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Mr. Michael Makanga
Executive Director
Global Health EDCTP3 Joint Undertaking
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Your message of your reference

our reference
JASM/HECL/PLTH

Melle
2025-06-10

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 2024.

Yours faithfully,

Baker Tilly Bedrijfsrevisoren BV


Jan Smits
Audit Partner

Christel De Blander
Audit Partner



GLOBAL HEALTH EDCTP3 JU

**Independent Auditor's report on the
Final Annual Accounts as at :
31 DECEMBER 2024**

Date: June 10, 2025

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 1
JANUARY TO 31 DECEMBER 2024**

Opinion

We have audited the accompanying final annual accounts of the Global Health EDCTP3 Joint Undertaking, 'the joint undertaking' for the financial year from 1 January to 31 December 2024. Their annual accounts consist of the financial statements and the reports on the implementation of the budget for the financial year ended December 31, 2024. The financial statements comprise the balance sheet as at December 31, 2024, 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 Joint undertaking present fairly, in all material aspects, its financial position as at December 31, 2024, and the results of its operations and its cash flow, for the year then ended, and are prepared in accordance with its Financial Regulation, and, in accordance with the accounting rules adopted by the Commission's accounting officer, and the International Public Sector Accounting Standards, as issued by the International Public Sector Accounting Standards Board.

Basis for Opinion

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



Other Information

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

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

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

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

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

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

Those charged with governance are responsible for overseeing the Joint undertaking'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 Joint undertaking'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 Joint undertaking'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 Joint undertaking to cease to continue as a going concern.
- ✓ Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

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




Restriction on use and distribution

The opinion transmitted is only intended for the Joint undertaking and for the European Court of Auditors, for the purpose of forming an opinion on the final annual accounts of the Joint undertaking 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 Joint undertaking is prohibited and we will not assume any duty of care or liability towards these persons or entities.

Melle, June 10, 2025

Yours faithfully,




Jan Smits
Audit Partner

Christel De Blander
Audit Partner

ANNEX 1: Preliminary findings

There are no preliminary findings to report.



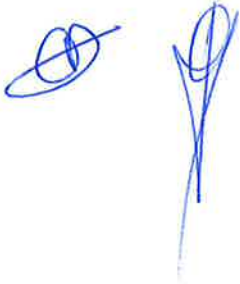
ANNEX 2: Follow-up of previous years comments

There is no follow up and comments about previous years.



ANNEX 3: Open points regarding our audit 2024

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 2024

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CERTIFICATION OF THE ACCOUNTS

I acknowledge my responsibility for the preparation and presentation of the annual accounts of the Global Health EDCTP3 Joint Undertaking (JU), in accordance with Article 52 of the Model Financial Regulation ('MFR')¹ and I hereby certify that the annual accounts of Global Health EDCTP3 for the year 2024 have been prepared in accordance with Chapter 8 and the accounting rules adopted by the Commission's Accounting Officer, as are to be applied by all the institutions and Union bodies.

I have obtained from the Authorising Officer, who certified its reliability, all the information necessary for the production of the accounts that show Global Health EDCTP3's assets and liabilities and the budgetary implementation.

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

My assurance statement related to the Final Accounts 2024 will be transmitted to the Accounting Officer of the Commission. The Management Representation Letter, signed by the Authorising Officer and myself, will be sent to the European Court of Auditors for the audit of the Final Accounts.

Qualified electronic signature by: ANDREI

HRETU

Date 2025-06-05 20:40:12 UTC

Andrei Hretu

**Accounting Officer of the Global Health
EDCTP3 Joint Undertaking**

¹COMMISSION DELEGATED REGULATION (EU) 2019/887 of 13 March 2019 on the model financial regulation for public-private partnership bodies referred to in Article 71 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council.

BACKGROUND INFORMATION NOTE

1. General background on the entity

Establishment

The Global Health EDCTP3 Joint Undertaking (JU) is a partnership between the European Union, represented by the European Commission, and the EDCTP Association, representing European and sub-Saharan African member countries participating in the partnership. On 31 December 2024, 15 European and 30 African countries were members of the EDCTP Association. The list of member countries of EDCTP Association can be found here: [Members of the General Assembly - EDCTP](#).

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

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

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

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

Mission

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

Main operational activities

The general objectives of Global Health EDCTP3 are:

- (1) to contribute to the reduction of the socioeconomic burden of infectious diseases in sub-Saharan Africa by promoting the development and uptake of new or improved health technologies;
- (2) to contribute to the increase of health security in sub-Saharan Africa and globally by strengthening the research- and innovation-based capacities for preparedness and response to control infectious diseases.

Moreover, Global Health EDCTP3 has the following specific objectives:

- a. to advance the development and use of new or improved health technologies for tackling infectious diseases by supporting the conduct of the clinical trials, in sub-Saharan Africa;
- b. to strengthen research and innovation capacity and the national health research systems in sub-Saharan Africa for tackling infectious diseases;
- c. to facilitate better alignment of Member States, associated countries and sub-Saharan countries around a common Strategic Research and Innovation Agenda in the field of global health to increase the cost-effectiveness of European public investment;
- d. to strengthen capacity in sub-Saharan Africa for epidemic preparedness through effective and rapid research response to develop essential diagnostics, vaccines and therapeutics for early detection and control of emerging diseases of epidemic potential;
- e. to promote productive and sustainable networking and partnerships in the area of global health research building North–South and South–South relationships with multiple private and public-sector organisations.

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

Governance

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

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

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

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

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

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

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

- providing input on the scientific, strategic and technological priorities to be addressed by the JU;
- providing suggestions to enable concrete synergies to take place between the JU and the adjacent

- sectors or any sector which synergies will be deemed of added value; providing input to the EDCTP Forum.

Sources of financing

Global Health EDCTP3 is funded by its members and contributing partners. One of the two members, the Union, provides financial contribution to cover administrative and operational costs up to EUR 890.122.000², 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 550.000.000³ which can consist of in-kind contributions to Additional Activities (IKAA), in-kind contributions to operational activities (IKOP) and/or financial contribution. The contributing partners 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 the contributions from the contributing partners do not meet the expected level, the EDCTP Association shall increase its contribution such that the Union's total contribution to the JU remains 50% of the total JU funding.

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

³ A letter from the EDCTP Association dated 22 December 2023 was received increasing its contribution commitment to the JU from EUR 439.878.000 by EUR 110.122.000, making its total contribution to be at least EUR 550.000.000.

2. Annual accounts

Basis for preparation

The legal framework and the deadlines for the preparation of the annual accounts are set by Model Financial Regulation (MFR)⁴. 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 Act⁵ establishing the new generations of JUs required, within one year following the date of entry into force of the Regulation, the establishment of back-office arrangements, to provide horizontal support functions to the joint undertakings, by concluding service level agreements. The Accounting Back Office (Acco BOA) was established and took over the accounting services from Accounting Officer the European Commission from 1 December 2022.

Following the decision of Global Health EDCTP3 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 Global Health EDCTP3.

Composition of the annual accounts

The annual accounts cover the period from 1 January to 31 December 2024, while the comparative period covers the timeframe from financial autonomy 23 November to 31 December 2023 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 Act⁶, "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.

⁴ Commission Delegated Regulation (EU) 2019/887 of 13 March 2019 on the model financial regulation for public-private partnership bodies referred to in Article 71 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council (OJ L 14 2, 29.5.2019, p. 16)

⁵ COUNCIL REGULATION (EU) 2021/2085 of 19 November 2021 establishing the Joint Undertakings under Horizon Europe

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

3. Operational highlights

Growing partnership

In 2024, Global Health EDCTP3 continued to grow in terms of the contributions provided by its members, the European Commission and the EDCTP Association. The total budget grew from EUR 1,6 to EUR 1,86 billion.

Global Health EDCTP3 was mentioned as a key initiative for scientific collaboration with Africa in the [final communiqué of the G7 Ministers Meeting on Science and Technology](#) in July 2024. This recognition builds on the tangible outcomes achieved by the partnership over more than 20 years.

Additionally, as part of the EU global health strategy implementers, Global Health EDCTP3 was actively involved in the high-level AU-EU dialogue to strengthen the health partnership, which was followed by the high-level event on [deepening the EU-AU partnership in global health for equitable access](#), organised by the Belgian Presidency of the Council of the EU in March 2024.

During 2024, Eswatini and Namibia became member countries of the [EDCTP Association](#), bringing the total number of African countries participating in the partnership to 30. By joining the EDCTP Association, they will be able to engage in and receive funding through Global Health EDCTP3 activities.

Achievements of the year

During 2024, Global Health EDCTP3 signed grant agreements for 46 new projects with a total grant amount of EUR 131 million, bringing the number of projects currently funded to a total of 74, corresponding to a total JU contribution of EUR 234 million.

Out of the 46 signed projects in 2024, 40 are dedicated to research and innovation actions (RIAs) tackling infectious diseases in sub-Saharan Africa, while the remaining six will focus on capacity-building, networking and training activities through coordination and support actions (CSAs). These projects span a variety of disease areas, including emerging and re-emerging infectious diseases with epidemic potential, malaria, neglected infectious diseases, tuberculosis, lower respiratory tract infections, HIV, diarrhoeal diseases, childhood cross-infections, and others. They also address the different research gaps related to medical countermeasures R&D, including contributions to the development of drugs/therapies, vaccines, diagnostics, surveillance tools, and other prevention tools.

A total of 219 participating entities in 2024 calls⁷ (i.e., recipients of Global Health EDCTP3 projects) are involved in the implementation of these 46 new grants, bringing the total number of entities involved in the implementation of ongoing projects funded by Global Health EDCTP3 to 305 since 2022⁸. Among these 219 participating entities, 109 (50%) are in Africa, with 49 (45%) of them in countries with French or Portuguese as one of their official languages, addressing the equity gaps involving previously underrepresented areas in EDCTP-funded projects.

Among the 219 participating entities, most represent the research or education sector, amounting to 67% (146 participating entities), while the private for-profit sector reached 13% (29 participating entities), and SMEs 9% (19 participating entities).

The 46 new projects also expanded the geographic footprint of Global Health EDCTP3, with 14 additional countries joining Global Health EDCTP3 activities. As a result, the number of countries with participants in projects grew from 42 in December 2023 to 56 in December 2024. Among these additional 14 countries, eight are in Africa.

⁷ Unique participants, namely the number of distinct organisations involved in the funded projects. One entity participating in N projects only counts once.

⁸ For this number, each entity was counted once since the start of the Programme.

