



European Institute of  
Innovation & Technology

# Report on budgetary and financial management

## Financial year: 2019

EIT report pursuant to Article 103 of the Framework Financial Regulation

European Institute of Innovation and Technology (EIT)

Budapest | 31 March 2019

[www.eit.europa.eu](http://www.eit.europa.eu)



The EIT is a body of the European Union



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# Introduction

## Legal basis

The EIT is a body of the European Union established in March 2008<sup>1</sup>.

The European Institute of Innovation and Technology (EIT) is a unique EU initiative to enhance innovation and entrepreneurship across Europe. The encompassing idea is simple: strength is in diversity. EIT brings together leading universities, research labs and companies to form dynamic pan-European partnerships. Together, they develop innovative products and services, start new companies, and train a new generation of entrepreneurs. They bring ideas to market, turn students into entrepreneurs. They innovate.

Article 103(1) of the Framework Financial Regulation (hereinafter FFR)<sup>2</sup> stipulates that the “Each union body shall prepare a report on budgetary and financial management for the financial year.”

The present report analyses the appropriations managed by the EIT in 2019. These appropriations consist of Title 1 – Staff expenditure, Title 2 – Infrastructure and operating expenditure, Title 3 – Operational expenditure and Title 4 – Cancelled appropriations not used in year n.

The analysis follows the Accounting Rule 16<sup>3</sup> on the presentation of budget information in annual accounts. According to this rule, the comparison of budget and actual amounts shall present separately, for each area of activity, the original and final budget amounts explaining all changes approved by the EIT Governing Board to revise the original budget and the actual implemented amounts on a comparable basis.

EIT has a special derogation allowing to re-enter cancelled commitment and payment appropriations up to the following three financial year. It means that EIT can re-enter the budget result for year n up to the following three financial year, namely until n+3, as well as the unused commitment appropriations.

## Content of the report

Part A of the report analyses the year, including:

- a summary of the various stages of the budgetary procedure for 2019, explaining how the appropriations for the 2019 financial year were arrived at during the process of budgetary negotiation and the establishment of the budget;

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<sup>1</sup> The EIT founding regulation (Regulation (EC) 294/2008) was amended in 2013: <http://eur-lex.europa.eu/legal-content/EN/ALL/?uri=OJ:L:2013:347:TOC>

<sup>2</sup> COMMISSION DELEGATED REGULATION (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council, OJ L122, 10.05.2019

<sup>3</sup> Accounting Rule 16 adopted by the Accounting Officer of the Commission to be applied by all the institutions and Agencies.

- a description of the main adjustments to the budget during the financial year (carry-overs, re-entry, budget amendments, transfers) and the reasons for these adjustments, leading to the final appropriations of the year;
- an overview of the implementation of revenue and expenditure;
- an assessment of the unused amounts carried forward/re-entered and the evolution of the outstanding commitments<sup>4</sup>.

Part B of the report is a detailed analysis of budget implementation by chapter, including tables and text, setting out the appropriations made available and their implementation.

### **Definitions of terms used in this report**

Total appropriations of the year:

- **Initial budget:** appropriations voted by the Budget Authority (BA) and adopted by the EIT Governing Board (GB).
- **Amending budgets (AB):** an increase or a decrease in the EIT’s initial adopted budget.
- **EIT transfers:** transfers decided by the EIT Director on his own authority in accordance with Article 26(1) of the FFR
- **GB transfers:** transfers decided by the EIT Governing Board in accordance with Article 26(2) of the FFR
- **Carry-over from 2018:** budgetary appropriations carried over automatically or by a decision of the EIT Governing Board in accordance with Article 12 of the FFR.
- **Re-entry from 2016 and 2018:** budgetary appropriations re-entered by a decision of the EIT Governing Board in accordance with Article 12 and 13 of the FFR.
- **Assigned revenue:** appropriations mainly come from the result related to ex-post audit of grants to Knowledge and Innovation Communities (KICs).

The terminology is explained in the table on types of appropriation here below:

Fund source code	Found source description	Presentation in this report
C1	Initial budget + Amending budget + Transfers	Voted budget
C2	Carry-over/re-entry of commitment and payment appropriations on decision to be used before 31/12	Re-entry from 2016 and 2018
C4	Refunds	Belongs to assigned revenue
C5	Carry-over of appropriations arising from assigned revenue	Belongs to assigned revenue

<sup>4</sup> RAL - reste à liquider

C8	Automatic carry-over of payment appropriations corresponding to commitments of non-differentiated appropriations	Carry-over from 2018 to 2019
IC1	Income voted in the budget	Income voted in the budget
IC4	Internal assigned revenue	Belongs to assigned revenue

**Date of extraction**

The implementation data is based on the preliminary data serving as a basis for the provisional accounts on 1 March 2020. Unless otherwise stated, amounts are provided in Euro.

**Management information system**

The EIT used the following software during the financial year:

- BLUEBELL for budgetary planning and monitoring
- ABAC Workflow for budget management, budgetary accounting and contract management
- SAP for financial accounting (general accounting)
- SPEEDWELL for electronic payment workflow
- Datawarehouse for financial reporting
- ABAC Assets for fixed asset management
- MiMa for mission management
- EMI for expert contract and payment management
- EIT collaboration platform "DUNA" for submission of KICs business plans and reports

**Budget and financial management**

Since 2010, the EIT Community has supported more than 1,200 business ideas, supported and created hundreds of start-ups, and now these start-ups are increasingly becoming commercial successes. This continued in 2019 with a remarkable number of outputs scheduled for completion and outlined in the 2019 work programme. In 2019, the EIT also contributed to the overarching objectives of the Europe 2020 strategy on fostering growth and creating jobs by improving results, breakthrough technologies, services and sustainability of the operations of its Knowledge and Innovation Communities through synergies and multiplication of successful cooperation activities.

During 2019 and beyond EIT focuses on three strategic objectives:

1. Incentivising Growth, Impact and Sustainability through the EIT
2. Enhancing the EIT's Impact
3. New Delivery Mechanisms and Results-oriented Monitoring

The budget of the EIT amounted to 557 897 kEUR in 2019. For commitments, the EIT reached an implementation rate of 97%, which was significantly above the execution rate of 2018 (2018: 92%, 2017: 91%, 2016: 95%, 2015: 91%). This is mainly owing to better execution on all Titles. On Title 1, the execution rate increased from 96% to 98% that comes from better planning of salary expense, socio-medical costs and external staff costs. On Title 2, the appropriations were implemented at a higher rate than in 2018, namely at 89% (2018: 84%). This result is achieved by efficient implementation on building related activities, more predictable public transport costs as well as meeting costs. The implementation rate of commitment appropriations on Title 3 (97%) is higher than in 2018 (92%) mainly owing to improvement in planning and implementation in the field of KIC grants, KIC audits, experts for business plan assessments and reporting and Alumni activities.

For payments, EIT kept the high level of execution at 98%.

The EIT budget is financed mainly by European Commission subsidy (99%) and other revenues. 81% of other revenue comes from repayments of KIC grants following ex-post audits. The remaining 19% received from surplus for 2018 and other revenue from administrative operations.

**NOTE: The information contained in this report is without prejudice to the content of the official EIT documents on the closure of the accounts. Readers should refer in particular to the final revenue and expenditure account for the official figures on the 2019 budget outturn.**

# Part A – Overview of the budget 2019

This Section explain how the EIT budget is defined from the voted to the final, including short description of the reason behind main amendments and transfers.

