not in the budgetary result but included in the economic result)</b>		<b>16.325.788,15</b>
<i>Adjustments for accrual cut-off (net)</i>		16.324.811,57
<i>Depreciation of intangible and tangible assets</i>		976,58
<b>Adjustment for budgetary items (item included in the budgetary result but not in the economic result)</b>		<b>2.171.464,74</b>
<i>Members' cash contributions collected in the year</i>		2.178.573,07
<i>Asset acquisitions (less unpaid amounts) and assets pre-financing</i>		(7.108,33)
<b>BUDGET RESULT OF THE YEAR</b>		<b>1.158.781,23</b>

## 2. IMPLEMENTATION OF BUDGET REVENUE

EUR '000

	Item	Income appropriations		Entitlements established			Revenue			Out-standing	
		Initial budget (1)	GH EDCTP3 JU budget (2)	Current year	Carried over	Total	On entitlements of current year	On entitlements carried over	Total		
		1	2	3	4	5=3+4	6	7	8=6+7	9=8/2	10=5-8
10	EU contribution - Administrative	5 524	1 554	1 554	0	1 554	1 554	0	1 554	100 %	0
Total Chapter 10		5 524	1 554	1 554	0	1 554	1 554	0	1 554	100 %	0
11	EU contribution - Operational	48 366	624	624	0	624	624	0	624	100 %	0
Total Chapter 11		48 366	624	624	0	624	624	0	624	100 %	0
20	EFTA and third countries contribution - Administrative	160	0							-	
Total Chapter 20		160	0							-	
21	EFTA and third countries contribution - Operational	1 414	0							-	
Total Chapter 21		1 414	0							-	
<b>GRAND TOTAL</b>		<b>55 463</b>	<b>2 179</b>	<b>2 179</b>	<b>0</b>	<b>2 179</b>	<b>2 179</b>	<b>0</b>	<b>2 179</b>	<b>100 %</b>	<b>0</b>

(1) Initial voted budget 2023 adopted by the JU on 3 April 2023 ([Work Programme 2023](#)). The amount allocated to "Expert costs" (EUR 551 292) is deducted from the EU contribution – Operational since the budget line 310 has a type II co-delegation RTD>REA and the inscription of the appropriations for both CA and PA is also done on a budget line in ABAC that remains at the European Commission side (DG RTD). The grand total, including "Expert costs", is EUR 56 014 430, which is in line with the total payment appropriations in the initial voted budget.

(2) Available budget (cash received) after the financial autonomy on 23 November 2023. The total amount corresponds to the first request of payment appropriations to the EC that took place after the signature of the Financial Framework Partnership Agreement on 17 November 2023 and the Contribution Agreement on 7 December between the JU and DG RTD. The breakdown of the grand total is as follows:

- EU Contribution (Administrative): EUR 1 554 352 (cash received).
- EU Contribution (Operational) EUR 147 535 (cash received) + EUR 476 685 (regularisation on Experts costs at the end of the year – payments made by REA in 2023).

### 3. IMPLEMENTATION OF BUDGET EXPENDITURE

#### Breakdown & changes in commitment appropriations

##### Breakdown & changes in commitment appropriations – Title 1

EUR '000

Item		Initial adopted budget (1)	Budget appropriations			Additional appropriations			Total appropriations available to GH EDCTP3 JU
			Budget implemented before financial autonomy and amending budgets (2)	Transfers	Budget available to GH EDCTP3 JU for implementation	Reactivated appropriations	Assigned revenue	Total	
	1	2	3	4=1+2+3	5	6	7=5+6	8=4+7	
11-0	Establishment plan posts	2 818	( 2 553)	0	265	0	0	0	265
Total Chapter 11-0		2 818	( 2 553)	0	265	0	0	0	265
11-1	External personnel	384	( 326)	0	59	0	0	0	59
Total Chapter 11-1		384	( 326)	0	59	0	0	0	59
12-0	Expenditure relating to staff recruitment	133	( 2)	0	131	0	0	0	131
Total Chapter 12-0		133	( 2)	0	131	0	0	0	131
13-0	Mission expenses	72	( 34)	0	37	0	0	0	37
Total Chapter 13-0		72	( 34)	0	37	0	0	0	37
14-0	Socio-medical infrastructure	33	( 0)	0	33	0	0	0	33
Total Chapter 14-0		33	( 0)	0	33	0	0	0	33
15-0	Training	53	( 1)	0	52	0	0	0	52
Total Chapter 15-0		53	( 1)	0	52	0	0	0	52
16-0	External services	22	155	0	178	0	0	0	178
Total Chapter 16-0		22	155	0	178	0	0	0	178
17-0	Receptions, events and representation	3	0	0	3	0	0	0	3
Total Chapter 17-0		3	0	0	3	0	0	0	3
Total Title 1		3 519	( 2 761)	0	759	0	0	0	759

*Annual accounts of the Global Health EDCTP3 Joint Undertaking 2023*

(1) Initial voted budget 2023 adopted by the JU on 3 April 2023 ([Work Programme 2023](#)).