Responding to emerging epidemics

In 2024, the world, and Africa especially, witnessed a surge in Mpox cases, with thousands of infections reported in the Democratic Republic of Congo and other African countries. Global Health EDCTP3 reacted swiftly, activating its emergency funding mechanism and opening a dedicated call for proposals on 14 May 2024.

As a result, nine projects dedicated to the emergency research response to the 2024 Mpox outbreak were funded in 2024, with additional funding from the EDCTP Association (via the UK Department of Health and Social Care and ANRS *Maladies infectieuses émergentes*) and supplementary funding from the Coalition for Epidemic Preparedness Innovations (CEPI). The role of Global Health EDCTP3 as a key partner for research and innovation in response to the Mpox outbreak was recognised by Africa CDC and the World Health Organization (WHO) in the [Mpox Continental Preparedness and Response Plan](#).

In June 2024, a Global Health EDCTP3 [news article](#) was published on the role of Global Health EDCTP3 in preparedness and research response to public health emergencies.

In December 2024, a high-level [meeting](https://www.global-health-edctp3.europa.eu/our-projects_en) on “Communities at the center of the Mpox emergency response: driving local level impact through social and behavioural science” held in Kinshasa, Democratic Republic of Congo (DRC). Co-convened by the WHO, Global Health EDCTP3, Elrha, Africa CDC and hosted by the Ministry of Health of the DRC, the meeting aimed to take stock of the research being conducted and planned and identify evidence gaps regarding social and behavioural aspects of Mpox outbreaks.

Launching new calls / evaluating ongoing calls for proposals

During 2024, Global Health EDCTP3 launched and concluded three calls for proposals, including two two-stage calls and one single-stage call, attracting a significant response from the research community.

For the two-stage calls, a total of 250 short proposals (of which, 205 eligible proposals) were submitted for the first stage by 4 April 2024, followed by 67 complete proposals received for the second stage by 1 October 2024.

For the single-stage call (Mpox emergency call) 17 complete proposals (of which, 16 eligible proposals) were submitted by 29 May 2024.

Also in 2024, Global Health EDCTP3 concluded a two-stage call for proposals launched under Work Programme 2023. Following the first stage evaluation process initiated in 2023, 36 complete proposals were received for the second stage by 3 April 2024. From this call for proposals, ten grants have been awarded and signed in 2024.

Engaging partners

In 2024, numerous advocacy, networking and outreach activities were conducted in support of achieving Global Health EDCTP3’s strategic objectives. Our efforts covered the following areas:

- Regular exchanges and bilateral discussions with current and potential external partners, with the aim to align health research agendas and develop joint funding strategies with Contributing Partners;
- Active participation in funders groups, global health research platforms and other initiatives to promote the Global Health EDCTP3 programme and engage in relevant discussions with key stakeholders;
- Regular exchanges with European and African government representatives on key issues.

Alongside funding partnerships in response to the Mpox outbreak, 2024 saw an increased level of engagement with both longstanding and new strategic partners in other areas, including to reinforce partnership with the European Commission and EDCTP Association countries.

In May 2024, a Global Health EDCTP3 [news article](#) was published which highlighted working in partnership as being a core value of Global Health EDCTP3, including ensuring coordination with the different European Commission Directorates-General and EU agencies. To further reinforce this, Global Health EDCTP3 hosted in September 2024 [a high-level meeting](#) with key EU research and health leaders moderated by the editors-in-chief of The Lancet, to exchange on the EU investments and future perspectives in global health and explore areas for close collaboration across EU initiatives going forward. In November 2024, the Global Health EDCTP3

Executive Director also accompanied Mr Marc Lemaître, Director General of the Directorate-General for Research and Innovation, during a two-day visit to Cape Town, South Africa, which showcased significant strides in health research and innovation supported by EU partnerships.

Outreach to like-minded organisations was ramped up during the course of 2024, including engagement with a variety of current and prospective strategic partners. As a result of these exchanges, BioNTech became a Global Health EDCTP3 Contributing Partner in June 2024 for the 2024 call on training fellowships and discussions advanced with other prospective Contributing Partners.

In March 2024 Global Health EDCTP3 became a full member of the Global Research Collaboration for Infectious Disease Preparedness ([GloPID-R](#)) and was subsequently elected for representation in the GloPID-R Board in December 2024. Global Health EDCTP3 was also represented as a Steering Committee member of ESSENCE in Health Research in 2024, in addition to actively participating as a member of the Product Development Partnerships (PDP) Funders Group, including attendance at PDP donor roundtables in South Africa (through EDCTP Africa Office representation) and the Netherlands in June and November 2024 respectively.

Organising events

In June 2024 preparations commenced for the organisation of the Twelfth EDCTP Forum, scheduled to take place on 15-20 June 2025 at the Kigali Convention Centre in Kigali, Rwanda. Hosted by the Ministry of Health of Rwanda and the Rwanda Biomedical Centre, and jointly organised by Global Health EDCTP3 and the EDCTP Association, the theme for the 2025 Forum is "Better health through global research partnerships". The Programme and Organising Committees were established, preparations have started for the organisation of the event, the Forum website was launched, review of submitted abstracts and scientific symposia is ongoing.

Governance

After achieving financial autonomy in November 2023, 2024 was the first full year that Global Health EDCTP3 functioned as a fully autonomous EU body, independently executing its work programme and budget. Under the strategic guidance of the Governing Board and the scientific and strategic advice of the Scientific Committee and the Stakeholders Group, the Executive Director led the Programme Office from the successful implementation of the Work Programme 2024 to the preparation and timely adoption of the Work Programme 2025.

Budget and budget implementation

Overall, Global Health EDCTP3 reached 100% of commitment "active" appropriations (Titles 1, 2 and 3) and 96,3% of payment appropriations executions in 2024. Taking into account Titles 1, 2, 3 and 4, the implementation of commitment appropriations is 98%.

The annual budget for year 2024 was adopted by the Governing Board on 15 December 2023, per Decision GH-EDCTP3-GB/42/2023.

There were two amendments of the budget during 2024:

Amendment number Nr 1 (AMBU1)

The Annual Budget for year 2024 was amended for the first time on 27 June, per Decision GH-EDCTP3-GB/18/2024.

Compared to the Work Programme 2024 and Budget, this amendment recognised the following new contributions:

- The first instalment of EUR 55.056 thousand regarding the additional EU contribution to Global Health EDCTP3 following the association of the UK to Horizon Europe from 2024. The total additional contribution of EUR 110.122 thousand for the 2024-2027 period was confirmed by DG RTD, increasing the overall Union financial contribution up to EUR 890.122 thousand (including the reduction of EUR 20 million that was implemented for the Global Health EDCTP3 Programme following the decision to cut the HE budget for the period 2025-2027).
- EUR 15 million (~up to and/or above and subject to the confirmation of the exchange rate difference with GBP) regarding the EDCTP Association member states funding (through France, Germany and United Kingdom).

- An increase of EUR 42.200 and EUR 895.000 respectively in administrative and operational EU contribution following the change of the EFTA rate for the year 2024.

Consequently, adaptation of the expenditure budget appropriation per line was proposed considering the evolution of budget needs identified for the second half of the year 2024. With:

- Slight increase of the overall administrative budget due to the change in the EFTA rate for 2024 and reduction of the budget associated to salaries and allowances due to the fact that recruitments were still ongoing and the JU was not fully staff yet, which allowed to re-allocate these resources differently.
- The transfers from Title 1 to Title 2 were to ensure that the JU could perform the necessary works and refurbishment in its new premises on the second floor of the White Atrium building. After the amendment of the usufruct contract with all the joint undertakings located within the same building and completion of the works, the move took place in February 2025.
- The overall operational budget for the year 2024 was increased by EUR 71 million in commitment appropriations and EUR 5,5 million in payment appropriations.
 - Budget for grants (BL 300) was increased by EUR 69,5 million in commitment appropriations (and EUR 4,4 million in payment appropriations) following the new contribution coming from the UK association to Horizon Europe and from the EDCTP Association member states.
 - Budget for Expert costs (BL 310) was increased by EUR 216.450 in both commitment and payment appropriations following the review forecast for evaluation and monitoring experts needs until the end of the year.
 - Budget for other operational costs (BL 320) was increased by EUR 1,1 million in commitment appropriations and EUR 777 thousand in payment appropriations. Global Health EDCTP3 will award seven prestigious international prizes (EUR 180 thousand in total) to recognise the achievements of outstanding researchers and research teams, especially from sub-Saharan Africa and Europe. EUR 1 million was allocated to the preparation of the Twelfth EDCTP Forum that will take place in June 2025 in Kigali, Rwanda. Some contracts were signed in 2024 to hire an EU and local events management company and secure a venue. This action will support all eligible costs necessary to organise the Forum and collect and report on expected scientific and policy outputs.

Amendment number Nr 2 (AMBU2)

The Annual Budget for year 2024 was amended for the second time on 2 December, per Decision GH-EDCTP3-GB/28/2024.

Compared to Work Programme 2024 and Budget Amendment Nr 1, this amendment re-allocated the UK contribution (EUR 55.056.000) already confirmed previously into the correct income budget section (regularisation of income budget posting).

Moreover, following confirmation from the UK Department of Health and Social Care (DHSC) in summer 2024, an additional contribution of EUR 5,3 million was provided to award in full the four projects on the reserve list from the Mpox emergency call (and for subsequent increase of the operational expenditure budget).

An adjustment of the expenditure budget appropriations between different budget lines on Title 1 and 2 was made considering the evolution of budget needs and expected budget projection in administrative expenditure until year-end.

Based on the new revenue collected from the EDCTP Association, an adaptation of the operational budget appropriation per line (mostly for grants) was adopted in light of the progress of budget demand at year-end.

Finally, among the new revenue received and in view of the evolution of budget forecast expected until the end of the year, EUR 4,3 million were allocated to unused operational appropriations. This amount was immediately transferred to the Work Programme 2025 for re-allocation to the next year based on the JU's operational activities, as it was required following the forecast for the 2025 calls.

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

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

Title 1 was mainly used for the salaries and allowances of the JU staff alongside the staff missions performed in 2024.

On top of that, a significant amount of this execution rate was committed for the contribution agreement related to European schools, childcare facilities and transportation for the school year 2024-2025.

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

Title 2 was mostly used for the rental costs of the White Atrium offices (offices, parking spaces and charges) and the purchase of different IT equipment for the setting up of the JU.