## Overview of the budget

Title, Chapter	Heading	VOTED BUDGET (Dec. 2017)		AMENDMENTS/TRANSFERS		RE-ENTRY		ASSIGNED REVENUE		FINAL BUDGET	
		Commitment appropriations (EUR)	Payment appropriations (EUR)	Commitment appropriations (EUR)	Payment appropriations (EUR)	Commitment appropriations (EUR)	Payment appropriations (EUR)	Commitment appropriations (EUR)	Payment appropriations (EUR)	Commitment appropriations (EUR)	Payment appropriations (EUR)
<b>1</b>	<b>STAFF EXPENDITURE</b>	<b>5,638,500.00</b>	<b>5,638,500.00</b>	<b>321,010.00</b>	<b>321,010.00</b>	<b>0.00</b>	<b>0.00</b>	<b>7,218.71</b>	<b>7,218.71</b>	<b>5,966,728.71</b>	<b>5,966,728.71</b>
11	Staff in active employment	4,575,000.00	4,575,000.00	316,800.00	316,800.00	0.00	0.00	6,197.01	6,197.01	4,897,997.01	4,897,997.01
12	Recruitment expenses	30,000.00	30,000.00	-7,000.00	-7,000.00	0.00	0.00	0.00	0.00	23,000.00	23,000.00
13	Mission	230,000.00	230,000.00	39,400.00	39,400.00	0.00	0.00	1,021.70	1,021.70	270,421.70	270,421.70
14	Socio-medical infrastructure	125,500.00	125,500.00	5,650.00	5,650.00	0.00	0.00	0.00	0.00	131,150.00	131,150.00
15	Training	80,000.00	80,000.00	-23,000.00	-23,000.00	0.00	0.00	0.00	0.00	57,000.00	57,000.00
16	External staff and linguistic support	595,000.00	595,000.00	-9,340.00	-9,340.00	0.00	0.00	0.00	0.00	585,660.00	585,660.00
17	Representation	3,000.00	3,000.00	-1,500.00	-1,500.00	0.00	0.00	0.00	0.00	1,500.00	1,500.00
<b>2</b>	<b>INFRASTRUCTURE AND OPERATING EXPENDITURE</b>	<b>1,147,157.20</b>	<b>1,147,157.20</b>	<b>-57,580.00</b>	<b>-57,580.00</b>	<b>26,892.80</b>	<b>26,892.80</b>	<b>2.42</b>	<b>2.42</b>	<b>1,116,472.42</b>	<b>1,116,472.42</b>
20	Building and associated costs	153,300.00	153,300.00	-30,600.00	-30,600.00	15,000.00	15,000.00	2.42	2.42	137,702.42	137,702.42
21	Information and communication technology	433,237.86	433,237.86	-48,850.00	-48,850.00	1,112.14	1,112.14	0.00	0.00	385,500.00	385,500.00
22	Moveable property and associated costs	13,619.34	13,619.34	6,200.00	6,200.00	10,780.66	10,780.66	0.00	0.00	30,600.00	30,600.00
23	Current administrative expenditure	353,000.00	353,000.00	27,000.00	27,000.00	0.00	0.00	0.00	0.00	380,000.00	380,000.00
24	Publications, information, studies and surveys	11,000.00	11,000.00	9,500.00	9,500.00	0.00	0.00	0.00	0.00	20,500.00	20,500.00
25	Meeting expenses	183,000.00	183,000.00	-20,830.00	-20,830.00	0.00	0.00	0.00	0.00	162,170.00	162,170.00
<b>3</b>	<b>OPERATIONAL EXPENDITURE</b>	<b>488,223,316.62</b>	<b>426,519,964.14</b>	<b>-191,928.08</b>	<b>-17,604,098.09</b>	<b>1,551,579.23</b>	<b>8,560,847.33</b>	<b>34,037.71</b>	<b>34,037.71</b>	<b>489,617,005.48</b>	<b>417,510,751.09</b>
30	Grants	482,257,316.62	420,361,964.14	1,052,871.92	-16,550,328.09	1,551,579.23	8,560,847.33	34,037.71	34,037.71	484,895,805.48	412,406,521.09
31	Knowledge and Innovation Communities	3,532,000.00	3,762,000.00	-827,500.00	-822,000.00	0.00	0.00	0.00	0.00	2,704,500.00	2,940,000.00
32	EIT's impact	2,295,000.00	2,257,000.00	-357,300.00	-220,270.00	0.00	0.00	0.00	0.00	1,937,700.00	2,036,730.00
33	Simplification, monitoring and evaluation	139,000.00	139,000.00	-60,000.00	-11,500.00	0.00	0.00	0.00	0.00	79,000.00	127,500.00
<b>4</b>	<b>CANCELLED APPROPRIATIONS</b>	<b>27,514,196.51</b>	<b>0.00</b>	<b>33,682,579.61</b>	<b>0.00</b>	<b>0.00</b>	<b>11,818.44</b>	<b>0.00</b>	<b>0.00</b>	<b>61,196,776.12</b>	<b>11,818.44</b>
40	Cancelled appropriations not used in year n	27,514,196.51	0.00	33,682,579.61	0.00	0.00	11,818.44	0.00	0.00	61,196,776.12	11,818.44
	<b>TOTAL</b>	<b>522,523,170.33</b>	<b>433,305,621.34</b>	<b>33,754,081.53</b>	<b>-17,340,668.09</b>	<b>1,578,472.03</b>	<b>8,599,558.57</b>	<b>41,258.84</b>	<b>41,258.84</b>	<b>557,896,982.73</b>	<b>424,605,770.66</b>

## A.1 Budget amendments

Two budget amendments were adopted during the 2019 financial year.

AB No	Date of adoption	Main subject Description	Official Journal reference	Impact on commitment and payment appropriations (in EUR)
1 <sup>5</sup>	15 February 2019	It contains the budget result of 2018, the decision on re-entry of appropriations, etc.. In addition, this amendment reflects the actual and foreseen implementation of the budget and the Annual Work Programme.	OJ C 510, 10.05.2019, p. 27-30	CA: 33,778,301.02 PA: 6,943,319.01
2 <sup>6</sup>	23 December 2019	It comprises the correction of income and payment appropriations to reflect the amounts collected during the financial year as well as the review of the implementation of both the budget and Annual Work Programme.	OJ C <sup>7</sup>	CA: 42,039.35 PA: - 17,494,090.80

## A.2 Transfers made during the financial year

There are two types of transfers:

- EIT transfers: transfers decided upon by the EIT Director on his own authority in accordance with Article 26(1) of the FFR (transfers from one chapter to another without limit and transfers from one title to another below 10% of the adopted budget)
- EIT Governing Board transfers: transfers decided upon by the Governing Board (GB) in accordance with Article 26(2) of the FFR (transfer from one title to another above 10% of the adopted budget)

In 2019, the EIT Director approved five transfers, which is below the limit established by the EIT Financial Regulation.

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<sup>5</sup> Decision 02/2019, Ares(2019)917709

<sup>6</sup> Decision 25/2019, Ares(2019)7911392

<sup>7</sup> At the time of preparation of this report it is under publication.



Transfer No	Date of adoption	Main subject Description	Impact on commitment appropriations (EUR)	Impact on payment appropriations (EUR)
1 <sup>8</sup>	27 May 2019	The commitment and payment appropriations on the following budget lines were not enough to cover the needs of the rest of the year: 1602 'Trainees', 2520 'Internal meetings'	Title 1: 14,500 Title 2 1,700	Title 1: 14,500 Title 2 1,700
2 <sup>9</sup>	11 July 2019	The commitment and payment appropriations on the following budget lines were not enough to cover the needs of the rest of the year: 1300 'Mission expense, 1603 'IT support', 2212 'Transport cost, 2303 'Legal expenses and damages, 2403 'Studies and surveys'	Title 1: 49,760 Title 2 31,500	Title 1: 49,760 Title 2 31,500
3 <sup>10</sup>	14 October 2019	The commitment and payment appropriations on the following budget lines were not enough to cover the needs of the rest of the year: 1403 'Social contacts among staff members, 1404 'Other social expense', 1600 'Agency staff', 2009 'Other expenditure related to buildings, 2302 'Telecommunication charges'	Title 1 35,000 Title 2 7,000	Title 1 35,000 Title 2 7,000
4 <sup>11</sup>	4 November 2019	The commitment and payment appropriations on the following budget lines were not enough to cover the needs of the rest of the year: 1100 'Basic salary including weightings', 1101 'Allowances', 1102 'Employer's charges, 1130 'Schooling, 1402 'Early childhood centre and approved nurseries, 1600 'Agency staff', 2005 'Security and surveillance, 2212 'Transport cost, 2309 'Other administrative expense'	Title 1 455,700 Title 2 4,200	Title 1 455,700 Title 2 4,200

8 Ares(2019)3446935 - 27/05/2019  
9 Ares(2019)4458081 - 11/07/2019  
10 Ares(2019)6334292 - 14/10/2019  
11 Ares(2019)6806520 - 04/11/2019

5 <sup>12</sup>	3	The commitment and payment appropriations on the following budget lines were not enough to cover the needs of the rest of the year: 1100 'Basic salary including weightings', 1101 'Allowances', 1110 'Remuneration and allowances of contract agents', 1121 'Entitlements related to entering the service, transfer and leaving the service', 2402 'Purchase information	Title 1	Title 1
	December		120,000	120,000
	2019		Title 2	Title 2
			6,000	6,000

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<sup>12</sup> Ares(2019)7444583 - 03/12/2019

## A.3 Implementation overview

### A.3.1 Implementation of revenue

#### *Implementation of entitlements established in 2019 (IC1, IC4)*

Entitlements established in 2019 were collected. There is no outstanding amount at 31/12/2019.

The revenue increased by 20.5% compared to 2018 since EIT's expenditure increased as well. Nevertheless, the recoveries related to administrative operations and KICs grants are significantly lower. Section 1 of Part B provides further explanation by revenue items.