(2) This column represents the consumption of the budget appropriations (executed budget) before the financial autonomy on 23 November 2023 and the two amendments of the budget that the JU had in 2023:

- First amendment adopted by the JU on 21 November 2023 – Amended budget 1 ([AMBU1](#)).
- Second amendment adopted by the JU on 18 December 2023 – Amended budget 2 ([AMBU2](#)).

In order to provide a complete overview of this column for the year 2023, the breakdown for Title 1 with the consumption of the budget before the financial autonomy under DG RTD and the two amending budgets (AMBU1 and AMBU2) is explained below:

EUR '000				
	Item	Budget implemented before the financial autonomy and the two amending budgets	Budget consumption before the financial autonomy under DG RTD	Amending budgets (AMBU1 and AMBU2)
		1 = 2 + 3	2	3
11-0	Establishment plan posts	( 2 553)	( 675)	( 1 878)
11-1	External personnel	( 326)	( 326)	0
12-0	Expenditure relating to staff recruitment	( 2)	( 2)	0
13-0	Mission expenses	( 34)	( 34)	0
14-0	Socio-medical infrastructure	( 0)	( 0)	0
15-0	Training	( 1)	( 1)	0
16-0	External services	155	( 35)	190
17-0	Receptions, events and representation	0	0	0
<b>Total Title 1</b>		<b>( 2 761)</b>	<b>( 1 073)</b>	<b>( 1 688)</b>

Annual accounts of the Global Health EDCTP3 Joint Undertaking 2023

Breakdown & changes in commitment appropriations – Title 2

Item		Initial adopted budget (1)	Budget appropriations			Additional appropriations			Total appropriations available to GH EDCTP3 JU
			Budget implemented before financial autonomy and amending budgets (2)	Transfers (3)	Budget available to GH EDCTP3 JU for implementation	Reactivated appropriations	Assigned revenue		
			1	2	3	4=1+2+3	5	6	7=5+6
20-0	Rental of buildings and associated costs	220	0	0	220	0	0	0	220
Total Chapter 20-0		220	0	0	220	0	0	0	220
21-0	Information, communication technology and data pro.	531	( 407)	140	264	0	0	0	264
Total Chapter 21-0		531	( 407)	140	264	0	0	0	264
22-0	Movable property and associated costs	161	( 3)	( 140)	18	0	0	0	18
Total Chapter 22-0		161	( 3)	( 140)	18	0	0	0	18
23-0	Current administrative expenditure	92	0	0	92	0	0	0	92
Total Chapter 23-0		92	0	0	92	0	0	0	92
24-0	Postage / Telecommunications	40	0	0	40	0	0	0	40
Total Chapter 24-0		40	0	0	40	0	0	0	40
25-0	Meeting expenses	407	( 406)	0	1	0	0	0	1
Total Chapter 25-0		407	( 406)	0	1	0	0	0	1
26-0	Running costs in connection with operational act.	139	( 139)	0	0	0	0	0	0
Total Chapter 26-0		139	( 139)	0	0	0	0	0	0
27-0	Information and publishing	199	0	( 50)	149	0	0	0	149
Total Chapter 27-0		199	0	( 50)	149	0	0	0	149
28-0	Service contracts	350	( 320)	50	80	0	0	0	80
Total Chapter 28-0		350	( 320)	50	80	0	0	0	80
<b>Total Title 2</b>		<b>2 141</b>	<b>( 1 276)</b>	<b>0</b>	<b>865</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>865</b>

*Annual accounts of the Global Health EDCTP3 Joint Undertaking 2023*

(1) Initial voted budget 2023 adopted by the JU on 3 April 2023 ([Work Programme 2023](#)).

(2) This column represents the consumption of the budget appropriations (executed budget) before the financial autonomy on 23 November 2023 and the two amendments of the budget that the JU had in 2023:

First amendment adopted by the JU on 21 November 2023 – Amended budget 1 ([AMBU1](#)).

Second amendment adopted by the JU on 18 December 2023 – Amended budget 2 ([AMBU2](#)).

In order to provide a complete overview of this column for the year 2023, the breakdown for Title 2 with the consumption of the budget before the financial autonomy under DG RTD and the two amending budgets (AMBU1 and AMBU2) is explained below:

EUR '000				
	Item	Budget implemented before the financial autonomy and the two amending budgets	Budget consumption before the financial autonomy under DG RTD	Amending budgets (AMBU1 and AMBU2)
		1 = 2 + 3	2	3
20-0	Rental of buildings and associated costs	0	0	0
21-0	Information, communication technology and data processing	( 407)	( 31)	( 377)
22-0	Movable property and associated costs	( 3)	( 3)	0
23-0	Current administrative expenditure	0	0	0
24-0	Postage / Telecommunications	0	0	0
25-0	Meeting expenses	( 406)	( 0)	( 406)
26-0	Running costs in connection with operational activities	( 139)	0	( 139)
27-0	Information and publishing	0	0	0
28-0	Service contracts	( 320)	( 6)	( 314)
<b>Total Title 2</b>		<b>( 1 276)</b>	<b>( 40)</b>	<b>( 1 236)</b>

(3) Credit operations made by the JU under Title 2 after the financial autonomy.