Due to a significant staff increase in application of its staff establishment plan, Global Health EDCTP3 needed to rent larger premises on the second floor of the White Atrium building. Given that the set-up of the newly rented premises was not yet adapted to the requirements of the JU, works for the refurbishment of the new offices, together with the purchase of movable property, were necessary before the staff could start using them in 2025.

Different events, graphic design support and the migration of the EDCTP3 website to a new domain also represented an important amount as well as the signature of new contracts such as the expert knowledge and analysis of the applied process of certification of IKAA and the statutory audit services for the FY 2024, 2025 and 2026 among others.

The implementation rate of the payment appropriations was 60% for Title 1 and Title 2. Concerning Title 1, these payments comprise mostly salaries and allowances of the staff members, missions' expenses and external services such as the European schools and the monthly salaries of the interim contracts signed with Randstad.

As per Title 2, payments were made to honour the rental of the offices at White Atrium building (first and second floor) and invoices covering costs for the different IT supplies.

Furthermore, pre-financing and interim payments were made for the works performed in the new offices on the second floor as previously outlined and for various events and activities related to communication and publishing.

Finally, miscellaneous payments were made in connection with the signature of different SLAs with the EC and other JUs.

The main reason for the low administrative payment appropriations implementation rate is that following the financial autonomy on 23 November 2023, the JU prepared its 2024 annual budget based on its full staff budget, while it was not possible to recruit all expected FTEs and pay the expected associated salaries. This situation had an overall impact on the administrative budget. This situation had an overall impact on the administrative budget. To mitigate this, the JU prepared regular budget reviews, budget amendments (in June and later in December) and carried out credit operations to maximise its use in general budget execution, but with the impossibility to complete the associated activities with payments. In parallel, the JU placed significant focus on the operational budget achieving much greater success and excellent results (see next section). For the year 2025, the administrative budget is expected to be more balanced, particularly in terms of the total number of staff recruited. Global Health EDCTP3 has already taken proactive steps to improve the implementation rate significantly

Operational costs: Title 3 (Operational Expenditure)

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

The majority of the JU's budget under this category is represented by the two calls for proposals launched in 2024: the two-stage call covering six topics for Research and Innovation Actions and two stage call covering one topic for Coordination and Support Actions (EUR 199,2 million in total).

Additionally, EUR 12,1 million were attributed to the emergency funding call in response to the Mpox outbreak in the Democratic Republic of Congo (DRC).

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

Furthermore, the twelfth EDCTP Forum, that will take place in Kigali (Rwanda) in June 2025, provides a high scientific and technical impact for Global Health EDCTP3, with an international platform for the presentation and discussion of clinical studies for everyone involved in combating poverty-related diseases and the appropriate capacity development and networking activities. The Forum has established itself in the past as a valuable opportunity to develop and reinforce cooperation and synergy among the EDCTP Association stakeholders at various levels including scientific and policy, and the JU is therefore delivering the continuation with the EDCTP3 Programme. Scientists involved in EDCTP and EDCTP3 Programme funded projects are particularly encouraged to use this opportunity to share new developments and results from their projects to which it is expected that the EDCTP3 programme would largely benefit on its operational objectives.

For the organisation of the Forum, contracts were signed in 2024 to hire an EU and local events management company and the venue rental cost (EUR 1 million).

Finally, EUR 180 thousand were committed to award seven prestigious international prizes in 2025. The implementation rate of the operational budget in payment appropriations was 98%.

In 2024, most of the payment appropriations were used for the pre-financing of the grants resulting from the 2023 calls for proposal and Mpox call (EUR 71,4 million), the first REPA from the EDCTP3 Africa Office (EUR 1 million), REA Experts costs (EUR 850.136) and the payments to the members of the Scientific Committee (EUR 46.435).

Title 4 (unused appropriations)

Among the new revenue received in 2024 and considering the budget forecast, EUR 4,3 million were allocated to unused operational appropriations. This amount was immediately transferred to the Work Programme 2025 for re-allocation to the next year based on the JU's operational activities, as it was required following the forecast for the 2025 calls.

Impact of the activities in the financial statements

The activities of the JU during 2024 have contributed to the significant increase in the pre-financing on the balance sheet statement with the payments performed in 2024 accounting for an increase of 71.421 thousand of the overall pre-financing balance which represents approx. 96% of the total assets of the organisation. (see note **2.2**)

The work done on projects financed via new and existing grant agreements has contributed to the increase of the accrued liabilities related to operating costs by 15.220 thousand during the year. The accrued liabilities account for approx. 78% of the total liabilities of the organisation. (see note **2.8**)

In the statement of financial performance, the most significant amount (EUR 29.607 thousand) 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.

GLOBAL HEALTH EDCTP3 JOINT UNDERTAKING

FINANCIAL YEAR 2024

FINANCIAL STATEMENTS AND EXPLANATORY NOTES

BALANCE SHEET

	Note	31.12.2024	31.12.2023
NON-CURRENT ASSETS			
Property, plant and equipment	2.2	252.787,11	26.015,58
Long-term pre-financing	2.3	78.026.233,53	41.019.821,93
		78.279.020,64	41.045.837,51
CURRENT ASSETS			
Short-term pre-financing	2.3	33.231.569,87	6.589.849,67
Exchange receivables and non-exchange recoverables	2.4	4.012.365,51	1.158.781,23
		37.243.935,38	7.748.630,90
TOTAL ASSETS		115.522.956,02	48.794.468,41
CURRENT LIABILITIES			
Payables and other liabilities	2.7	8.635.542,82	1.158.781,23
Accrued charges and deferred income	2.8	31.496.907,13	16.121.943,65
		40.132.449,95	17.280.724,88
TOTAL LIABILITIES		40.132.449,95	17.280.724,88
Contribution from Members	2.9	126.211.025,50	48.852.215,19
Accumulated deficit		(17.338.471,66)	-
Economic result of the year		(33.482.047,77)	(17.338.471,66)
NET ASSETS		75.390.506,07	31.513.743,53
LIABILITIES AND NET ASSETS		115.522.956,02	48.794.468,41

STATEMENT OF FINANCIAL PERFORMANCE

	Note	2024	2023 ⁹
REVENUE			
Revenue from non-exchange transactions			
<i>Recovery of expenses</i>	3.1	-	-
<i>Other</i>	3.2	-	-
Revenue from exchange transactions			
<i>Other</i>	3.3	-	-
		-	-
Total revenue		-	-
EXPENSES			
<i>Operating costs</i>	3.4	(29.606.801,03)	(16.570.466,65)
<i>Staff costs</i>	3.5	(2.817.784,77)	(201.870,00)
<i>Other expenses</i>	3.7	(1.057.461,97)	(566.135,01)
Total expenses		(33.482.047,77)	(17.338.471,66)
ECONOMIC RESULT OF THE YEAR		(33.482.047,77)	(17.338.471,66)

⁹ For the comparison with the previous period, it is necessary to consider that the year 2023 covers only the period starting from 23 November, when the Joint Undertaking has obtained its financial autonomy, to 31 December 2023 while the current period of account covers the full year 2024, from 1st of January to 31 December.

CASHFLOW STATEMENT¹⁰

	2024	2023
<i>Economic result of the year</i>	(33.482.047,77)	(17.338.471,66)
Operating activities	33.719.375,20	17.365.463,82
<i>Depreciation and amortization</i>	10.555,90	976,58
<i>(Increase)/decrease in pre-financing</i>	(63.648.131,80)	(47.609.671,60)
<i>(Increase)/decrease in exchange receivables and non-exchange recoverables</i>	(2.853.584,28)	(1.158.781,23)
<i>Increase/(decrease) in payables</i>	7.476.761,59	1.158.781,23
<i>Increase/(decrease) in accrued charges & deferred income</i>	15.374.963,48	16.121.943,65
<i>Increase/(decrease) in cash contributions</i>	77.358.810,31	48.852.215,19
Investing activities	(237.327,43)	(26.992,16)
<i>(Increase)/decrease in intangible assets and property, plant and equipment</i>	(237.327,43)	(26.992,16)
NET CASHFLOW	-	-
<i>Net increase/(decrease) in cash and cash equivalents</i>	-	-
<i>Cash and cash equivalents at the beginning of the year</i>	-	-
<i>Cash and cash equivalents at year-end</i>	-	-

¹⁰ The treasury of Global Health EDCTP3 is integrated into the Commission's treasury system. Because of this, Global Health EDCTP3 does not have any bank accounts of its own. All payments and receipts are processed via the Commission's treasury system and registered on intercompany accounts, which are presented under the heading exchange receivables.

STATEMENT OF CHANGES IN NET ASSETS

	Contribution from Members	Accumulated Surplus/(Deficit)	Economic result of the year	Net Assets
<i>Allocation 2022 economic result</i>	-	-	-	-
<i>Cash contribution</i>	48.852.215,19	-	-	48.852.215,19
<i>Economic result of the year</i>	-	-	(17.338.471,66)	(17.338.471,66)
BALANCE AS AT 31.12.2023	48.852.215,19	-	(17.338.471,66)	31.513.743,53
<i>Allocation 2023 economic result</i>	-	(17.338.471,66)	17.338.471,66	-
<i>Cash contribution</i>	77.358.810,31	-	-	77.358.810,31
<i>Economic result of the year</i>	-	-	(33.482.047,77)	(33.482.047,77)
BALANCE AS AT 31.12.2024	126.211.025,50	(17.338.471,66)	(33.482.047,77)	75.390.506,07

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

In accordance with the article 173, paragraph 1 of the Single Basic Act¹¹, "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.

Euro exchange rates

Currency	31.12.2024	31.12.2023	Currency	31.12.2024	31.12.2023
BGN	1,9558	1,956	PLN	4,275	4,34
CZK	25,185	24,724	RON	4,9743	4,976
DKK	7,4578	7,453	SEK	11,459	11,096
GBP	0,82918	0,887	CHF	0,9412	0,926
NOK	11,795	11,241	JPY	163,06	156,33
HUF	411,35	382,80	USD	1,0389	1,105

¹¹ COUNCIL REGULATION (EU) 2021/2085 of 19 November 2021 establishing the Joint Undertakings under Horizon Europe

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 new IPSAS standards and amendments are effective as of January 1, 2025:

- **IPSAS 46 Measurement:** IPSAS 46 brings measurement guidance together in a single standard, and introduces a public sector specific current value measurement basis for assets held for their operational capacity and provides additional generic guidance on fair value. IPSAS 46 will be effective for periods beginning on or after January 1, 2025.
- **IPSAS 45 Property, Plant, Equipment:** IPSAS 45 introduces the current operational value as a measurement basis in the updated current value model for assets and also identifies the characteristics of heritage and infrastructure assets and provides new guidance on how these types of assets should be recognized and measured. IPSAS 45 will be effective for periods beginning on or after January 1, 2025.
- **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 43 will be effective for periods beginning on or after January 1, 2025.
- **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. IPSAS 44 will be effective for periods beginning on or after January 1, 2025.
- **Amendment to IPSAS 43 Leases:** This amendment offers a practical expedient to account for lease modifications in IPSAS 43, Leases. This amendment will be effective for periods beginning on or after January 1, 2025.