EIT revenue, in EUR

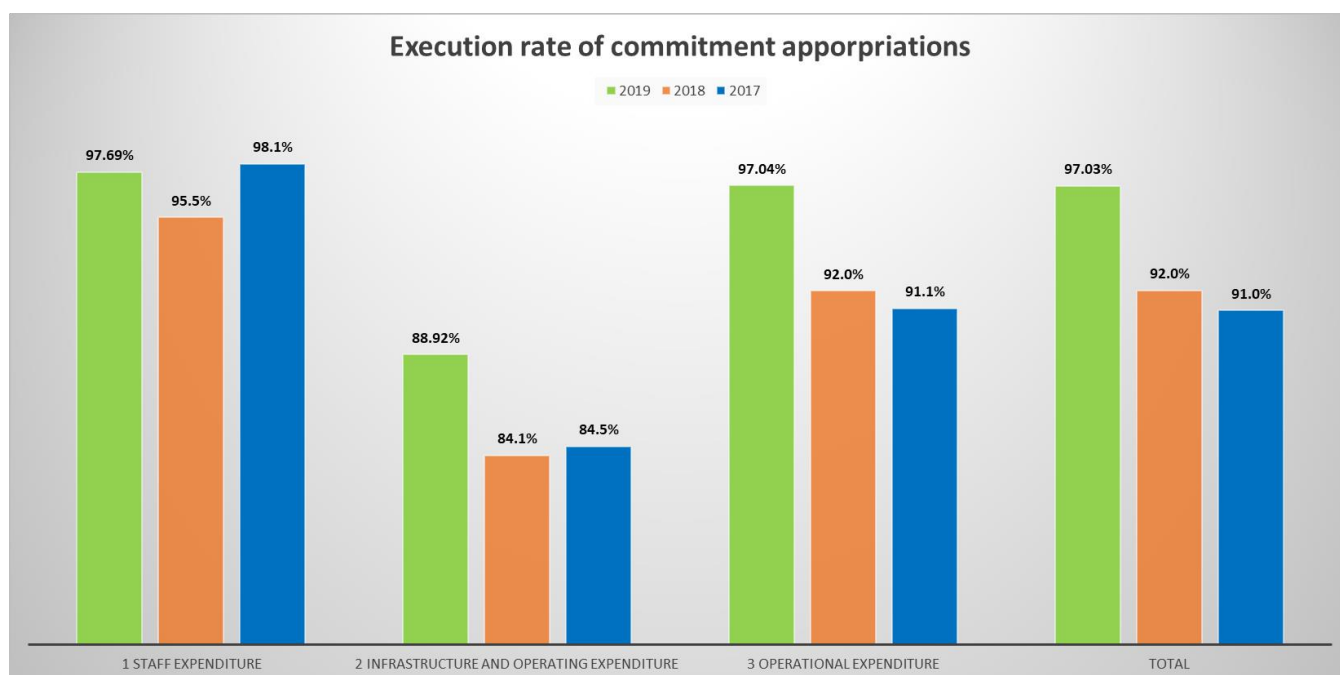
Income line header	2019	2018	2017	Var. 2019/2018, %
European Union subsidy, EFTA and third party contribution	415,988,884.00	345,176,976.00	303,311,492.98	20.5%
Other revenue from administrative operations	8,001.64	21,338.77	12,172.25	-62.5%
Repayment of KICs grants incurred as a result of an ex-post audit	34,038.51	95,455.31	627,063.48	-64.3%
<b>TOTAL</b>	<b>416,030,924.15</b>	<b>345,293,770.08</b>	<b>303,950,728.71</b>	<b>20.5%</b>

#### *Carryover of revenue appropriations from 2018 to 2019 (IC5)*

Payment appropriation from assigned revenue amounting to EUR 97,636.85 was carried over to 2019. The budget outturn 2018 of EUR 8,477,210.46 was re-entered in 2019.

### A.3.2 Implementation of authorised appropriations (C1, C4)

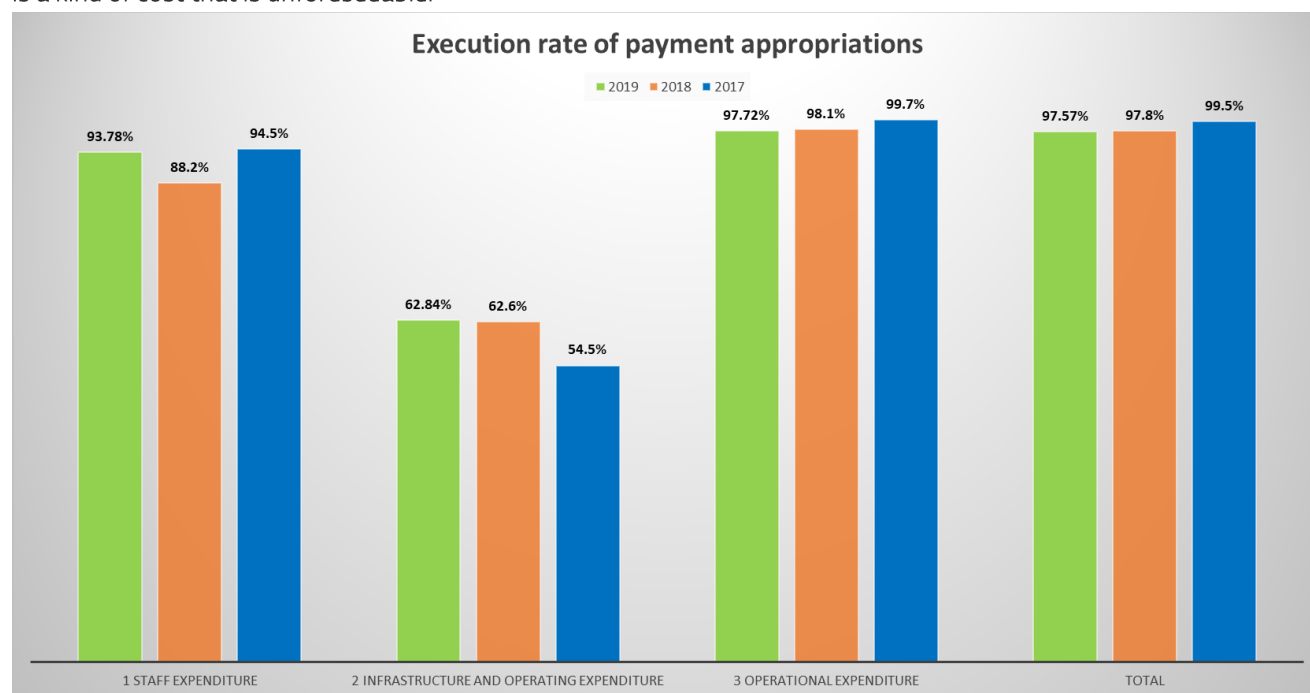
The budget of the EIT amounted to 557 897 kEUR in 2019. For commitments, the EIT reached an implementation rate of 97%, which was significantly above the execution rate of 2018 (2018: 92%, 2017: 91%, 2016: 95%, 2015: 91%). This is mainly owing to better execution on all Titles. On Title 1, the execution rate increased from 96% to 98% that comes from better planning of salary expense, socio-medical costs and external staff costs. On Title 2, the appropriations were implemented at a higher rate than in 2018, namely at 89% (2018: 84%). This result is achieved by efficient implementation on building related activities, more predictable public transport costs as well as meeting costs. The implementation rate of commitment appropriations on Title 3 (97%) is higher than in 2018 (92%) mainly owing to improvement in planning and implementation in the field of KIC grants, KIC audits, experts for business plan assessments and reporting and Alumni activities.



Comparison of budget execution for commitments, EUR

Budget Title	2019	2018	2017
1 Staff expenditure	5,829,058.23	5,722,137.70	4,537,165.82
2 Infrastructure and operating expenditure	968,885.01	1,155,731.95	710,563.51
3 Operational expenditure	473,625,141.71	387,940,476.19	283,242,645.71
<b>TOTAL</b>	<b>480,423,084.95</b>	<b>394,818,345.84</b>	<b>288,490,375.04</b>

The implementation rate of payment appropriations, representing 97.6%, was very high. There was a slight decrease compared to 2018 (97.8%). On title 1 the execution rate increased significantly compared to 2018 (from 88.2% to 93.8%) owing to better monitoring. The execution rate of payments on Title 2 infrastructure and operating expenditure remained almost the same as it was in 2018 (2019: 62.8% 2018: 62.6%). The low implementation rate is since there are certain expense types that typically incur during the final months of a year therefore must be paid in the following year, such as cleaning services, telecommunications. In addition, EIT ordered several products (IT, stationary) where there was a significant delay in the delivery or non-delivery before the year-end. The very low amount of legal cost also affected the implementation rate, nevertheless it is a kind of cost that is unforeseeable.