Annual accounts of the Global Health EDCTP3 Joint Undertaking 2023

Breakdown & changes in commitment appropriations – Title 3

EUR '000

Item		Initial adopted budget (1)	Budget appropriations			Additional appropriations			Total appropriations available to GH EDCTP3 JU
			Budget implemented before financial autonomy and amending budgets (2)	Transfers	Budget available to GH EDCTP3 JU for implementation	Reactivated appropriations	Assigned revenue	Total	
		1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
30-0	Grants	131 363	2 923	0	134 287	0	0	0	134 287
Total Chapter 30-0		131 363	2 923	0	134 287	0	0	0	134 287
31-0	Experts costs	0	534	0	534	0	0	0	534
Total Chapter 31-0		0	534	0	534	0	0	0	534
Total Title 3		131 363	3 457	0	134 821	0	0	0	134 821
<b>GRAND TOTAL</b>		<b>137 023</b>	<b>( 579)</b>	<b>0</b>	<b>136 444</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>136 444</b>

(1) Initial adopted budget 2023 adopted by the JU on 3 April 2023 ([Work Programme 2023](#)).

(2) This column represents the consumption of the budget appropriations (executed budget) before the financial autonomy on 23 November 2023 and the two amendments of the budget that the JU had in 2023:

- First amendment adopted by the JU on 21 November 2023 – Amended budget 1 ([AMBU1](#)).
- Second amendment adopted by the JU on 18 December 2023 – Amended budget 2 ([AMBU2](#)).

In order to provide a complete overview of this column for the year 2023, the breakdown for Title 3 with the consumption of the budget before the financial autonomy under DG RTD and the two amending budgets (AMBU1 and AMBU2) is explained below:

*Annual accounts of the Global Health EDCTP3 Joint Undertaking 2023*

EUR '000

Item		Budget implemented before the financial autonomy and the two amending budgets	Budget consumption before the financial autonomy under DG RTD	Amending budgets (AMBU1 and AMBU2)
		1 = 2 + 3	2	3
30-0	Grants	2 923	0	2 923
31-0	Experts costs	534	534	0
<b>Total Title 3</b>		<b>3 457</b>	<b>534</b>	<b>2 923</b>

Annual accounts of the Global Health EDCTP3 Joint Undertaking 2023

Breakdown & changes in payment appropriations

Breakdown & changes in payment appropriations – Title 1

EUR '000

Item		Initial adopted budget (1)	Budget appropriations			Additional appropriations			Total appropriations available to GH EDCTP3 JU
			Budget implemented before financial autonomy and amending budgets (2)	Transfers	Budget available to GH EDCTP3 JU for implementation	Reactivated appropriations	Assigned revenue	Total	
		1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
11-0	Establishment plan posts	2 818	( 2 553)	0	265	0	0	0	265
Total Chapter 11-0		2 818	( 2 553)	0	265	0	0	0	265
11-1	External personnel	384	( 326)	0	59	0	0	0	59
Total Chapter 11-1		384	( 326)	0	59	0	0	0	59
12-0	Expenditure relating to staff recruitment	133	( 2)	0	131	0	0	0	131
Total Chapter 12-0		133	( 2)	0	131	0	0	0	131
13-0	Mission expenses	72	( 35)	0	37	0	0	0	37
Total Chapter 13-0		72	( 35)	0	37	0	0	0	37
14-0	Socio-medical infrastructure	33	( 0)	0	33	0	0	0	33
Total Chapter 14-0		33	( 0)	0	33	0	0	0	33
15-0	Training	53	( 1)	0	52	0	0	0	52
Total Chapter 15-0		53	( 1)	0	52	0	0	0	52
16-0	External services	22	148	0	171	0	0	0	171
Total Chapter 16-0		22	148	0	171	0	0	0	171
17-0	Receptions, events and representation	3	0	0	3	0	0	0	3
Total Chapter 17-0		3	0	0	3	0	0	0	3
Total Title 1		3 519	( 2 768)	0	751	0	0	0	751

(1) Initial voted budget 2023 adopted by the JU on 3 April 2023 ([Work Programme 2023](#)).