The following new IPSAS standards and amendments are effective as of January 1, 2026:

- **IPSAS 49 Retirement Benefits:** IPSAS 49 prescribes the accounting and reporting requirements for public sector retirement benefit plans, which provide retirement benefits to public sector employees and other eligible participants. IPSAS 49 will be effective for periods beginning on or after January 1, 2026.

- **IPSAS 47 Revenue:** IPSAS 47 is a single standard to account for revenue transactions in the public sector. IPSAS 47 replaces the existing three revenue standards and presents accounting models which will improve financial reporting and support effective public sector financial management. IPSAS 47 will be effective for periods beginning on or after January 1, 2026.
- **IPSAS 48 Transfer Expenses:** IPSAS 48 provides guidance on a major area of expenditure for governments and other public sector entities. IPSAS 48 fills a gap which had previously led to ambiguity and inconsistency of accounting policies in the public sector. IPSAS 48 will be effective for periods beginning on or after January 1, 2026.
- **Amendment to IPSAS 1, Presentation of Financial Statements:** The amendments clarify the principles related to the right to defer settlement for at least twelve months (with or without covenants); and the meaning of 'settlement' when a liability is rolled over under an existing loan facility. These amendments will be effective for periods beginning on or after January 1, 2026.
- **Amendment to IPSAS 43 Leases:** Amendments require a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognize any gain or loss that relates to the right-of-use it retains. This amendment will be effective for periods beginning on or after January 1, 2026.

The following new IPSAS standards and amendments are effective as of January 1, 2027:

- **Concessionary Leases and Other Arrangements Conveying Rights over Assets (Amendments to IPSAS 43, IPSAS 47, and IPSAS 48):** The new guidance enhances IPSAS 43, IPSAS 47, and IPSAS 48 by addressing the accounting for arrangements that are prevalent in the public sector consistent with the principles in those Standards. These amendments will be effective for periods beginning on or after January 1, 2027.
- **IPSAS 50, Exploration for and Evaluation of Mineral Resources:** IPSAS 50 provides guidance related to the costs incurred for exploration for, and evaluation of, mineral resources (for example, minerals, oil, natural gas and similar non-regenerative resources), as well as the costs of determining the technical feasibility and commercial viability of extracting the mineral resources. IPSAS 50 will be effective for periods beginning on or after January 1, 2027.
- **Stripping Costs in the Production Phase of a Mine (Amendments to IPSAS 12):** Appendix A in IPSAS 12, Inventories, provides interpretive guidance on accounting for waste removal costs that are incurred in surface mining activities during the production phase of the mine. These amendments will be effective for periods beginning on or after January 1, 2027.

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

The new IPSAS 43 standard will have a limited impact on the Joint Undertaking. The corresponding EAR 8 (Leases) was issued in 2025, the entities shall apply the revised EAR for annual financial statements covering periods beginning on or after 1 January 2027. The scope of lease contracts falling under IPSAS 43 will be limited to the rental commitment of the office building of the Joint Undertaking. The total commitment under note 3.7 can give an indication of the impact of the new standard on the financial statements.

1.3. BALANCE SHEET

1.3.1. Intangible assets

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

1.3.2. Property, plant and equipment

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

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

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

Pre-financing is initially recognised on the balance sheet when cash is transferred to the recipient. It is measured at the amount of the consideration given. In subsequent periods pre-financing is measured at the amount initially recognised on the balance sheet less eligible expenses (including estimated amounts where necessary) incurred during the period.

1.3.6. Receivables and recoverables

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

Receivables from exchange transactions meet the definition of financial instruments. The entity classified them as financial assets at amortised cost and measured them accordingly.

Recoverables from non-exchange transactions are carried at fair value as at the date of acquisition less write-down for impairment. A write-down for impairment is established when there is objective evidence

that the entity will not be able to collect all amounts due according to the original terms of the recoverables. The amount of the write-down is the difference between the asset's carrying amount and the recoverable amount. The amount of the write-down is recognised in the statement of financial performance.

1.3.7. Cash and cash equivalents

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

1.3.8. Payables

Included under accounts payable are both amounts related to exchange transactions such as the purchase of goods and services, and to non-exchange transactions e.g. to cost claims from beneficiaries, grants or other EU funding, or pre-financing received (see note **1.3.5**), or non-validated in-kind contributions to operational activities (see note **1.6.2**).

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

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

1.3.9. Accrued and deferred revenue and charges

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

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

1.3.10. Provisions

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

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

1.3.11. Net assets

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

1.4. STATEMENT OF FINANCIAL PERFORMANCE

1.4.1. Revenue

Revenue comprises gross inflows of economic benefits or service potential received and receivable by the entity, which represents an increase in net assets, other than increases relating to contributions from 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 2024 the Joint Undertaking has no intangible assets (2023: nil).

2.2. PROPERTY, PLANT AND EQUIPMENT

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

	Other equipment	Computer hardware	Assets under construction	TOTAL
<i>Gross carrying amount at 31.12.2023</i>	7.108,33	19.883,83	-	26.992,16
<i>Additions</i>	5.778,56	39.528,56	192.020,31	237.327,43
Gross carrying amount at 31.12.2024	12.886,89	59.412,39	192.020,31	264.319,59
<i>Accumulated depreciation at 31.12.2023</i>	(148,09)	(828,49)	-	(976,58)
<i>Depreciation charge for the year</i>	(2.017,86)	(8.538,04)	-	(10.555,90)
Accumulated depreciation at 31.12.2024	(2.165,95)	(9.366,53)	-	(11.532,48)
NET CARRYING AMOUNT AT 31.12.2024	10.720,94	50.045,86	192.020,31	252.787,11
<i>NET CARRYING AMOUNT AT 31.12.2023</i>	6.960,24	19.055,34	-	26.015,58

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

The most notable addition to the property of the Joint Undertaking in 2024 is represented by the value of the works done in the context of the refurbishment of the office space which is included in the heading of assets under construction. As of February 2025, the staff occupies the newly renovated offices in the White Atrium building. The purchases of new IT equipment were made in support of the Joint Undertaking's IT autonomy for which extensive work has been carried out during the year and which is expected to be finalized in the following year.

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.

	31.12.2024	31.12.2023
<i>Long-term pre-financing</i>	78.026.233,53	41.019.821,93
<i>Short-term pre-financing</i>	33.231.569,87	6.589.849,67
Total	111.257.803,40	47.609.671,60

For all pre-financing amounts open at 31 December 2024 a case-by-case assessment has been performed and all the pre-financing that was considered unlikely to be cleared in the course of 2025 was classified as long-term pre-financing.

The increase in the overall value of the pre-financing is mostly due to payment of the advances for 43 newly launched projects.

For the comparison with the previous period, it is necessary to consider that the Joint Undertaking has obtained its financial autonomy only at the end of November 2023 and the value of pre-financing at the end of the previous financial period was representing the value of pre-financing transferred to the Joint Undertaking from the EC in relation to 28 projects related to one call in 2024 and two calls in 2023.

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.

	31.12.2024	31.12.2023
Recoverables from non-exchange transactions		
<i>Central treasury liaison accounts</i>	3.990.975,82	1.158.781,23
	3.990.975,82	1.158.781,23
Receivables from exchange transactions		
<i>Accrued income and deferred charges</i>	17.677,95	-
<i>Other</i>	3.711,74	-
	21.389,69	-
Total	4.012.365,51	1.158.781,23

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

When comparing the value of the receivables with the previous period, it must be considered that during 2024 the Joint Undertaking has been operating independently for the full year while in 2023 the Joint Undertaking has obtained its financial autonomy only at the end of November.

2.5. CASH AND CASH EQUIVALENTS

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

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

LIABILITIES

2.6. PROVISIONS

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

At 31 December 2024 the Joint Undertaking has not established any provisions (2023: none).

2.7. PAYABLES AND OTHER LIABILITIES

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

	31.12.2024	31.12.2023
<i>Cash contribution from EC to be validated</i>	3.993.789,81	1.158.781,23
Total contributions to be validated	3.993.789,81	1.158.781,23
<i>Sundry payables</i>	4.641.753,01	-
Total payables to entities	4.641.753,01	-
Total	8.635.542,82	1.158.781,23

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

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

When comparing the value of the payables with the previous period, it must be considered that during 2024 the Joint Undertaking has been operating independently for the full year while in 2023 the Joint Undertaking has obtained its financial autonomy only at the end of November.

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.

	31.12.2024	31.12.2023
<i>Accrued charges</i>	31.496.907,13	16.121.943,65

The accrued charges are largely composed of estimated operating expenses (EUR 31.070 thousand) for on-going projects, where the liability was estimated on a case-by-case basis using the best available information about the projects at 31 December 2024.

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

The increase in the heading was expected as the value of the grant agreements which have been signed for the projects of the Joint Undertaking during the course of the year 2024 has exceeded the value of the payments made for the value of the deliverables received for intermediary milestones. This trend is considered normal for organizations which are in the initial phases of the programme implementation. For the comparison with the previous period, it should be noted that the Joint Undertaking has obtained its financial autonomy only at the end of November 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	2024		2023	
	Cash	Total	Cash	Total
<i>Horizon Europe</i>	<i>126.211.025,50</i>	<i>126.211.025,50</i>	<i>48.852.215,19</i>	<i>48.852.215,19</i>
Total	126.211.025,50	126.211.025,50	48.852.215,19	48.852.215,19

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

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

Member	EU Commission Cash	EDCTP Association Cash	In kind	Total Cash	In kind
<i>Running costs contributions at 31.12.2023</i>	521.153,68	-	-	521.153,68	-
<i>Current year contributions</i>	4.007.195,09	-	-	4.007.195,09	-
Running costs contributions at 31.12.2024	4.528.348,77	-	-	4.528.348,77	-
<i>Operating costs contributions at 31.12.2023</i>	48.331.061,51	-	-	48.331.061,51	-
<i>Current year contributions</i>	68.076.307,22	5.275.308,00	-	73.351.615,22	-
Operating costs contributions at 31.12.2024	116.407.368,73	5.275.308,00	-	121.682.676,73	-
<i>TOTAL contributions at 31.12.2023</i>	48.852.215,19	-	-	48.852.215,19	-
TOTAL contributions at 31.12.2024	120.935.717,50	5.275.308,00	-	126.211.025,50	-

According to the specific guidance issued by the EC Accounting Officer¹² for the accounting of the EU cash contributions received under Horizon Europe program, the accounting treatment of the EU contribution should align with Art. 19.1 of the Financial Framework Partnership Agreement (FFPA), defining that the Union contributions take form of provisional payments ("pre-financings"). Based on this new requirement, the JU determines, on the basis of the payment implementation report the amount of operating and administrative expenditure that have been covered from the EU financial contributions to the Horizon Europe Programme and enters only this amount into the net assets. The unspent funds are recorded in the liabilities section as "Contributions in cash to be validated".