Comparison of budget execution for payments in EUR

Budget Title	2019	2018	2017
1 Staff expenditure	5,595,843.55	5,283,629.67	4,368,993.07
2 Infrastructure and operating expenditure	684,743.93	860,552.31	458,545.07
3 Operational expenditure	399,610,922.02	331,443,181.04	297,645,870.91
<b>TOTAL</b>	<b>405,891,509.50</b>	<b>337,587,363.02</b>	<b>302,473,409.05</b>

### A.3.4 Carry-over/re-entry from previous financial year(s)

#### *Automatic carryover of appropriations corresponding to obligations duly contracted in 2018 (C8)*

Pursuant to Article 12(6) of the FFR, non-differentiated appropriations, corresponding to obligations duly contracted at the close of the financial year, are carried over automatically to the following year.

83.8% of the non-differentiated appropriations, namely the administrative appropriations carried over from 2018 to 2018 were paid, which represents an adequate level of execution, considering the nature of these expenses. However, the estimation of amounts to be carried over must be further improved.

#### **Title 1**

On Title 1 budget lines, 88.3% of appropriations carried over were paid. The low implementation rate on Title 1 appropriations derives from training and mission expense that was over-estimated.

Budget line	Budget Item Description	Commitment appropriations, EUR (1)	Commitments made, EUR (2)	% Committed (2/1)	Payment appropriations, EUR (3)	Payments made, EUR (4)	% Paid (4/3)	R A L (2-4)
1130	Schooling	12,685.00	12,684.76	100.00%	12,684.76	12,684.76	100.00%	-
	Total	12,685.00	12,684.76	100.00%	12,684.76	12,684.76	100.00%	-
1200	Recruitment expenses	5,577.99	5,577.99	100.00%	5,577.99	5,577.99	100.00%	-
	Total	5,577.99	5,577.99	100.00%	5,577.99	5,577.99	100.00%	-
1300	Mission expenses	19,535.65	15,976.29	81.78%	19,535.65	15,976.29	81.78%	-
	Total	19,535.65	15,976.29	81.78%	19,535.65	15,976.29	81.78%	-
1401	Medical expenses	1,080.59	1,080.59	100.00%	1,080.59	1,080.59	100.00%	-
1402	Childhood centre	7,721.72	7,721.72	100.00%	7,721.72	7,721.72	100.00%	-
	Total	8,802.31	8,802.31	100.00%	8,802.31	8,802.31	100.00%	-
1500	Training	33,507.00	15,049.00	44.91%	33,507.00	15,049.00	44.91%	-
	Total	33,507.00	15,049.00	44.91%	33,507.00	15,049.00	44.91%	-
1600	Agency staff	194,309.31	166,313.22	85.59%	194,309.31	166,313.22	85.59%	-
1602	Trainees	10,954.41	10,113.35	92.32%	10,954.41	10,113.35	92.32%	-
1603	IT support	135,275.00	135,275.00	100.00%	135,275.00	135,275.00	100.00%	-
1604	Administrative assistance	17,861.60	17,250.00	96.58%	17,861.60	17,250.00	96.58%	-
	Total	358,400.32	328,951.57	91.78%	358,400.32	328,951.57	91.78%	-
	<b>TOTAL - Title 1</b>	<b>438,508.27</b>	<b>387,041.92</b>	<b>88.26%</b>	<b>438,508.03</b>	<b>387,041.92</b>	<b>88.26%</b>	<b>-</b>

## Title 2

On Title 2 budget lines, 77.1% of appropriations carried over were paid. The low implementation rate on Title 2 appropriations derives from expenses related to IT second level support, public transport reimbursement, postage, telecommunication, legal, OJ publication, meeting and travel cost of GB meetings, which by nature are difficult to estimate.

Budget line	Budget Item Description	Commitment appropriations , EUR (1)	Commitments made, EUR (2)	% Committed (2/1)	Payment appropriations , EUR (3)	Payments made, EUR (4)	% Paid (4/3)	R A L (2-4)
2000	Renting	28,386.69	28,386.69	100.00%	28,386.69	28,386.69	100.00%	-
2003	Water, Gas, Electricity, Heating	8,574.81	8,574.81	100.00%	8,574.81	8,574.81	100.00%	-
2004	Cleaning Maintenance	26,809.83	24,117.10	89.96%	26,809.83	24,117.10	89.96%	-
2005	Security and surveillance	19,274.35	18,429.15	95.61%	19,274.35	18,429.15	95.61%	-
2006	Fitting out of premises	59,728.49	59,067.49	98.89%	59,728.49	59,067.49	98.89%	-
	Total	142,774.17	138,575.24	97.06%	142,774.17	138,575.24	97.06%	-
2100	Acquisition renting of equipment and software	48,007.76	47,801.61	99.57%	48,007.76	47,801.61	99.57%	-
2101	Maintenance and repair of equipment	50,223.32	31,068.32	61.86%	50,223.32	31,068.32	61.86%	-
	Total	98,231.08	78,869.93	80.29%	98,231.08	78,869.93	80.29%	-
2212	Transport cost	1,778.22	1,173.75	66.01%	1,778.22	1,173.75	66.01%	-
	Total	1,778.22	1,173.75	66.01%	1,778.22	1,173.75	66.01%	-
2300	Stationery	114.00	113.73	99.76%	114.00	113.73	99.76%	-
2301	Postage and delivery	816.86	341.74	41.84%	816.86	341.74	41.84%	-
2302	Telecommunication	9,571.26	6,775.44	70.79%	9,571.26	6,775.44	70.79%	-
2303	Legal expenses and damages	29,655.00	-	0.00%	29,655.00	-	0.00%	-
	Total	40,157.12	7,230.91	18.01%	40,157.12	7,230.91	65.30%	-
2400	Official Journal	1,130.52	355.17	31.42%	1,130.52	355.17	31.42%	-
	Total	1,130.52	355.17	31.42%	1,130.52	355.17	31.42%	-

2500	Organisation of Governing Board meetings	11,108.53	1,228.80	11.06%	11,108.53	1,228.80	11.06%	-
	Total	11,108.53	1,228.80	11.06%	11,108.53	1,228.80	11.06%	-
	Total - Title 2	295,179.64	227,433.80	77.05%	295,179.64	227,433.80	77.05%	-

### Title 3

Budgetary commitments on Title 3 budget lines corresponding to obligations duly contracted and not or only partially paid at the closure of the financial year were carried forward from 2018 to 2019. The execution rate of 72.0% for operational expenses was mainly due to the following: KICs could not fully absorb the 2018 grants and the final cost of the INNOVEIT was lower than contracted. 1.1% of the budgetary commitment has not been paid in 2019 too, thus carried forward to 2020.

Budget line	Budget Item Description	Commitment appropriations, EUR (1)	Commitments made, EUR (2)	% Committed (2/1)	Payment appropriations, EUR (3)	Payments made, EUR (4)	% Paid (4/2)	R A L (2-4)
3000	KIC Grants	105,966,266.61	75,996,106.19	71.72%		75,996,106.19	100.00%	-
	Total	105,966,266.61	75,996,106.19	71.72%	-	75,996,106.19	100.00%	-
3111	Planning, reporting and audits	1,713,539.92	1,597,897.54	93.25%		1,597,897.54	100.00%	-
3112	Knowledge Triangle Integration	272,880.62	214,346.11	78.55%		148,604.95	69.33%	65,741.16
3114	New KICs	175,678.04	171,016.50	97.35%		166,796.50	97.53%	4,220.00
	Total	2,162,098.58	1,983,260.15	91.73%		1,913,298.99	96.47%	69,961.16
3201	Strategic innovation agenda	11,168.00	9,210.34	82.47%		9,210.34	100.00%	-
3202	Communications and dissemination	1,503,322.91	1,500,289.21	99.80%		615,868.30	41.05%	884,420.91
3203	Alumni	154,005.24	139,980.08	90.89%		82,117.08	58.66%	57,863.00
3204	Stakeholder relations	577,135.28	449,508.26	77.89%		449,508.26	100.00%	-
	Total	2,245,631.43	1,509,499.55	67.22%		707,195.72	46.85%	802,303.83
3301	EIT-KIC relations	48,485.00	48,485.00	100.00%		22,223.86	45.84%	26,261.14
3303	Monitoring and evaluation	4,729.58	-	0.00%		-	-	-
	Total	53,214.58	48,485.00	91.11%		22,223.86	45.84%	26,261.14
<b>TOTAL</b>		<b>110,427,211.20</b>	<b>79,537,350.89</b>	<b>72.03%</b>	<b>-</b>	<b>78,638,824.76</b>	<b>98.87%</b>	<b>898,526.13</b>

\* The outstanding commitments on operational budget lines, namely on Title 3 budget lines are paid from payment appropriations adopted by the EIT Governing Board for the financial year in line with Article 12 of the FFR. (C1)



### Carry-over of unused appropriations from 2018 to 2019 (C2, C3, C5)

#### Automatic carry over of unused appropriations (C5)

Commitment appropriations coming from assigned revenue received in 2018 and carried over to 2019 have been fully committed. The payment on budget line 2100 was not executed because the laptops that EIT ordered has not been delivered before the year-end.