(2) This column represents the consumption of the budget appropriations (executed budget) before the financial autonomy on 23 November 2023 and the two amendments of the budget that the JU had in 2023:

- First amendment adopted by the JU on 21 November 2023 – Amended budget 1 ([AMBU1](#)).
- Second amendment adopted by the JU on 18 December 2023 – Amended budget 2 ([AMBU2](#)).

In order to provide a complete overview of this column for the year 2023, the breakdown for Title 1 with the consumption of the budget before the financial autonomy under DG RTD and the two amending budgets (AMBU1 and AMBU2) is explained below:

EUR '000				
	Item	Budget implemented before the financial autonomy and the two amending budgets	Budget consumption before the financial autonomy under DG RTD	Amending budgets (AMBU1 and AMBU2)
		1 = 2 + 3	2	3
11-0	Establishment plan posts	( 2 553)	( 675)	( 1 877)
11-1	External personnel	( 326)	( 326)	0
12-0	Expenditure relating to staff recruitment	( 2)	( 2)	0
13-0	Mission expenses	( 35)	( 35)	0
14-0	Socio-medical infrastructure	( 0)	( 0)	0
15-0	Training	( 1)	( 1)	0
16-0	External services	148	( 42)	190
17-0	Receptions, events and representation	0	0	0
<b>Total Title 1</b>		<b>( 2 768)</b>	<b>( 1 081)</b>	<b>( 1 687)</b>

Annual accounts of the Global Health EDCTP3 Joint Undertaking 2023

Breakdown & changes in payment appropriations – Title 2

Item		Initial adopted budget (1)	Budget appropriations			Additional appropriations			Total appropriations available to GH EDCTP3 JU	
			Budget implemented before financial autonomy and two amending budgets (2)	Transfers (3)	Budget available to GH EDCTP3 JU for implementation	Reactivated appropriations	Assigned revenue			
			1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
20-0	Rental of buildings and associated costs	220	0	0	220	0	0	0	0	220
Total Chapter 20-0		220	0	0	220	0	0	0	0	220
21-0	Information, communication technology and data pro	531	( 457)	140	214	0	0	0	0	214
Total Chapter 21-0		531	( 457)	140	214	0	0	0	0	214
22-0	Movable property and associated costs	161	( 3)	( 140)	18	0	0	0	0	18
Total Chapter 22-0		161	( 3)	( 140)	18	0	0	0	0	18
23-0	Current administrative expenditure	92	0	0	92	0	0	0	0	92
Total Chapter 23-0		92	0	0	92	0	0	0	0	92
24-0	Postage / Telecommunications	40	0	0	40	0	0	0	0	40
Total Chapter 24-0		40	0	0	40	0	0	0	0	40
25-0	Meeting expenses	407	( 407)	0	1	0	0	0	0	1
Total Chapter 25-0		407	( 407)	0	1	0	0	0	0	1
26-0	Running costs in connection with operational activ	139	( 139)	0	0	0	0	0	0	0
Total Chapter 26-0		139	( 139)	0	0	0	0	0	0	0
27-0	Information and publishing	199	0	( 50)	149	0	0	0	0	149
Total Chapter 27-0		199	0	( 50)	149	0	0	0	0	149
28-0	Service contracts	350	( 331)	50	69	0	0	0	0	69
Total Chapter 28-0		350	( 331)	50	69	0	0	0	0	69
Total Title 2		2 141	( 1 338)	0	803	0	0	0	0	803

*Annual accounts of the Global Health EDCTP3 Joint Undertaking 2023*

(1) Initial voted budget 2023 adopted by the JU on 3 April 2023 ([Work Programme 2023](#)).

(2) This column represents the consumption of the budget appropriations (executed budget) before the financial autonomy on 23 November 2023 and the two amendments of the budget that the JU had in 2023:

- First amendment adopted by the JU on 21 November 2023 – Amended budget 1 ([AMBU1](#)).
- Second amendment adopted by the JU on 18 December 2023 – Amended budget 2 ([AMBU2](#)).

In order to provide a complete overview of this column for the year 2023, the breakdown for Title 2 with the consumption of the budget before the financial autonomy under DG RTD and the two amending budgets (AMBU1 and AMBU2) is explained below:

		EUR '000		
		Budget implemented before financial autonomy and two amending budgets	Budget consumption before the financial autonomy under DG RTD	Amending budgets (AMBU1 and AMBU2)
		1 = 2 + 3	2	3
20-0	Rental of buildings and associated costs	0	0	0
21-0	Information, communication technology and data processing	( 457)	( 80)	( 377)
22-0	Movable property and associated costs	( 3)	( 3)	0
23-0	Current administrative expenditure	0	0	0
24-0	Postage / Telecommunications	0	0	0
25-0	Meeting expenses	( 407)	( 1)	( 406)
26-0	Running costs in connection with operational act.	( 139)	0	( 139)
27-0	Information and publishing	0	0	0
28-0	Service contracts	( 331)	( 17)	( 314)
<b>Total Title 2</b>		<b>( 1 338)</b>	<b>( 102)</b>	<b>( 1 236)</b>

(3) Credit operations made by the JU under Title 2 after the financial autonomy.