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

During 2024, the EU has contributed 93% out of the total cash value of EUR 77.359 thousand registered to the year, while the contribution of the EDCTP Association amounted to 7% of the total, leading to an overall funding ratio of 96% from the EU and 4% from the EDCTP Association from the total cumulative value of EUR 126.211 thousand.

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

¹² Ares(2022)6810956 – 03/10/2022 : Specific Guidance: Accounting for EU cash contributions received by Joint Undertakings under the Financial Framework Partnership Agreement related to MFF 2021-2027

3. NOTES TO THE STATEMENT OF FINANCIAL PERFORMANCE

REVENUE

NON-EXCHANGE REVENUE

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

3.1. RECOVERY OF EXPENSES

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

The Joint Undertaking did not have any recovery of expenses during 2024 (2023: none).

3.2. OTHER NON-EXCHANGE REVENUE

The Joint Undertaking did not have any non-exchange revenue during 2024 (2023: none).

EXCHANGE REVENUE

3.3. REVENUE FROM EXCHANGE TRANSACTIONS

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

The Joint Undertaking did not have any exchange revenue during 2024 (2023: none).

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:

	2024	2023
<i>Operational costs: validated EU contributions</i>	896.570,44	518.521,99
<i>Operational costs: estimated EU contributions</i>	28.710.230,59	16.051.944,66
Total operational costs from EU contributions	29.606.801,03	16.570.466,65
Total	29.606.801,03	16.570.466,65

The overall increase in the operational costs stems mainly from the increase in the accrued costs related to grant agreements following the launch of new projects during 2024. For the comparison with the previous period, it should be noted that the Joint Undertaking has obtained its financial autonomy only at the end of November 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 JUs employer's pension contribution is calculated with a single percentage share for the whole duration of the JU. This single percentage was established on the basis of the EU and non-EU members' respective contributions, as foreseen in the JU's legal basis, with a correction and regularisation at the last year of existence of the JU. The contribution of Global Health EDCTP3 was set as 0,0% of the total pension scheme contributions.

	2024	2023
<i>Staff costs</i>	2.817.784,77	201.870,00

Most of the staff costs represent the expenditure of Global Health EDCTP3 related to its personnel for the year 2024. The value shown in the comparative period relates only to staff costs for the months of financial autonomy of November and December 2023.

3.6. FINANCE EXPENSES

The Joint Undertaking did not incur any financial expenses during 2024.

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

	2024	2023
<i>External IT services</i>	325.284,33	210.628,72
<i>Operating leasing expenses</i>	190.139,87	152.754,47
<i>Communications & publications</i>	33.919,51	125.220,60
<i>Missions</i>	71.769,73	33.773,31
<i>External non-IT services</i>	327.514,97	25.556,33
<i>Recruitment costs</i>	9.577,37	13.485,00
<i>Legal Expenses</i>	23.822,66	3.740,00
<i>Property, plant and equipment related expenses</i>	10.555,90	976,58
<i>Maintenance and security of the building</i>	50.792,54	-
<i>Office Supplies & maintenance</i>	3.331,08	-
<i>Experts expenses</i>	1.200,00	-
<i>Training costs</i>	9.554,01	-
Total	1.057.461,97	566.135,01

Approx. 80% of the running costs of the Joint Undertaking in 2024 have been incurred in the area of external services and operating lease expenses for the premises in White Atrium.

The expenses incurred on the external services (IT and non-IT) are correlated with the standard business activities for a full year of the Joint Undertaking which has been growing in capacity during 2024 as well as with the extra effort, which was required for the IT autonomy, an area in which the Joint Undertaking has successfully switched to its own Digital Workplace during the course of the year.

For the comparison with the previous period, it should be noted that the Joint Undertaking has obtained its financial autonomy only at the end of November 2023, thus reflecting the increase in overall expenses. However, the significant decrease in communications & publications is mainly because the JU organised two set of events on the side of the EDCTP Forum in Paris in 2023 and no activities of such dimension has taken place in 2024.

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

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

	Future amounts to be paid			
	< 1 year	1- 5 years	> 5 years	Total
<i>Buildings</i>	247.023,79	1.038.497,93	550.923,13	1.836.444,86

4. OTHER SIGNIFICANT DISCLOSURES

4.1. CONTINGENT ASSETS

No contingent assets of material significance were identified for the Joint Undertaking at 31 December 2024.

4.2. CONTINGENT LIABILITIES

No contingent liabilities of material significance were identified for the Joint Undertaking at 31 December 2024.

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.

	31.12.2024	31.12.2023
<i>Outstanding commitments not yet expensed</i>	301.447.213,86	174.787.493,28

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

4.5. IN-KIND IN ADDITIONAL ACTIVITIES (IKAA)

The joint undertakings provide a systematic opportunity and incentive for members other than the Union to combine their research and innovation activities with those of the joint undertaking. Additional activities should not receive financial support from the joint undertaking. However, they can be accounted for as members' in-kind contributions to additional activities when they contribute to the objectives of the joint undertaking and are directly linked to its activities, including non-eligible costs of indirect actions funded by the joint undertaking where this is provided for in the annual additional activities plan. That link can be established through the uptake of results from indirect actions funded by the joint undertaking or its

preceding initiatives, or by demonstrating a significant Union added value. The respective costs should be certified by an independent audit body appointed by the entity concerned subject to the valuation method being open to verification by the joint undertaking in the event of uncertainty. Council Regulation (EU) No 2021/2085 laid down more specific provisions concerning the scope of additional activities for each joint undertaking, to the extent that it is necessary to achieve the desired directionality and impact.

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

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

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

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

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

By the end of the current programme, the level of IKAA is expected to be at least EUR 550.000.000¹³ 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.

¹³ A letter from the EDCTP Association dated 22 December 2023 was received increasing its contribution commitment to the JU by EUR 110.122.000, making its total contribution EUR 550.000.000.

4.6. CONTRIBUTIONS PER PROGRAMME

	Members' contributions				
Programme	EU cash ¹⁴ (a)	Third country contributions (UK) (b)	EDCTP3 Members IKAA and financial contributions ¹⁵ (c)	Contributing Partners IKOP and financial contributions (d)	Total (e)=(a)+(b)+(c)+(d)
Horizon Europe	780.000.000,00	110.122.000,00	550.000.000,00	400.000.000,00	1.840.122.000,00

	Members contributions as of 31.12.2024							
Programme	EU cash validated	EU cash not validated (PF)	EDCTP3 Members Validated cash contributions	EDCTP3 Members Estimated IKAA contributions	Contributing Partners Validated contributions	Contributing Partners Estimated contributions	Total	Achievement rate
Horizon Europe	120.935.717,50	3.993.789,81	5.275.308,00	394.526.367,18	0,00	15.565.115,04	540.296.297,53	29%

Global Health EDCTP3 receives contribution from its member, the EDCTP Association, predominantly in the form of IKAA. For the year 2024, the EDCTP Association, through its constituents, submitted an amended plan, which was approved by the Governing Board, to initiate additional activities with an estimated value of EUR 164.443.002. This brings the total estimated value of all initiated additional activities by the end of year 2024 (including the amendment of AA plan 2024) to EUR 552.048.546. It should be noted that these additional activities are largely multi-annual in duration.

By 31 May 2025, the JU received a report from the EDCTP Association that for the additional activities (AA) initiated in previous years, EUR 230.083.365 have been incurred. In total, including thus the 2024 AA plan, the expected additional activities to be reported cumulatively for the years 2022, 2023 and 2024 should be EUR 394.526.367.

¹⁴ The EU contribution reflects the adjusted figure following the mid-term revision of the Multiannual Financial Framework (MFF).

¹⁵ The EDCTP3 Members contributions reflect the adjusted values of the contributions as per the commitment letter signed by the Board Chair and the Acting Executive Director of the EDCTP Association.

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 550.000.000¹⁶ which is the contribution commitment of the EDCTP Association. As of the time of writing this report, a plan for additional activities has also been adopted for the year 2025, bringing the total planned IKAA to date to EUR 712.142.558.

Compared to 2023, the Horizon Europe contribution has evolved as per the table "Members' contributions" above:

- Column (a) EUR 800 million in accordance with SBA Art.102 with a reduction of EUR 20 million as per the general cut of Horizon Europe budget for 2025-2027 (with total impact for all the JUs of EUR 2,1 billion), and finally with EUR 110,1 million of increased Union contribution as announced to the JU on 24 May 2024 by the European Commission following the association of the United Kingdom to Horizon Europe, as shown in column (b).
- Column (c) EUR 439,9 million in accordance with SBA Art.103 with additional EUR 110,1 million to match the contribution of the EDCTP Association for the remainder of the programme.

On the table "Members' contributions as of 31.12.2024":

- 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 estimated IKAA contributions represents the value reported by 31 May 2024 for the years 2022 and 2023, and planned for the year 2024. The EDCTP Members total planned AA value to be initiated between 2022 and 2025 in accordance with the Work Programmes 2022 to 2025 and associated AA plans is estimated for a total of EUR 700.543.724,00. 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 Members States. It is expected that by 31 May 2026, the JU would be able to report certified Members contribution for the year 2022, 2023 and 2024, and for a total estimated value of EUR 540,5 million (total estimated) and EUR 305,6 million (currently reported for 2022 and 2023 and estimated for 2024).

- The estimated contribution of the Contributing partners comprises the expected financial contribution from the Contributing Partner, 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. In 2024, no new Contributing Partners estimated contribution could materialise in the process of grant agreements signature. However, in the course of 2024, the JU has either signed or prepared endorsement letters with two new Contributing Partners: BioNTech and CEPI. For which it is expected to have contributions materialised in the signature of grant agreements in 2025 and in 2026 respectively.