Budget line	Budget Item Description	Commitment appropriations, EUR (1)	Commitments made, EUR (2)	% Committed (2/1)	Payment appropriations, EUR (3)	Payments made, EUR (4)	% Paid (4/3)
2100	Acquisition, renting of ICT equipment and software	1,112.14	1,112.14	100.00%	1,112.14		0.00%
2220	Acquisition, rental of furniture	780.66	780.66	100.00%	780.66	780.66	100.00%
	Total	1,892.80	1,892.80	100.00%	1,892.80	780.66	41.24%
3000	KIC grants	95,455.31	95,455.31	100.00%	95,455.31	95,455.31	100.00%
	Total	95,455.31	95,455.31	100.00%	95,455.31	95,455.31	100.00%
	GRAND TOTAL	97,348.11	97,348.11	100.00%	97,348.11	96,235.97	98.86%

#### Carry over of unused appropriations on decision (C2, C3)

The EIT Governing Board decided to carry over appropriations cancelled in 2018 on two administrative budget lines that related to the office space in Brussels rented in 2018. The new office space needed to be reconstructed that started in 2018 and completed in 2019, thus the funds not used in 2018 has been carried over to cover the cost of works and furniture completed and delivered in 2019. The final cost of works and furniture were less than expected.

Budget line	Budget Item Description	Commitment appropriations, EUR (1)	Commitments made, EUR (2)	% Committed (2/1)	Payment appropriations, EUR (3)	Payments made, EUR (4)	% Paid (4/3)
2006	Fitting out of premises	15,000.00	9,637.03	64.25%	15,000.00	9,637.03	64.25%
2220	Acquisition, rental of furniture	10,000.00	9,602.64	96.03%	10,000.00	9,602.64	96.03%
	GRAND TOTAL	25,000.00	19,239.67	76.96%	25,000.00	19,239.67	76.96%

### Re-entry of appropriations unused in 2016 and 2018 on decision (C2, C3)

In its decisions on budget amendment No 1, the EIT Governing Board decided to re-enter commitment appropriations cancelled in 2016 and payment appropriations cancelled in 2016 and 2018, on budget line 3000 KICs grants for the financial year 2019. The re-entered payment appropriations were fully utilized. The KICs have been revised their business plan for 2019 that affected the utilisation of commitment appropriations.

Budget line	Budget Item Description	Commitment appropriations, EUR (1)	Commitments made, EUR (2)	% Committed (2/1)	Payment appropriations, EUR (3)	Payments made, EUR (4)	% Paid (4/3)
3000	KIC grants	1,456,123.92		0.00%	8,465,392.02	8,465,392.02	100.00%
	GRAND TOTAL	1,456,123.92	-	0.00%	8,465,392.02	8,465,392.02	100.00%

Budget line	Budget Item Description	Commitment appropriations, EUR (1)			
		from 2016	from 2017	from 2018	total
3000	KIC grants	1,456,123.92			1,456,123.92
	Total	1,456,123.92	-	-	1,456,123.92

Budget line	Budget Item Description	Payment appropriations, EUR (3)			
		from 2016	from 2017	from 2018	total
3000	KIC grants	1,590,020.74		6,875,371.28	8,465,392.02
	Total	1,590,020.74	-	6,875,371.28	8,465,392.02

The remaining cancelled appropriations are booked on Title 4, where EIT collects cancelled appropriations not needed in the financial year. Title 4 allows to monitor the use of cancelled appropriation and be in line with the derogation for following the three-year rule<sup>13</sup> that will come to an end in 2021. The tables below demonstrate the overview of cancelled appropriations.

Budget line	Budget Item Description	Commitment appropriations, EUR (1)			
		from 2016	from 2017	from 2018	total
4001	Cancelled appropriations for year n-1 not used in year n			33,682,290.87	33,682,290.87
4002	Cancelled appropriations for year n-2 not used in year n		27,514,196.51		27,514,196.51
	Total	-	27,514,196.51	33,682,290.87	61,196,487.38
	GRAND TOTAL	1,456,123.92	27,514,196.51	33,682,290.87	62,652,611.30

<sup>13</sup> According to Art 12 of EIT FR

Budget line	Budget Item Description	Payment appropriations, EUR (3)			
		from 2016	from 2017	from 2018	total
4002	Cancelled appropriations for year n-1 not used in year n		11,818.44		11,818.44
	Total	-	11,818.44	-	11,818.44
	GRAND TOTAL	1,590,020.74	11,818.44	6,875,371.28	8,477,210.46

### A.3.6 Carry-over/re-entry from 2019 to 2020

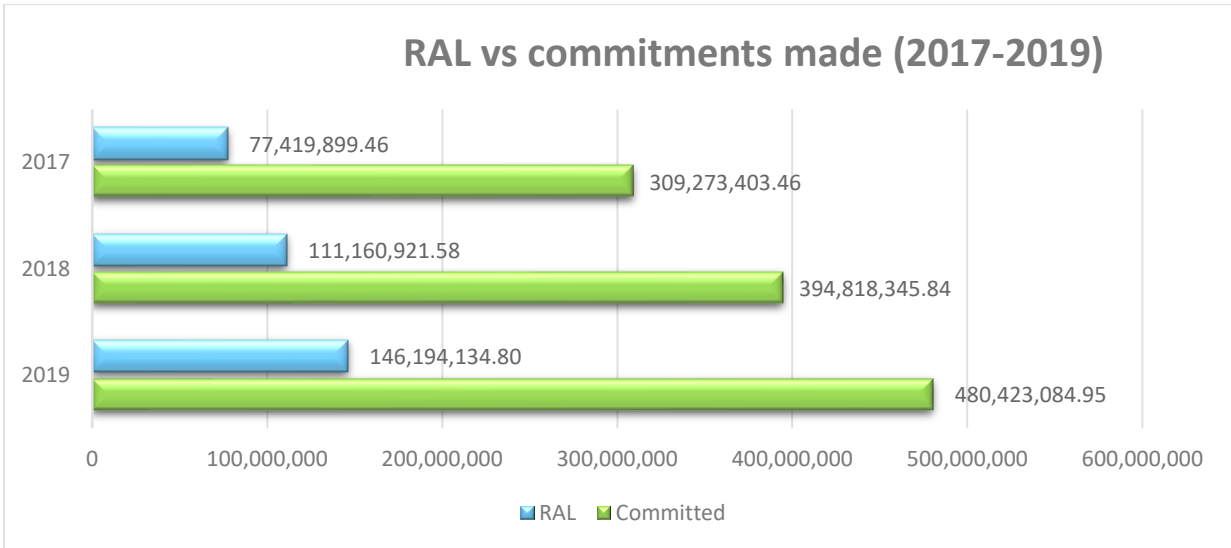
#### *Automatic carryover of appropriations corresponding to obligations duly contracted in 2019 (RAL)*

RAL volumes vary considerably. This is a consequence of the time lag between commitment and payment rather than a problem specifically related to a particular EIT activity. The amount of outstanding commitments as of 31 December 2019 was EUR 146.2 million, which represents an increase of 31.5% compared to 2018. A breakdown elaborating on the outstanding commitments is provided in the table here-below.

#### Evolution of RAL, EUR

Budget Title	2019	2018	2017	Change from 2018 to 2019, EUR	Change from 2018 to 2019, %
1 Staff expenditure	233,214.68	438,508.03	168,172.75	-205,293.35	-46.8%
2 Infrastructure and operating expenditure	285,255.64	295,179.64	252,018.44	-9,924.00	-3.4%
3 Operational expenditure	145,675,666.90	110,427,233.91	76,999,708.27	35,248,432.99	31.9%
TOTAL	146,194,137.22	111,160,921.58	77,419,899.46	35,033,215.64	31.5%

The high amount of RAL is the result of the budget increase for KIC grants. Due to the nature of these grants, and the fact that payment of final balance (an average of 30% of the grant amount) is executed in year N+1, the amount of RAL is, and will always remain, very high.



#### Details of RAL on all Titles

Pursuant to Article 12(6) of the FFR, non-differentiated appropriations, corresponding to obligations duly contracted at the close of the financial year, are carried over automatically to the following year. The level of amounts of staff related commitments (Title 1) carried over to 2020 is very low, namely 4.0%. On Title 2 the relatively high rate of 29.4% comes from the nature of these expenses as well as the starting date of the contracts that are other than January in most of the cases. 30.8% of differentiated appropriations (operational expenses) carried over from 2019 to 2020 owing to particularly 2019 KIC grants to be paid in 2020.