Breakdown & changes in payment appropriations – Title 3

EUR '000

Item		Budget appropriations				Additional appropriations			Total appropriations available to GH EDCTP3 JU
		Initial adopted budget (1)	Budget implemented before financial autonomy and amending budgets (2)	Transfers	Budget available to GH EDCTP3 JU for implementation	Reactivated appropriations	Assigned revenue	Total	
		1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
30-0	Grants	49 803	( 49 730)	0	73	0	0	0	73
Total Chapter 30-0		49 803	( 49 730)	0	73	0	0	0	73
31-0	Experts costs	0	551	0	551	0	0	0	551
Total Chapter 31-0		0	551	0	551	0	0	0	551
<b>Total Title 3</b>		<b>49 803</b>	<b>( 49 179)</b>	<b>0</b>	<b>624</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>624</b>
<b>GRAND TOTAL</b>		<b>55 463</b>	<b>( 53 285)</b>	<b>0</b>	<b>2 179</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2 179</b>

(1) Initial voted budget 2023 adopted by the JU on 3 April 2023 ([Work Programme 2023](#)).

(2) This column represents the consumption of the budget appropriations (executed budget) before the financial autonomy on 23 November 2023 and the two amendments of the budget that the JU had in 2023:

First amendment adopted by the JU on 21 November 2023 – Amended budget 1 ([AMBU1](#))

Second amendment adopted by the JU on 18 December 2023 – Amended budget 2 ([AMBU2](#)).

In order to provide a complete overview of this column for the year 2023, the breakdown for Title 3 with the consumption of the budget before the financial autonomy under DG RTD and the two amending budgets (AMBU1 and AMBU2) is explained below:

EUR '000

Item		Budget implemented before the financial autonomy and the two amending budgets	Budget consumption before the financial autonomy under DG RTD	Amending budgets (AMBU1 and AMBU2)
		1 = 2 + 3	2	3
30-0	Grants	( 49 730)	( 47 863)	( 1 867)
31-0	Experts costs	551	551	0
<b>Total Title 3</b>		<b>( 49 179)</b>	<b>( 47 312)</b>	<b>( 1 867)</b>

## 4. IMPLEMENTATION OF COMMITMENT APPROPRIATIONS

Implementation of commitment appropriations – Title 1

EUR '000

Item		Total approp. available to GH EDCTP3 JU	Commitments made					Appropriations carried over to 2024					Appropriations lapsing		
			from C1	from re-activations	from assign. revenue	Total	%	Assign. revenue	By decision	Total	from C1	from re-activations	from assign. revenue	Total	
1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10+11+12			
11-0	Establishment plan posts	265	215	0	0	215	81 %	0	0	0	50	0	0	50	
Total Chapter 11-0		265	215	0	0	215	81 %	0	0	0	50	0	0	50	
11-1	External personnel	59	50	0	0	50	85 %	0	0	0	9	0	0	9	
Total Chapter 11-1		59	50	0	0	50	85 %	0	0	0	9	0	0	9	
12-0	Expenditure relating to staff recruitment	131	29	0	0	29	22 %	0	0	0	102	0	0	102	
Total Chapter 12-0		131	29	0	0	29	22 %	0	0	0	102	0	0	102	
13-0	Mission expenses	37	37	0	0	37	100 %	0	0	0	0	0	0	0	
Total Chapter 13-0		37	37	0	0	37	100 %	0	0	0	0	0	0	0	
14-0	Socio-medical infrastructure	33	21	0	0	21	65 %	0	0	0	12	0	0	12	
Total Chapter 14-0		33	21	0	0	21	65 %	0	0	0	12	0	0	12	
15-0	Training	52	11	0	0	11	21 %	0	0	0	41	0	0	41	
Total Chapter 15-0		52	11	0	0	11	21 %	0	0	0	41	0	0	41	
16-0	External services	178	176	0	0	176	99 %	0	0	0	1	0	0	1	
Total Chapter 16-0		178	176	0	0	176	99 %	0	0	0	1	0	0	1	
17-0	Receptions, events and representation	3	1	0	0	1	30 %	0	0	0	2	0	0	2	
Total Chapter 17-0		3	1	0	0	1	30 %	0	0	0	2	0	0	2	
Total Title 1		759	542	0	0	542	71%	0	0	0	217	0	0	217	

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Implementation of commitment appropriations – Title 2