¹⁶ 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.

4.7. 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, Key management entitlements are disclosed in note 4.8 however, no specific disclosures are required.

4.8. KEY MANAGEMENT ENTITLEMENTS

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

	31.12.2024	31.12.2023
<i>Executive Director</i>	<i>AD 14</i>	<i>AD 14</i>

4.9. OTHER EVENTS

Russia-Ukraine War

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

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

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

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

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

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

Furthermore, in agreement with its Governing Board, the JU has taken several monitoring actions to regularly assess the potential impact of this conflict on the Twelfth EDCTP Forum, that will take place on 15-20 June 2025 at the Kigali Convention Center in Rwanda. This event will be hosted by the Ministry of Health of Rwanda and the Rwanda Biomedical Centre. At the moment of the preparation of these financial statements, the back-up plan for organizing the Forum in other location is not considered to be activated.

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

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

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

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

4.10. OTHER INFORMATION

The Global Health EDCTP3 Joint Undertaking has become financially autonomous on 23 November 2023. Therefore, the previous period of account was shorter than the current period which covers the 12 months of the financial year 2024.

This makes the information presented for the previous financial period not directly comparable to the information presented for the financial year 2024.

BREXIT - United Kingdom joins the Horizon Europe programme

As of 1 January 2024, the United Kingdom has become an associated country to Horizon Europe. Its researchers are able to participate in this research and innovation programme of the EU on the same terms as researchers from other associated countries and will have access to Horizon Europe funding.

4.11. EVENTS AFTER REPORTING DATE

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

4.12. OBSERVATIONS ON MANAGEMENT AND CONTROL SYSTEMS

Not applicable.

5. FINANCIAL RISK MANAGEMENT

5.1. TYPES OF RISK

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

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

(2) Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As an example, higher interest rates will lead to lower prices of fixed rate bonds (other things equal), and vice versa. The entity does not have any securities thus it is not exposed to the interest rate risk.

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

Liquidity risk is the risk that an EU entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

5.2. CURRENCY RISKS

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

5.3. CREDIT RISK

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

5.4. LIQUIDITY RISK

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

GLOBAL HEALTH EDCTP3 JOINT UNDERTAKING
FINANCIAL YEAR 2024

**THE BUDGET IMPLEMENTATION REPORTS
AND EXPLANATORY NOTES**

1. BUDGETARY PRINCIPLES AND STRUCTURE

1.1. BUDGETARY PRINCIPLES

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

Principles of unity and budget accuracy

This principle means that no revenue shall be collected and no expenditure effected unless booked to a line in the budget of the joint undertaking. No expenditure may be committed or authorised in excess of the appropriations authorised by the budget. An appropriation may be entered in the budget only if it is for an item of expenditure considered necessary.

Principle of annuality

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

Principle of equilibrium

Revenue and payment appropriations shall be in balance.

Principle of unit of account

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

Principle of universality

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

Principle of specification

Appropriations shall be earmarked for specific purposes at least by title and chapter.

Principle of sound financial management

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

Principle of economy

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

Principle of efficiency

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

Principle of effectiveness

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

1.2. STRUCTURE AND PRESENTATION OF THE BUDGET

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

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

Title 1

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

Title 2

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

Title 3

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

2. RESULT OF THE IMPLEMENTATION OF THE BUDGET

		EUR '000	
	Title	2024	2023
Revenue		80.194	2.179
<i>of which (1):</i>			
<i>EU Contribution</i>	1	72.361	2.179
<i>EFTA and third countries contribution</i>		2.557	-
<i>Members other than the EU financial contribution</i>		5.275	-
Expenditure		(77.359)	(1.020)
<i>of which (2):</i>			
<i>Staff expenditure</i>	1	(2.994)	(183)
<i>Administrative expenditure</i>	2	(1.013)	(318)
<i>Operational expenditure</i>	3	(73.352)	(519)
Budget result		2.835	1.159

3. RECONCILIATION OF ECONOMIC RESULT WITH BUDGET RESULT

	2024	2023
ECONOMIC RESULT OF THE YEAR	(33.482.047,77)	(17.338.471,66)
Adjustment for accrual items (items not in the budgetary result but included in the economic result)	27.786.442,53	16.325.788,15
<i>Adjustments for accrual cut-off (net)</i>	27.723.649,89	16.324.811,57
<i>Depreciation of intangible and tangible assets</i>	10.555,90	976,58
<i>Pre-financing given in previous year and cleared in the year</i>	52.235,20	
<i>Other individually immaterial</i>	1,54	
Adjustment for budgetary items (item included in the budgetary result but not in the economic result)	8.530.613,82	2.171.464,74
<i>Members' cash contributions collected in the year</i>	80.193.818,89	2.178.573,07
<i>Asset acquisitions (less unpaid amounts) and assets pre-financing</i>	(237.327,43)	(7.108,33)
<i>New pre-financing paid in the year and remaining open as at 31 Dec</i>	(71.421.494,78)	
<i>Other individually immaterial</i>	(4.382,86)	
BUDGET RESULT OF THE YEAR	2.835.008,58	1.158.781,23

4. IMPLEMENTATION OF BUDGET REVENUE

4.1. Implementation of budget revenue

EUR '000

	Item	Income appropriations		Entitlements established			Revenue				Out-standing
		Initial budget	Final budget	Current year	Carried over	Total	On entitlements of current year	On entitlements carried over	Total	%	
		1	2	3	4	5=3+4	6	7	8=6+7	9=8/2	10=5-8
10	EU contribution - Administrative	6.490	6.490	6.490	-	6.490	6.490	-	6.490	100%	-
Total Chapter 10		6.490	6.490	6.490	-	6.490	6.490	-	6.490	100%	-
11	EU contribution - Operational	60.895	65.970	65.871	-	65.871	65.871	-	65.871	100%	-
Total Chapter 11		60.895	65.970	65.871	-	65.871	65.871	-	65.871	100%	-
Total Title 1		67.385	72.460	72.361	-	72.361	72.361	-	72.361	100%	-
20	EFTA and third countries contribution - Administrative	188	230	230	-	230	230	-	230	100%	-
Total Chapter 20		188	230	230	-	230	230	-	230	100%	-
21	EFTA and third countries contribution - Operational	1.760	2.328	2.328	-	2.328	2.328	-	2.328	100%	-
Total Chapter 21		1.760	2.328	2.328	-	2.328	2.328	-	2.328	100%	-
Total Title 2		1.947	2.557	2.557	-	2.557	2.557	-	2.557	100%	-
31	Members other than the EU financial contribution	-	5.275	5.275	-	5.275	5.275	-	5.275	100%	-
Total Chapter 31		-	5.275	5.275	-	5.275	5.275	-	5.275	100%	-
Total Title 3		-	5.275	5.275	-	5.275	5.275	-	5.275	100%	-
GRAND TOTAL		69.332	80.293	80.194	-	80.194	80.194	-	80.194	100%	-

5. IMPLEMENTATION OF BUDGET EXPENDITURE

5.1. Breakdown & changes in commitment appropriations

5.1.1. Breakdown & changes in commitment appropriations – Title 1

EUR '000

	Item	Budget appropriations				Additional appropriations			Total approp. available
		Initial adopted budget	Amending budgets	Transfers	Final adopted budget	Reactivated appropriations	Assigned revenue	Total	
		1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
110	Establishment plan posts	3.225	(540)	-	2.685	-	-	-	2.685
111	External personnel	476	-	-	476	-	-	-	476
Total Chapter 11		3.701	(540)	-	3.161	-	-	-	3.161
120	Expenditure relating to staff recruitment	106	(80)	-	26	-	-	-	26
Total Chapter 12		106	(80)	-	26	-	-	-	26
130	Mission expenses	120	-	-	120	-	-	-	120
Total Chapter 13		120	-	-	120	-	-	-	120
140	Socio-medical infrastructure	110	(50)	-	60	-	-	-	60
Total Chapter 14		110	(50)	-	60	-	-	-	60
150	Training	40	20	-	60	-	-	-	60
Total Chapter 15		40	20	-	60	-	-	-	60
160	External services	260	281	141	682	-	-	-	682
Total Chapter 16		260	281	141	682	-	-	-	682
170	Receptions, events and representation	4	10	-	14	-	-	-	14
Total Chapter 17		4	10	-	14	-	-	-	14
Total Title 1		4.341	(359)	141	4.123	-	-	-	4.123

5.1.2. Breakdown & changes in commitment appropriations – Title 2

EUR '000

	Item	Budget appropriations				Additional appropriations			Total appropr. available
		Initial adopted budget	Amending budgets	Transfers	Final adopted budget	Reactivated appropriations	Assigned revenue	Total	
		1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
200	Rental of buildings and associated costs	300	600	-	900	-	-	-	900
Total Chapter 20		300	600	-	900	-	-	-	900
210	Information, communication technology and data pro	600	(97)	-	503	-	-	-	503
Total Chapter 21		600	(97)	-	503	-	-	-	503
220	Movable property and associated costs	162	75	(141)	96	-	-	-	96
Total Chapter 22		162	75	(141)	96	-	-	-	96
230	Current administrative expenditure	50	(25)	-	25	-	-	-	25
Total Chapter 23		50	(25)	-	25	-	-	-	25
240	Postage / Telecommunications	35	(17)	-	18	-	-	-	18
Total Chapter 24		35	(17)	-	18	-	-	-	18
250	Meeting expenses	150	(142)	-	9	-	-	-	9
Total Chapter 25		150	(142)	-	9	-	-	-	9
260	Running costs in connection with operational activities	250	-	(240)	10	-	-	-	10
Total Chapter 26		250	-	(240)	10	-	-	-	10
270	Information and publishing	410	(93)	-	317	-	-	-	317
Total Chapter 27		410	(93)	-	317	-	-	-	317
280	Service contracts	380	100	240	720	-	-	-	720
Total Chapter 28		380	100	240	720	-	-	-	720
Total Title 2		2.337	401	(141)	2.597	-	-	-	2.597