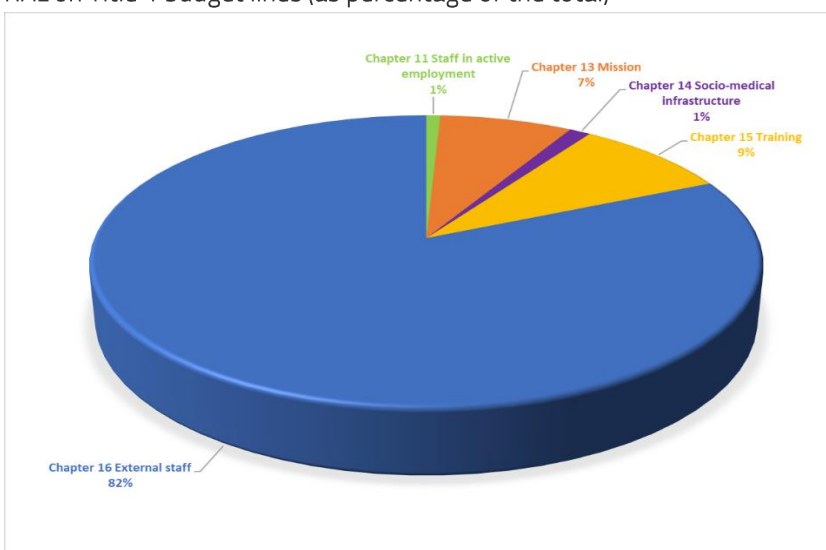
Budget Title	Commitments made	Outstanding	% of outstanding commitment and commitments made
1 Staff expenditure	5,829,058.23	233,214.68	4.0%
2 Infrastructure and operating expenditure	970,777.81	285,253.22	29.4%
3 Operational expenditure	473,720,597.02	145,675,666.90	30.8%
TOTAL	480,520,433.06	146,194,134.80	30.4%

### RAL on Title 1 Staff expenditure

In 2019, the highest share of outstanding commitments for Title 1 concerned agency staff and on-site IT support (72.1%, EUR 168,229.51) owing to several contracts that implementation will be completed in 2020.

Budget line	Budget Item Description	RAL, EUR
1200	Recruitment expenses	1,819.64
	Total	1,819.64
1300	Mission expenses	17,400.66
	Total	17,400.66
1401	Medical expense	2,413.20
1403	Social contacts among staff members	370.00
	Total	2,783.20
1500	Training	20,640.50
	Total	20,640.50
1600	Agency staff	107,959.51
1602	Trainees	5,163.17
1603	IT support	60,270.00
1604	Administrative Assistance	16,120.00
1611	Translation	1,058.00
	Total	190,570.68
	TOTAL - Title 1	233,214.68

### RAL on Title 1 budget lines (as percentage of the total)



### RAL on Title 2 Administrative expenditure

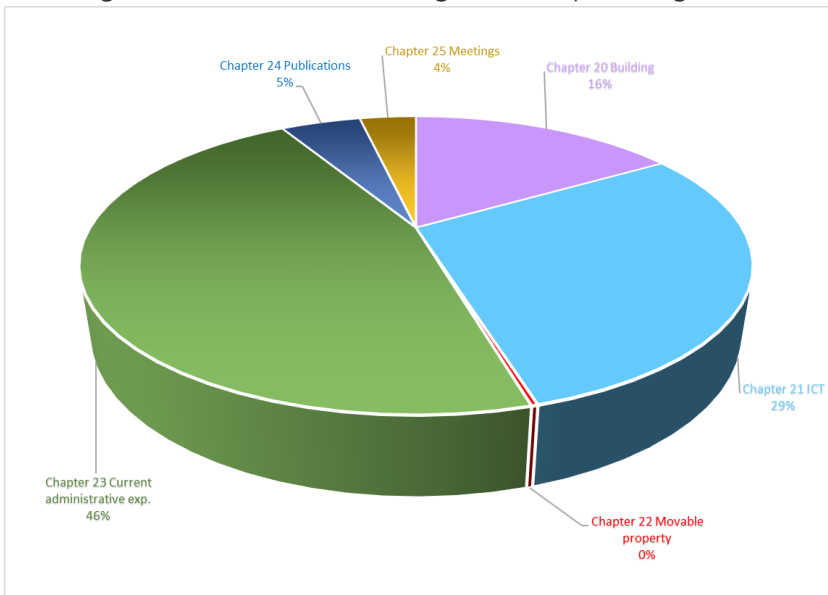
Current administrative expenditure (46.0%, EUR 131,157.41) and Information and communication technology expenditure (29.2%, EUR 83,168.61) represents the highest share of outstanding commitments on Title 2 budget lines.

The EIT concluded a contract for legal assistance that was hardly used since EIT has not had legal cases. In addition, EIT concluded a contract for IT support under its new Framework contract in the second quarter of the year.

Budget line	Budget Item Description	RAL, EUR
2000	Renting	310.36
2003	Water, Gas, Electricity, Heating	16,410.76
2004	Cleaning Maintenance	27,791.76
2006	Fitting out of premises	660.00
2009	Other building related expenditure	1,276.81
	Total	46,449.69
2100	ICT equipment acquisition	26,485.02
2101	Maintenance ICT	56,683.59
	Total	83,168.61

2200	Furniture acquisition	619.43
2212	Transport cost	87.24
	Total	706.67
2300	Stationery	2,776.36
2301	Postage and delivery	553.65
2302	Telecommunication	9,075.40
2303	Legal expenses and damages	116,452.00
2306	GB members honoraria	2,300.00
	Total	131,157.41
2400	Official Journal	400.00
2403	GB members honoraria	13,500.00
	Total	13,900.00
2500	Organisation of Governing Board meetings	9,870.84
	Total	9,870.84
	TOTAL - Title 2	285,253.22

Outstanding commitments on Title 2 budget lines (as percentage of the total)



### RAL on Title 3 Operational expenditure

The outstanding commitments under Title 3 budget lines are equal to EUR 145.7 million. the KIC grants represent 96.8% of the RAL on Title 3. Due to the nature of the grants, namely - the payment of the final balance (an average of 30% of the grant amount) is executed in year N+1, the amount of RAL is and will be always very high.

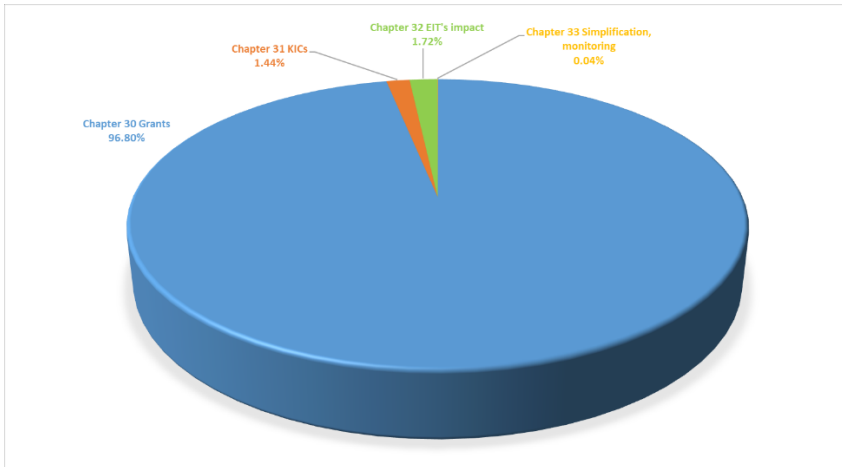
The outstanding amounts for Planning, reporting and audits concern mainly the cost of ex-post audit of cost reports related to 2018 KIC grant agreement and the cost of certificate of financial statements.

The high rate of RAL for communication and dissemination concerns a contract concluded for the EIT Communications Campaigns 2018 and 2019-2020.

Budget line	Budget Item Description	RAL, EUR
3000	KIC Grants	141,018,349.13
	Total	141,018,349.13
3111	Planning, reporting and audits	1,865,781.94
3112	Knowledge Triangle Integration	232,621.16
3114	New KICs	4,220.00
	Total	2,102,623.10
3202	Communications and dissemination	1,832,682.00
3203	Alumni	155,654.22
3204	Stakeholder relations	510,118.03
3205	Awards	5,000.00
	Total	2,503,454.25
3301	EIT-KIC relations	26,261.14
3303	Monitoring and evaluation	24,979.28
	Total	51,240.42
	<b>TOTAL - Title 3</b>	<b>145,675,666.90</b>



Outstanding commitments on Title 3 budget lines, %



*Carry over of unused appropriations from 2019 to 2020*

**Appropriations from assigned revenue carried over from 2019 to 2020 (automatic carry over)**

Pursuant to Article 12(4) of the FFR, unused appropriations from assigned revenue must be carried over for one year only. At the end of 2019, an amount of EUR 35,376.47 for appropriations from assigned revenue related to recoveries from KICs and other administrative expense had not been consumed; therefore, the entire amount was automatically carried over to 2020.