EUR '000

Item		Total appr. available to GH EDCTP3 JU	Commitments made					Appropriations carried over to 2024			Appropriations lapsing			
			from C1	from re- activations	from assign. revenue	Total	%	Assign. revenue	By decision	Total	from C1	from re- activations	from assign. revenue	Total
		1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10+ 11+12
20-0	Rental of buildings and associated costs	220	158	0	0	158	72 %	0	0	0	62	0	0	62
Total Chapter 20-0		220	158	0	0	158	72 %	0	0	0	62	0	0	62
21-0	Information, communication technology and data pro	264	241	0	0	241	91 %	0	0	0	23	0	0	23
Total Chapter 21-0		264	241	0	0	241	91 %	0	0	0	23	0	0	23
22-0	Movable property and associated costs	18	1	0	0	1	7 %	0	0	0	17	0	0	17
Total Chapter 22-0		18	1	0	0	1	7 %	0	0	0	17	0	0	17
23-0	Current administrative expenditure	92	0	0	0	0	0 %	0	0	0	92	0	0	92
Total Chapter 23-0		92	0	0	0	0	0 %	0	0	0	92	0	0	92
24-0	Postage / Telecommunications	40	0	0	0	0	1 %	0	0	0	40	0	0	40
Total Chapter 24-0		40	0	0	0	0	1 %	0	0	0	40	0	0	40
25-0	Meeting expenses	1	0	0	0	0	0 %	0	0	0	1	0	0	1
Total Chapter 25-0		1	0	0	0	0	0 %	0	0	0	1	0	0	1
27-0	Information and publishing	149	141	0	0	141	95 %	0	0	0	8	0	0	8
Total Chapter 27-0		149	141	0	0	141	95 %	0	0	0	8	0	0	8
28-0	Service contracts	80	44	0	0	44	55 %	0	0	0	36	0	0	36
Total Chapter 28-0		80	44	0	0	44	55 %	0	0	0	36	0	0	36
Total Title 2		865	586	0	0	586	68%	0	0	0	279	0	0	279

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Implementation of commitment appropriations – Title 3

EUR '000

Item		Total appr. available to GH EDCTP3 JU	Commitments made				%	Appropriations carried over to 2024			Appropriations lapsing			
			from C1	from re- activations	from assign. revenue	Total		Assign. revenue	By decision	Total	from C1	from re- activations	from assign. revenue	Total
		1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10+ 11+12
30-0	Grants	134 287	134 244	0	0	134 244	100 %	0	0	0	42	0	0	42
Total Chapter 30-0		134 287	134 244	0	0	134 244	100 %	0	0	0	42	0	0	42
31-0	Experts costs	534	477	0	0	477	89 %	0	0	0	57	0	0	57
Total Chapter 31-0		534	477	0	0	477	89 %	0	0	0	57	0	0	57
Total Title 3		134 821	134 721	0	0	134 721	100 %	0	0	0	100	0	0	100
<b>GRAND TOTAL</b>		<b>136 444</b>	<b>135 849</b>	<b>0</b>	<b>0</b>	<b>135 849</b>	<b>100 %</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>595</b>	<b>0</b>	<b>0</b>	<b>595</b>

## 5. IMPLEMENTATION OF PAYMENT APPROPRIATIONS

### Implementation of payment appropriations – Title 1

EUR '000

		Total appopr. available to GH EDCTP3 JU	Payments made						Appropriations carried over to 2024				Appropriations lapsing			
			from C1	from re-activations	from assign. revenue	Total	%	Autom. carry-overs	By decision	Assigned rev.	Total	from C1	from re-activations	from assign. revenue	Total	
			1	2	3	4	5=2+3+4	6=5/1	7	8	9	10=7+8+9	11	12	13	14=11+12+13
11-0	Establishment plan posts	265	117	0	0	117	44 %	0	0	0	0	148	0	0	148	
Total Chapter 11-0		265	117	0	0	117	44 %	0	0	0	0	148	0	0	148	
11-1	External personnel	59	44	0	0	44	75 %	0	0	0	0	15	0	0	15	
Total Chapter 11-1		59	44	0	0	44	75 %	0	0	0	0	15	0	0	15	
12-0	Expenditure relating to staff recruitment	131	2	0	0	2	2 %	0	0	0	0	129	0	0	129	
Total Chapter 12-0		131	2	0	0	2	2 %	0	0	0	0	129	0	0	129	
13-0	Mission expenses	37	4	0	0	4	10 %	0	0	0	0	33	0	0	33	
Total Chapter 13-0		37	4	0	0	4	10 %	0	0	0	0	33	0	0	33	
14-0	Socio-medical infrastructure	33	2	0	0	2	7 %	0	0	0	0	31	0	0	31	
Total Chapter 14-0		33	2	0	0	2	7 %	0	0	0	0	31	0	0	31	
15-0	Training	52	0	0	0	0	0 %	0	0	0	0	52	0	0	52	
Total Chapter 15-0		52	0	0	0	0	0 %	0	0	0	0	52	0	0	52	
16-0	External services	171	14	0	0	14	8 %	0	0	0	0	156	0	0	156	
Total Chapter 16-0		171	14	0	0	14	8 %	0	0	0	0	156	0	0	156	
17-0	Receptions, events and representat.	3	0	0	0	0	0 %	0	0	0	0	3	0	0	3	
Total Chapter 17-0		3	0	0	0	0	0 %	0	0	0	0	3	0	0	3	
Total Title 1		751	183	0	0	183	24%	0	0	0	0	568	0	0	568	