5.1.3. Breakdown & changes in commitment appropriations – Title 3

EUR '000

		Budget appropriations				Additional appropriations			Total apppr. available
	Item	Initial adopted budget	Amending budgets	Transfers	Final adopted budget	Reactivated appropriations	Assigned revenue	Total	
		1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
300	Grants	140.932	70.363	-	211.295	-	-	-	211.295
Total Chapter 30		140.932	70.363	-	211.295	-	-	-	211.295
310	Experts costs	729	216	-	945	-	-	-	945
Total Chapter 31		729	216	-	945	-	-	-	945
320	Other operational costs	-	1.337	-	1.337	-	-	-	1.337
Total Chapter 32		-	1.337	-	1.337	-	-	-	1.337
Total Title 3		141.661	71.916	-	213.577	-	-	-	213.577

5.1.4. Breakdown & changes in commitment appropriations – Title 4

EUR '000

		Budget appropriations				Additional appropriations			Total apppr. available
	Item	Initial adopted budget	Amending budgets	Transfers	Final adopted budget	Reactivated appropriations	Assigned revenue	Total	
		1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
410	Unused operational appropriations	-	4.310	-	4.310	-	-	-	4.310
Total Chapter 41		-	4.310	-	4.310	-	-	-	4.310
Total Title 4		-	4.310	-	4.310	-	-	-	4.310
GRAND TOTAL		148.339	76.268	-	224.607	-	-	-	224.607

5.2. Breakdown & changes in payment appropriations

5.2.1. Breakdown & changes in payment appropriations – Title 1

EUR '000								
	Item	Budget appropriations				Additional appropriations		
		Initial budget adopted	Amending budgets	Transfers	Final adopted budget	Reactivated appropriations	Assigned revenue	Total
		1	2	3	4=1+2+3	5	6	7=5+6
110	Establishment plan posts	3.225	(540)	-	2.685	-	-	-
111	External personnel	476	-	-	476	-	-	-
Total Chapter 11		3.701	(540)	-	3.161	-	-	-
120	Expenditure relating to staff recruitment	106	(80)	-	26	-	-	-
Total Chapter 12		106	(80)	-	26	-	-	-
130	Mission expenses	120	-	-	120	-	-	-
Total Chapter 13		120	-	-	120	-	-	-
140	Socio-medical infrastructure	110	(50)	-	60	-	-	-
Total Chapter 14		110	(50)	-	60	-	-	-
150	Training	40	20	-	60	-	-	-
Total Chapter 15		40	20	-	60	-	-	-
160	External services	260	281	-	541	-	-	-
Total Chapter 16		260	281	-	541	-	-	-
170	Receptions, events and representation	4	10	-	14	-	-	-
Total Chapter 17		4	10	-	14	-	-	-
Total Title 1		4.341	(359)	-	3.982	-	-	-

5.2.2. Breakdown & changes in payment appropriations – Title 2

		Budget appropriations				Additional appropriations			EUR '000
	Item	Initial budget adopted	Amending budgets	Transfers	Final adopted budget	Reactivated appropriations	Assigned revenue	Total	Total apppr. available
		1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
200	<i>Rental of buildings and associated costs</i>	300	600	-	900	-	-	-	900
Total Chapter 20		300	600	-	900	-	-	-	900
210	<i>Information, communication technology and data pro</i>	600	(97)	-	503	-	-	-	503
Total Chapter 21		600	(97)	-	503	-	-	-	503
220	<i>Movable property and associated costs</i>	162	75	-	237	-	-	-	237
Total Chapter 22		162	75	-	237	-	-	-	237
230	<i>Current administrative expenditure</i>	50	(25)	-	25	-	-	-	25
Total Chapter 23		50	(25)	-	25	-	-	-	25
240	<i>Postage / Telecommunications</i>	35	(17)	-	18	-	-	-	18
Total Chapter 24		35	(17)	-	18	-	-	-	18
250	<i>Meeting expenses</i>	150	(142)	-	9	-	-	-	9
Total Chapter 25		150	(142)	-	9	-	-	-	9
260	<i>Running costs in connection with operational activities</i>	250	-	-	250	-	-	-	250
Total Chapter 26		250	-	-	250	-	-	-	250
270	<i>Information and publishing</i>	410	(93)	-	317	-	-	-	317
Total Chapter 27		410	(93)	-	317	-	-	-	317
280	<i>Service contracts</i>	380	100	-	480	-	-	-	480
Total Chapter 28		380	100	-	480	-	-	-	480
Total Title 2		2.337	401	-	2.738	-	-	-	2.738

5.2.3. Breakdown & changes in payment appropriations – Title 3

EUR '000

	Item	Budget appropriations				Additional appropriations			Total appropri. available
		Initial budget adopted	Amending budgets	Transfers	Final adopted budget	Reactivated appropriations	Assigned revenue	Total	
		1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
300	Grants	61.702	9.764	988	72.455	-	-	-	72.455
Total Chapter 30		61.702	9.764	988	72.455	-	-	-	72.455
310	Experts costs	729	220	-	949	-	-	-	949
Total Chapter 31		729	220	-	949	-	-	-	949
320	Other operational costs	223	933	(988)	168	-	-	-	168
Total Chapter 32		223	933	(988)	168	-	-	-	168
Total Title 3		62.654	10.918	-	73.573	-	-	-	73.573
GRAND TOTAL		69.332	10.960	-	80.293	-	-	-	80.293

5.3. IMPLEMENTATION OF COMMITMENT APPROPRIATIONS

5.3.1. Implementation of commitment appropriations – Title 1

EUR '000

	Item	Total approp. available	Commitments made					Appropriations lapsing			
			from final adopt. budget	from re-activations	from assign. revenue	Total	%	from final adopt. budget	from re-activations	from assign. revenue	Total
		1	2	3	4	5=2+3+4	6=5/1	10	11	12	13=10+11+12
110	Establishment plan posts	2.685	2.685	-	-	2.685	100%	-	-	-	-
111	External personnel	476	476	-	-	476	100%	-	-	-	-
Total Chapter 11		3.161	3.161	-	-	3.161	100%	-	-	-	-
120	Expenditure relating to staff recruitment	26	26	-	-	26	100%	-	-	-	-
Total Chapter 12		26	26	-	-	26	100%	-	-	-	-
130	Mission expenses	120	120	-	-	120	100%	-	-	-	-
Total Chapter 13		120	120	-	-	120	100%	-	-	-	-
140	Socio-medical infrastructure	60	60	-	-	60	100%	-	-	-	-
Total Chapter 14		60	60	-	-	60	100%	-	-	-	-
150	Training	60	60	-	-	60	100%	-	-	-	-
Total Chapter 15		60	60	-	-	60	100%	-	-	-	-
160	External services	682	682	-	-	682	100%	-	-	-	-
Total Chapter 16		682	682	-	-	682	100%	-	-	-	-
170	Receptions, events and representation	14	14	-	-	14	100%	-	-	-	-
Total Chapter 17		14	14	-	-	14	100%	-	-	-	-
Total Title 1		4.123	4.123	-	-	4.123	100%	-	-	-	-

5.3.2. Implementation of commitment appropriations – Title 2

EUR '000

	Item	Total approp. available	Commitments made					Appropriations lapsing			
			from final adopt. budget	from re-activations	from assign. revenue	Total	%	from final adopt. budget	from re-activations	from assign. revenue	Total
		1	2	3	4	5=2+3+4	6=5/1	10	11	12	13=10+11+12
200	Rental of buildings and associated costs	900	900	-	-	900	100%	-	-	-	-
Total Chapter 20		900	900	-	-	900	100 %	-	-	-	-
210	Information, communication technology and data pro	503	503	-	-	503	100%	-	-	-	-
Total Chapter 21		503	503	-	-	503	100 %	-	-	-	-
220	Movable property and associated costs	96	96	-	-	96	100%	-	-	-	-
Total Chapter 22		96	96	-	-	96	100 %	-	-	-	-
230	Current administrative expenditure	25	25	-	-	25	100%	-	-	-	-
Total Chapter 23		25	25	-	-	25	100 %	-	-	-	-
240	Postage / Telecommunications	18	18	-	-	18	100%	-	-	-	-
Total Chapter 24		18	18	-	-	18	100 %	-	-	-	-
250	Meeting expenses	9	9	-	-	9	100%	-	-	-	-
Total Chapter 25		9	9	-	-	9	100 %	-	-	-	-
260	Running costs in connection with operational activities	10	10	-	-	10	100%	-	-	-	-
Total Chapter 26		10	10	-	-	10	100 %	-	-	-	-
270	Information and publishing	317	317	-	-	317	100%	-	-	-	-
Total Chapter 27		317	317	-	-	317	100 %	-	-	-	-
280	Service contracts	720	720	-	-	720	100%	-	-	-	-
Total Chapter 28		720	720	-	-	720	100 %	-	-	-	-
Total Title 2		2.597	2.597	-	-	2.597	100%	-	-	-	-

5.3.3. Implementation of commitment appropriations – Title 3

EUR '000

	Item	Total approp. available	Commitments made					Appropriations lapsing			
			from final adopt. budget	from re-activations	from assign. revenue	Total	%	from final adopt. budget	from re-activations	from assign. revenue	Total
		1	2	3	4	5=2+3+4	6=5/1	10	11	12	13=10+11+12
300	Grants	211.295	211.295	-	-	211.295	100%	-	-	-	-
Total Chapter 30		211.295	211.295	-	-	211.295	100%	-	-	-	-
310	Experts costs	945	945	-	-	945	100%	-	-	-	-
Total Chapter 31		945	945	-	-	945	100%	-	-	-	-
320	Other operational costs	1.337	1.337	-	-	1.337	100%	-	-	-	-
Total Chapter 32		1.337	1.337	-	-	1.337	100%	-	-	-	-
Total Title 3		213.577	213.577	-	-	213.577	100%	-	-	-	-

GRAND TOTAL TITLES 1, 2 AND 3¹⁷	220.297	220.297	-	-	220.297	100%	-	-	-	-
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¹⁷ Title 4 is not included in "Grand total Titles 1, 2 and 3" since the implementation of commitment appropriations only refers to "active" appropriations. Taking into account Titles 1, 2, 3 and 4, the implementation of commitment appropriations is 98% (table below).