Budget line	Budget Item Description	carried over of commitment appropriations, EUR	carried over of payment appropriations, EUR
1130	Schooling	314.64	314.64
1300	Mission expense	1,021.70	1,021.70
2003	Water, gas, electricity	2.42	2.42
3000	KIC grants	34,037.71	
<b>TOTAL</b>		<b>35,376.47</b>	<b>1,338.76</b>

**Cancelled appropriations carried over from 2019 to 2020 on decision**

No

### *Re-entry of appropriations unused in 2019 until 2021*

Commitment appropriations amounting to EUR 14.7 million has not been committed at the end of the financial year, out of which EUR 14.1 million will be re-entered in 2021 to cover KIC grants.

At the end of the year 2019, the amount of cancelled payment appropriations amounted to EUR 10.1 million, out of which EUR 9.6 million is re-entered in 2020.

## Part B – Detailed overview of the implementation of the budget 2019

## B.1 Revenue

The EIT budget is financed by an EU subsidy and other revenue.

In 2019, the EU subsidy to the EIT including the EFTA and third party (H2020) contribution amounted to EUR 416.0 million (97.7%), and EUR 8.6 million (2.3%) corresponded to other revenue.

In 2019, other revenue comprised

- repayments of KIC grants following ex-post audits,
- surplus for 2018 and
- other revenue from administrative operations.

Surplus of EUR 8.4 million out of EUR 8.5 million was re-entered in 2019, which was fully consumed. The remaining amount will be used in 2020.

Revenue collected in 2019

Income line	Income line header	Income appropriation, EUR	Entitlements established in 2018, EUR (1)	Entitlements established in 2019, EUR (2)	Revenue carried over from 2018, EUR (3)	Revenue received in 2019, EUR (4)	Outstanding amounts, EUR (1+2-3-4)
200	European Union subsidy	378,563,704.82		378,563,704.82		378,563,704.82	0.00
300	Contributions by the EFTA member states	9,425,179.18		9,425,179.18		9,425,179.18	0.00
310	Contributions by third countries	28,000,000.00		28,000,000.00		28,000,000.00	0.00
570	Revenue arising from repayment of amounts wrongly paid	7,999.37	780.66	7,218.71	780.66	7,218.71	0.00
590	Other revenue from administrative operations	1,895.07	1,112.14	782.93	1,112.14	782.93	0.00
600	Surplus, balances	8,477,210.46	8,477,210.46		8,477,210.46		0.00
701	Repayment of KICs grants incurred as a result of an ex-post audit (assigned revenue)	129,781.76	95,744.05	34,038.51	95,744.05	34,038.51	0.00
	<b>TOTAL</b>	<b>424,605,770.66</b>	<b>8,574,847.31</b>	<b>416,030,924.15</b>	<b>8,574,847.31</b>	<b>416,030,924.15</b>	<b>0.00</b>

### Implementation of internal assigned revenue (IC4)

In 2019, EIT received EUR 95,455.31 arising from the repayment of grants as a result of an ex-post audit of final cost reports related to the 2016 grant agreements. In addition, an amount of EUR 19,734.71 was recovered related to administrative expense.

Internal assigned revenue collected in 2019

Budget line	Budget Item Description	Commitment appropriations, EUR (1)	Commitments made, EUR (2)	% Committed (2/1)	Payment appropriations, EUR (3)	Payments made, EUR (4)	% Paid (4/3)	R A L (2-4)
1130	Schooling	6,197.01	5,882.37	94.9%	6,197.01	5,882.37	94.92%	-
1300	Mission	1,021.70		0,00 %	1,021.70		0.00%	-
	<b>Subtotal</b>	<b>7,218.71</b>	<b>5,882.37</b>	<b>0,00 %</b>	<b>7,218.71</b>	<b>5,882.37</b>	<b>81.49%</b>	-
2003	Water, gas, electricity	2.42		0,00 %	2.42		0.00%	-
	<b>Subtotal</b>	<b>2.42</b>	<b>-</b>	<b>0,00 %</b>	<b>2.42</b>	<b>-</b>	<b>0,00 %</b>	-
3000	KIC Grants	34,037.71		0,00 %	34,037.71	34,037.71	100.00%	n.a.
	<b>Subtotal</b>	<b>34,037.71</b>	<b>-</b>	<b>0,00 %</b>	<b>34,037.71</b>	<b>34,037.71</b>	<b>0,00 %</b>	
	<b>Total</b>	<b>41,258.84</b>	<b>5,882.37</b>	<b>14.3%</b>	<b>41,258.84</b>	<b>39,920.08</b>	<b>96.8%</b>	<b>0,00</b>

Repayment of grants following ex-post audits, EUR

Name of the KIC	Recovered amount, EUR
EIT HEALTH EV	33,748.97
CLIMATE KIC	288.74
<b>TOTAL</b>	<b>34,037.71</b>

### Outstanding debit notes

At the end of the financial year there was no outstanding debit note.

## B.2 Expenditure

### B.2.1 Title 1 — Staff expenditure

#### Chapter 11 - Staff in active employment

Appropriations on salary budget lines were adjusted to reflect the actual financial need of the filled and to be filled posts until the end of the financial year. Execution on this chapter is considered high.

Official Budget Item	Heading	Fund Source	Commitment appropriation, EUR	Commitments made EUR	% Committed	Payment appropriation, EUR	Payments made, EUR	% Paid
1100	Basic salaries including weightings	C1	2,540,000.00	2,517,547.75	99.12 %	2,540,000.00	2,517,547.75	99.12 %
1101	Allowances	C1	905,000.00	905,000.00	100.00 %	905,000.00	905,000.00	100.00 %
1102	Employers charges	C1	143,000.00	140,461.90	98.23 %	143,000.00	140,461.90	98.23 %
1110	Remuneration and allowances of contract agents	C1	855,000.00	851,570.87	99.60 %	855,000.00	851,570.87	99.60 %
1121	Entitlements related to entering the service	C1	145,000.00	144,536.09	99.68 %	145,000.00	144,536.09	99.68 %
1130	Schooling	C1	303,800.00	282,500.93	92.99 %	303,800.00	282,500.93	92.99 %
		C4	6,197.01	5,882.37	94.92 %	6,197.01	5,882.37	94.92 %
<b>TOTAL</b>			<b>4,897,997.01</b>	<b>4,847,499.91</b>	<b>98.97%</b>	<b>4,897,997.01</b>	<b>4,847,499.91</b>	<b>98.97%</b>

#### Chapter 12 - Recruitment expenses

The low payment implementation rate of the recruitment budget is a result of the nature of expenses under this budget. Not all claims for reimbursement of travel of expenses falling in this category of expense were received before the end of the financial year.

Official Budget Item	Heading	Fund Source	Commitment appropriation, EUR	Commitments made EUR	% Committed	Payment appropriation, EUR	Payments made, EUR	% Paid
1200	Recruitment expenses	C1	23,000.00	17,000.00	73.91 %	23,000.00	15,180.36	66.00 %

## Chapter 13 – Mission expenses

The low implementation of commitment appropriations is owing to the fact that the actual number of missions was lower than expected. The lower execution rate for payments is because several missions took place in December 2019.

Official Budget Item	Heading	Fund Source	Commitment appropriation, EUR	Commitments made EUR	% Committed	Payment appropriation, EUR	Payments made, EUR	% Paid
1300	Mission expenses	C1	269,400.00	240,400.00	89.24 %	269,400.00	222,999.34	82.78 %
		C4	1,021.70		0.00 %	1,021.70		0.00 %
<b>TOTAL</b>			<b>270,421.70</b>	<b>240,400.00</b>	<b>88.90%</b>	<b>270,421.70</b>	<b>222,999.34</b>	<b>82.46%</b>

## Chapter 14 - Socio-medical infrastructure

In 2019 EIT continued contributing to the establishment of sport clubs and sport events that, despite the small amount allocated to these categories, still has an impact on the budget execution. Due to its nature, kindergarten expense is hard to pre-estimate, which also contributes to the lower implementation of the related budget.