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Implementation of payment appropriations – Title 2

EUR '000

		Total appr. available to GH EDCTP3JU	Payments made					Appropriations carried over to 2024					Appropriations lapsing			
Item			from C1	from re- activations	from assign. revenue	Total	%	Autom. carry- overs	By decision	Assigned rev.	Total	from C1	from re- activations	from assign. revenue	Total	
			1	2	3	4	5=2+3+4	6=5/1	7	8	9	10=7+8+9	11	12	13	14=11+ 12+13
20-0	Rental of buildings and associated costs	220	153	0	0	153	69 %	0	0	0	0	67	0	0	67	
Total Chapter 20-0		220	153	0	0	153	69 %	0	0	0	0	67	0	0	67	
21-0	Information, communication technology and data	214	155	0	0	155	72 %	0	0	0	0	59	0	0	59	
Total Chapter 21-0		214	155	0	0	155	72 %	0	0	0	0	59	0	0	59	
22-0	Movable property and associated costs	18	0	0	0	0	0 %	0	0	0	0	18	0	0	18	
Total Chapter 22-0		18	0	0	0	0	0 %	0	0	0	0	18	0	0	18	
23-0	Current administrative expenditure	92	0	0	0	0	0 %	0	0	0	0	92	0	0	92	
Total Chapter 23-0		92	0	0	0	0	0 %	0	0	0	0	92	0	0	92	
24-0	Postage / Telecommunication	40	0	0	0	0	0 %	0	0	0	0	40	0	0	40	
Total Chapter 24-0		40	0	0	0	0	0 %	0	0	0	0	40	0	0	40	
25-0	Meeting expenses	1	0	0	0	0	0 %	0	0	0	0	1	0	0	1	
Total Chapter 25-0		1	0	0	0	0	0 %	0	0	0	0	1	0	0	1	
27-0	Information and publishing	149	0	0	0	0	0 %	0	0	0	0	149	0	0	149	
Total Chapter 27-0		149	0	0	0	0	0 %	0	0	0	0	149	0	0	149	
28-0	Service contracts	69	10	0	0	10	14 %	0	0	0	0	59	0	0	59	
Total Chapter 28-0		69	10	0	0	10	14 %	0	0	0	0	59	0	0	59	
Total Title 2		803	318	0	0	318	40%	0	0	0	0	485	0	0	485	

Annual accounts of the Global Health EDCTP3 Joint Undertaking 2023

Implementation of payment appropriations – Title 3

		Total appropriations available to GH EDCTP3 JU	Payments made					Appropriations carried over to 2024				Appropriations lapsing				EUR '000
Item			from C1	from re- activations	from assign. revenue	Total	%	Autom. carry- overs	By decision	Assigned rev.	Total	from C1	from re- activations	from assign. revenue	Total	
			1	2	3	4	5=2+3+4	6=5/1	7	8	9	10=7+8+9	11	12	13	14=11+ 12+13
30-0	Grants	73	42	0	0	42	57 %	0	0	0	0	31	0	0	31	
Total Chapter 30-0		73	42	0	0	42	57 %	0	0	0	0	31	0	0	31	
31-0	Experts costs	551	477	0	0	477	86 %	0	0	0	0	75	0	0	75	
Total Chapter 31-0		551	477	0	0	477	86 %	0	0	0	0	75	0	0	75	
Total Title 3		624	519	0	0	519	83%	0	0	0	0	106	0	0	106	
<b>GRAND TOTAL</b>		<b>2 179</b>	<b>1 020</b>	<b>0</b>	<b>0</b>	<b>1 020</b>	<b>47 %</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1 159</b>	<b>0</b>	<b>0</b>	<b>1 159</b>	