5.3.4. Implementation of commitment appropriations – Title 4

EUR '000

	Item	Total approp. available	Commitments made					Appropriations lapsing			
			from final adopt. budget	from re-activations	from assign. revenue	Total	%	from final adopt. budget	from re-activations	from assign. revenue	Total
		1	2	3	4	5=2+3+4	6=5/1	10	11	12	13=10+11+12
410	Unused operational appropriations	4.310	-	-	-	-	-	4.310	-	-	4.310
Total Chapter 41		4.310	-	-	-	-	-	4.310	-	-	4.310
Total Title 4		4.310	-	-	-	-	-	4.310	-	-	4.310
GRAND TOTAL		224.607	220.297	-	-	220.297	98%	4.310	-	-	4.310

5.4. IMPLEMENTATION OF PAYMENT APPROPRIATIONS

5.4.1. Implementation of payment appropriations – Title 1

EUR '000

		Total approp. availab.	Payments made					Appropriations lapsing			
	Item		from final adopt. budget	from re- activations	from assign. revenue	Total	%	from final adopt. budget	from re- activa- tions	from assign. rev.	Total
			1	2	3	4	5=2+3+4	6=5/1	11	12	13
110	Establishment plan posts	2.685	2.101	-	-	2.101	78%	583	-	-	583
111	External personnel	476	470	-	-	470	99%	7	-	-	7
Total Chapter 11		3.161	2.571	-	-	2.571	81%	590	-	-	590
120	Expenditure relating to staff recruitment	26	20	-	-	20	77%	6	-	-	6
Total Chapter 12		26	20	-	-	20	77%	6	-	-	6
130	Mission expenses	120	98	-	-	98	82%	22	-	-	22
Total Chapter 13		120	98	-	-	98	82%	22	-	-	22
140	Socio-medical infrastructure	60	22	-	-	22	36%	38	-	-	38
Total Chapter 14		60	22	-	-	22	36%	38	-	-	38
150	Training	60	8	-	-	8	13%	52	-	-	52
Total Chapter 15		60	8	-	-	8	13%	52	-	-	52
160	External services	541	272	-	-	272	50%	269	-	-	269
Total Chapter 16		541	272	-	-	272	50%	269	-	-	269
170	Receptions, events and representation	14	3	-	-	3	21%	11	-	-	11
Total Chapter 17		14	3	-	-	3	21%	11	-	-	11
Total Title 1		3.982	2.994	-	-	2.994	75%	988	-	-	988

5.4.2. Implementation of payment appropriations – Title 2

EUR '000

	Item	Total approp. availab.	Payments made					Appropriations lapsing			
			from final adopt. budget	from re-activations	from assign. revenue	Total	%	from final adopt. budget	from re-activations	from assign. rev.	Total
		1	2	3	4	5=2+3+4	6=5/1	11	12	13	14=11+12+13
200	Rental of buildings and associated costs	900	423	-	-	423	47%	477	-	-	477
Total Chapter 20		900	423	-	-	423	47%	477	-	-	477
210	Information, communication technology and data pro	503	305	-	-	305	61%	198	-	-	198
Total Chapter 21		503	305	-	-	305	61%	198	-	-	198
220	Movable property and associated costs	237	1	-	-	1	0%	236	-	-	236
Total Chapter 22		237	1	-	-	1	0%	236	-	-	236
230	Current administrative expenditure	25	6	-	-	6	24%	19	-	-	19
Total Chapter 23		25	6	-	-	6	24%	19	-	-	19
240	Postage / Telecommunications	18	1	-	-	1	8%	17	-	-	17
Total Chapter 24		18	1	-	-	1	8%	17	-	-	17
250	Meeting expenses	9	4	-	-	4	44%	5	-	-	5
Total Chapter 25		9	4	-	-	4	44%	5	-	-	5
260	Running costs in connection with operational activities	250	4	-	-	4	2%	246	-	-	246
Total Chapter 26		250	4	-	-	4	2%	246	-	-	246
270	Information and publishing	317	201	-	-	201	63%	116	-	-	116
Total Chapter 27		317	201	-	-	201	63%	116	-	-	116
280	Service contracts	480	68	-	-	68	14%	412	-	-	412
Total Chapter 28		480	68	-	-	68	14%	412	-	-	412
Total Title 2		2.738	1.013	-	-	1.013	37%	1.725	-	-	1.725

5.4.3. Implementation of payment appropriations – Title 3

EUR '000

		Total approp. availab.	Payments made					Appropriations lapsing			
	Item		from final adopt. budget	from re- activations	from assign. revenue	Total	%	from final adopt. budget	from re- activa- tions	from assign. rev.	Total
		1	2	3	4	5=2+3+4	6=5/1	11	12	13	14=11+ 12+13
300	Grants	72.455	72.455	-	-	72.455	100%	-	-	-	-
Total Chapter 30		72.455	72.455	-	-	72.455	100%	-	-	-	-
310	Experts costs	949	850	-	-	850	90%	99	-	-	99
Total Chapter 31		949	850	-	-	850	90%	99	-	-	99
320	Other operational costs	168	46	-	-	46	28%	122	-	-	122
Total Chapter 32		168	46	-	-	46	28%	122	-	-	122
Total Title 3		73.573	73.352	-	-	73.352	100%	221	-	-	221
GRAND TOTAL		80.293	77.359	-	-	77.359	96%	2.934	-	-	2.934

6. OUTSTANDING COMMITMENTS

6.1. Outstanding commitments – Title 1

EUR '000

	Item	Commitments outstanding at the end of previous year				Commitments of the current year				Total commitm. outstanding at year-end
		Commitm. carried forward from previous year	Decommit. Revaluation Cancel-lations	Pay-ments	Total	Commit-ments made during the year	Pay-ments	Cancel-lation of commit. which cannot be carried forward	Commit. outstand-ing at year-end	
		1	2	3	4=1+2-3	5	6	7	8=5-6-7	9=4+8
110	Establishment plan posts	98	(98)	-	-	2.685	2.101	-	583	583
111	External personnel	6	(6)	-	-	476	470	-	7	7
Total Chapter 11		104	(104)	-	-	3.161	2.571	-	590	590
120	Expenditure relating to staff recruitment	27	(16)	11	-	26	9	-	17	17
Total Chapter 12		27	(16)	11	-	26	9	-	17	17
130	Mission expenses	34	-	12	22	120	86	-	34	56
Total Chapter 13		34	-	12	22	120	86	-	34	56
140	Socio-medical infrastructure	19	(16)	1	3	60	21	-	39	41
Total Chapter 14		19	(16)	1	3	60	21	-	39	41
150	Training	11	(11)	-	-	60	8	-	52	52
Total Chapter 15		11	(11)	-	-	60	8	-	52	52
160	External services	162	(5)	116	41	682	156	-	526	567
Total Chapter 16		162	(5)	116	41	682	156	-	526	567
170	Receptions, events and representation	1	-	1	-	14	2	-	12	12
Total Chapter 17		1	-	1	-	14	2	-	12	12
Total Title 1		358	(152)	141	65	4.123	2.853	-	1.270	1.335

6.2. Outstanding commitments – Title 2

EUR '000

	Item	Commitments outstanding at the end of previous year				Commitments of the current year				Total commitm. outstanding at year-end
		Commitm. carried forward from previous year	Decommit. Revaluation Cancellations	Pay-ments	Total	Commit-ments made during the year	Pay-ments	Cancel-lation of commit. which cannot be carried forward	Commit. outstanding at year-end	
		1	2	3	4=1+2-3	5	6	7	8=5-6-7	9=4+8
200	Rental of buildings and associated costs	5	-	-	5	900	423	-	477	482
Total Chapter 20		5	-	-	5	900	423	-	477	482
210	Information, communication technology and data pro	86	(41)	37	8	503	268	-	235	242
Total Chapter 21		86	(41)	37	8	503	268	-	235	242
220	Movable property and associated costs	1	(1)	1	-	96	-	-	96	96
Total Chapter 22		1	(1)	1	-	96	-	-	96	96
230	Current administrative expenditure	-	-	-	-	25	6	-	19	19
Total Chapter 23		-	-	-	-	25	6	-	19	19
240	Postage / Telecommunications	-	-	-	-	18	1	-	17	17
Total Chapter 24		-	-	-	-	18	1	-	17	17
250	Meeting expenses	-	-	-	-	9	4	-	5	5
Total Chapter 25		-	-	-	-	9	4	-	5	5
260	Running costs in connection with operational activities	-	-	-	-	10	4	-	6	6
Total Chapter 26		-	-	-	-	10	4	-	6	6
270	Information and publishing	141	(16)	125	-	317	76	-	241	241
Total Chapter 27		141	(16)	125	-	317	76	-	241	241
280	Service contracts	34	-	19	16	720	49	-	671	686
Total Chapter 28		34	-	19	16	720	49	-	671	686
Total Title 2		268	(58)	182	28	2.597	832	-	1.766	1.794

6.3. Outstanding commitments – Title 3

EUR '000

		Commitments outstanding at the end of previous year				Commitments of the current year				Total commitm. outstanding at year-end
	Item	Commitm. carried for- ward from pre- vious year	Decommit. Revaluation Cancel- lations	Pay- ments	Total	Commit- ments made during the year	Pay- ments	Cancel- lation of commit. which cannot be carried forward	Commit. outstand- ing at year-end	
		1	2	3	4=1+2-3	5	6	7	8=5-6-7	9=4+8
300	Grants	190.073	(571)	63.983	125.519	211.295	8.472	-	202.822	328.341
Total Chapter 30		190.073	(571)	63.983	125.519	211.295	8.472	-	202.822	328.341
310	Experts costs	-	-	-	-	945	850	-	95	95
Total Chapter 31		-	-	-	-	945	850	-	95	95
320	Other operational costs	182	(131)	46	4	1.337	-	-	1.337	1.341
Total Chapter 32		182	(131)	46	4	1.337	-	-	1.337	1.341
Total Title 3		190.254	(703)	64.029	125.523	213.577	9.322	-	204.255	329.777
GRAND TOTAL		190.881	(913)	64.352	125.616	220.297	13.007	-	207.290	332.906

7. GLOSSARY

Administrative appropriations

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

Adopted budget

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

Amending budget

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

Appropriations

Budget funding.

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

Assigned revenue

Revenue dedicated to finance specific items of expenditure.

Budget result

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

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

Budget implementation

Consumption of the budget through expenditure and revenue operations.

Budget item / Budget line / Budget position

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

Budgetary commitment

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

Cancellation of appropriations

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

Carryover of appropriations

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

Commitment appropriations

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

De-commitment

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

Differentiated appropriations.

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

Economic result

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

Entitlements established

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

Exchange rate difference

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

Expenditure

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

Grants

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

Lapsing appropriations

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

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

Legal basis / basic act

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

Legal commitment

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

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

Non-differentiated appropriations

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

Operational appropriations

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

Outstanding commitments

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

Payment appropriations

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

RAL (Reste à liquider)

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

Surplus

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

Transfer between budget lines

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

Now, for tomorrow