## 6. OUTSTANDING COMMITMENTS

### Outstanding commitments – Title 1

EUR '000

Item		Commitments outstanding at the end of previous year				Commitments of the current year				Total commitm. outstanding at year-end
		Committm. carried forward from previous year	Decommitt. Revaluation Cancellations	Payments	Total	Commitments made during the year (1)	Payments (2)	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
11-0	Establishment plan posts	0	0	0	0	215	117	0	98	98
Total Chapter 11-0		0	0	0	0	215	117	0	98	98
11-1	External personnel	0	0	0	0	50	44	0	6	6
Total Chapter 11-1		0	0	0	0	50	44	0	6	6
12-0	Expenditure relating to staff recruitment	0	0	0	0	29	2	0	27	27
Total Chapter 12-0		0	0	0	0	29	2	0	27	27
13-0	Mission expenses	0	0	0	0	37	4	0	34	34
Total Chapter 13-0		0	0	0	0	37	4	0	34	34
14-0	Socio-medical infrastructure	0	0	0	0	21	2	0	19	19
Total Chapter 14-0		0	0	0	0	21	2	0	19	19
15-0	Training	0	0	0	0	11	0	0	11	11
Total Chapter 15-0		0	0	0	0	11	0	0	11	11
16-0	External services	0	0	0	0	176	14	0	162	162
Total Chapter 16-0		0	0	0	0	176	14	0	162	162
17-0	Receptions, events and representation	0	0	0	0	1	0	0	1	1
Total Chapter 17-0		0	0	0	0	1	0	0	1	1
<b>Total Title 1</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>542</b>	<b>183</b>	<b>0</b>	<b>358</b>	<b>358</b>

(1) This column represents the commitments made (consumption) by the JU after the financial autonomy, i.e., from 23 November to 31 December 2023.

(2) This column represents the payments made (consumption) by the JU after the financial autonomy, i.e., from 23 November to 31 December 2023.

Outstanding commitments – Title 2

EUR '000

		Commitments outstanding at the end of previous year				Commitments of the current year				
Item		Commitm. carried forward from previous year	Decommit. Revaluation Cancellations	Payments	Total	Commitments made during the year (1)	Payments (2)	Cancellatio n of commit. which cannot be carried forward	Commit- Outstanding at year-end	Total committ. outstanding at year-end
		1	2	3	4=1+2-3	5	6	7	8=5-6-7	9=4+8
20-0	Rental of buildings and associated costs	0	0	0	0	158	153	0	5	5
Total Chapter 20-0		0	0	0	0	158	153	0	5	5
21-0	Information, communication technology and data pro	0	0	0	0	241	155	0	86	86
Total Chapter 21-0		0	0	0	0	241	155	0	86	86
22-0	Movable property and associated costs	0	0	0	0	1	0	0	1	1
Total Chapter 22-0		0	0	0	0	1	0	0	1	1
24-0	Postage / Telecommunications	0	0	0	0	0	0	0	0	0
Total Chapter 24-0		0	0	0	0	0	0	0	0	0
27-0	Information and publishing	0	0	0	0	141	0	0	141	141
Total Chapter 27-0		0	0	0	0	141	0	0	141	141
28-0	Service contracts	0	0	0	0	44	10	0	34	34
Total Chapter 28-0		0	0	0	0	44	10	0	34	34
<b>Total Title 2</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>586</b>	<b>318</b>	<b>0</b>	<b>268</b>	<b>268</b>

(1) This column represents the commitments made (consumption) by the JU after the financial autonomy, i.e., from 23 November to 31 December 2023.

(2) This column represents the payments made (consumption) by the JU after the financial autonomy, i.e., from 23 November to 31 December 2023.

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Outstanding commitments – Title 3

EUR '000

Item		Commitments outstanding at the end of previous year				Commitments of the current year				Total committm outstanding at year-end
		Commitm. carried forward from previous year	Decommit. Revaluation Cancellations (1)	Payments	Total	Commit. made during the year (2)	Payments (3)	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
30-0	Grants	0	56 052	0	56 052	134 244	42	0	134 203	190 254
Total Chapter 30-0		0	56 052	0	56 052	134 244	42	0	134 203	190 254
31-0	Experts costs	0	0	0	0	477	477	0	0	0
Total Chapter 31-0		0	0	0	0	477	477	0	0	0
Total Title 3		0	56 052	0	56 052	134 721	519	0	134 203	190 254
GRAND TOTAL		0	56 052	0	56 052	135 849	1 020	0	134 829	190 881

(1) This column represents the RAL from the year 2022 (EUR 56 051 720,71) included in the transfer of file from DG RTD to the JU (C8 appropriations).

(2) This column represents the commitments made (consumption) by the JU after the financial autonomy, i.e., from 23 November to 31 December 2023.

(3) This column represents the payments made (consumption) by the JU after the financial autonomy, i.e., from 23 November to 31 December 2023.

## 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 can not be carried over, shall be cancelled.

### **Carryover of appropriations**

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

### **Commitment appropriations**

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

### **De-commitment**

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

### **Differentiated appropriations.**

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

### **Economic result**

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

### **Entitlements established**

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

### **Exchange rate difference**

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

### **Expenditure**

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

### **Grants**

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

### **Lapsing appropriations**

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

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

### **Legal basis / basic act**

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

### **Legal commitment**

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

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

### **Non-differentiated appropriations**

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

### **Operational appropriations**

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

### **Outstanding commitments**

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

### **Payment appropriations**

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

### **RAL (Reste à liquider)**

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

### **Surplus**

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

### **Transfer between budget lines**

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



Now, for tomorrow

 **bakertilly**