Official Budget Item	Heading	Fund Source	Commitment appropriation, EUR	Commitments made EUR	% Committed	Payment appropriation, EUR	Payments made, EUR	% Paid
1400	Restaurants and canteens	C1	500.00	497.61	99.52 %	500.00	497.61	99.52 %
1401	Medical expenses	C1	21,200.00	19,727.37	93.05 %	21,200.00	17,314.17	81.67 %
1402	Early childhood centre and approved day nurseries	C1	88,500.00	79,055.50	89.33 %	88,500.00	79,055.50	89.33 %
1403	Social contacts among staff members	C1	12,250.00	11,303.87	92.28 %	12,250.00	10,933.87	89.26 %
1404	Other social expenses	C1	8,700.00	7,499.62	86.20 %	8,700.00	7,499.62	86.20 %
<b>TOTAL</b>			<b>131,150.00</b>	<b>118,083.97</b>	<b>90.04%</b>	<b>131,150.00</b>	<b>115,300.77</b>	<b>87.92%</b>

## Chapter 15 - Training

The low execution rate of payments against commitment is owing to the payment method set out in the Service Level Agreements (SLA) concluded with the European Commission for trainings. According to the SLA, the request for final payment must be submitted to the EIT in N+1. In addition, some trainings were postponed to 2020 that resulted in low implementation of commitment appropriations.

Official Budget Item	Heading	Fund Source	Commitment appropriation, EUR	Commitments made EUR	% Committed	Payment appropriation, EUR	Payments made, EUR	% Paid
1500	Training	C1	57,000.00	49,460.67	86.77 %	57,000.00	28,820.17	50.56 %

## Chapter 16 - External staff and linguistic support

Contract with interim agents, as well as for on-site IT support went beyond the financial year, which effected the execution rate of payments.

The execution rate of payments against commitments for budget item 1604 'administrative assistance' arises from the fact that the audit of accounts is completed in 2020.

By nature, the cost of translation services is hard to estimate.

Official Budget Item	Heading	Fund Source	Commitment appropriation, EUR	Commitments made EUR	% Committed	Payment appropriation, EUR	Payments made, EUR	% Paid
1600	Agency staff	C1	184,950.00	184,950.00	100.00 %	184,950.00	76,990.49	41.63 %
1601	Seconded National Expert	C1	22,650.00	22,612.34	99.83 %	22,650.00	22,612.34	99.83 %
1602	Trainees	C1	77,000.00	69,729.28	90.56 %	77,000.00	64,566.11	83.85 %
1603	IT support	C1	135,360.00	135,360.00	100.00 %	135,360.00	75,090.00	55.47 %
1604	Administrative assistance	C1	145,700.00	128,411.89	88.13 %	145,700.00	112,291.89	77.07 %
1611	Translation	C1	20,000.00	14,796.55	73.98 %	20,000.00	13,738.55	68.69 %
<b>TOTAL</b>			<b>585,660.00</b>	<b>555,860.06</b>	<b>94.91%</b>	<b>585,660.00</b>	<b>365,289.38</b>	<b>62.37%</b>

## Chapter 17 - Representation

Due to the nature of representation expense, it is difficult to estimate the final funds required.

Official Budget Item	Heading	Fund Source	Commitment appropriation, EUR	Commitments made EUR	% Committed	Payment appropriation, EUR	Payments made, EUR	% Paid
1700	Representation expenses	C1	1,500.00	753.62	50.24 %	1,500.00	753.62	50.24 %



## B.2.2 Title 2 —Infrastructure and operating expenditure

### Chapter 20 - Building and associated costs

In accordance with the Host Agreement concluded between EIT and Hungary, the Hungarian Government rents the office space and covers the associated utility costs except for water and electricity. The landlord submits its final invoice for utilities to the Hungarian Government a year after the actual expense has been incurred, and only then it is invoiced to the EIT. For that reason, the whole committed amount needs to be carried over to the following financial year.

Contract with the new cleaning company was concluded in the second half of the year, for which expenses must be paid in the following year too.

According to the national legislation EIT must have regularly its electrical circuit and devices checked. The landlord provided the check that resulted a lower cost of security expenses than planned.

The cost of fitting out works of the new Brussels office was less than foreseen.

Official Budget Item	Heading	Fund Source	Commitment appropriation, EUR	Commitments made EUR	% Committed	Payment appropriation, EUR	Payments made, EUR	% Paid
2000	Renting	C1	36,200.00	36,200.00	100.00 %	36,200.00	35,889.64	99.14 %
2003	Water gas electricity and heating	C1	30,000.00	30,000.00	100.00 %	30,000.00	13,589.24	45.30 %
		C4	2.42		0.00 %	2.42		0.00 %
2004	Cleaning and maintenance	C1	36,500.00	33,255.18	91.11 %	36,500.00	5,463.42	14.97 %
2005	Security and surveillance	C1	7,000.00	4,252.72	60.75 %	7,000.00	4,252.72	60.75 %
2006	Fitting out of premises	C1	4,700.00	4,700.00	100.00 %	4,700.00	4,040.00	85.96 %
		C2	15,000.00	9,637.03	64.25 %	15,000.00	9,637.03	64.25 %
2009	Other building expenditure	C1	8,300.00	8,102.75	97.62 %	8,300.00	6,825.94	82.24 %
<b>TOTAL</b>			<b>137,702.42</b>	<b>126,147.68</b>	<b>91.61%</b>	<b>137,702.42</b>	<b>79,697.99</b>	<b>57.88%</b>

## Chapter 21 - Information and communication technology

The EIT concluded contract for leasing of printers, where the execution of the contracts expands beyond the end of the financial year. In addition, the ordered audio-visual equipment for the EIT office in Brussels was not fully installed in 2019 that has resulted in a lower payment execution rate.

EIT concluded for L2 IT support at the end of the year, where the implementation of the contract will be finalised in 2020 thus affecting the execution of the payment appropriations. (A-2101)

Official Budget Item	Heading	Fund Source	Commitment appropriation, EUR	Commitments made EUR	% Committed	Payment appropriation, EUR	Payments made, EUR	% Paid
2100	Acquisition renting of equipment and software	C1	138,387.86	124,598.72	90.04 %	138,387.86	99,225.84	71.70 %
		C4	6,197.01	0.00	0.00 %	6,197.01	0.00	0.00 %
		C5	1,112.14	1,112.14	100.00 %	1,112.14		0.00 %
2101	Maintenance and repair of equipment	C1	246,000.00	231,908.85	94.27 %	246,000.00	175,225.26	71.23 %
<b>TOTAL</b>			<b>391,697.01</b>	<b>357,619.71</b>	<b>91.30%</b>	<b>391,697.01</b>	<b>274,451.10</b>	<b>70.07%</b>

## Chapter 22 - Movable property and associated costs

Due to the nature of transport expenses (namely the requests from staff for public transport cost reimbursement), it is difficult to pre-estimate the exact funds required.

Official Budget Item	Heading	Fund Source	Commitment appropriation, EUR	Commitments made EUR	% Committed	Payment appropriation, EUR	Payments made, EUR	% Paid
2200	Acquisition general, technical equipment	C1	3,000.00	2,910.08	97.00 %	3,000.00	2,290.65	76.36 %
2212	Transport cost	C1	13,200.00	10,806.00	81.86 %	13,200.00	10,718.76	81.20 %
2220	Acquisition of furniture	C1	3,619.34	3,619.34	100.00 %	3,619.34	3,619.34	100.00 %
		C2	10,000.00	9,602.64	96.03 %	10,000.00	9,602.64	96.03 %
		C4	1,021.70	0.00	0.00 %	1,021.70	0.00	0.00 %
		C5	780.66	780.66	100.00 %	780.66	780.66	100.00 %
<b>TOTAL</b>			<b>31,621.70</b>	<b>27,718.72</b>	<b>87.66%</b>	<b>31,621.70</b>	<b>27,012.05</b>	<b>85.42%</b>

## Chapter 23 - Current administrative expenditure

Due to the nature of certain expenses, such as telecommunication charges, legal expense, handling and moving expense, and other administrative expense (budget item 2309), which do not fit into any budget line, it is difficult to pre-estimate the exact budget required.

Official Budget Item	Heading	Fund Source	Commitment appropriation, EUR	Commitments made EUR	% Committed	Payment appropriation, EUR	Payments made, EUR	% Paid
2300	Stationery and office supplies	C1	5,200.00	5,057.40	97.26 %	5,200.00	2,281.04	43.87 %
2301	Postage and delivery charges	C1	5,500.00	5,500.00	100.00 %	5,500.00	4,946.35	89.93 %
2302	Telecommunication charges	C1	45,000.00	40,838.21	90.75 %	45,000.00	31,762.81	70.58 %
2303	Legal expenses and damages	C1	125,000.00	125,000.00	100.00 %	125,000.00	8,548.00	6.84 %
2304	Handling and moving	C1	300.00	193.31	64.44 %	300.00	193.31	64.44 %
2306	Honoraria for Governing Board Members	C1	198,000.00	158,000.00	79.80 %	198,000.00	155,700.00	78.64 %
2309	Other administrative expenses	C1	1,000.00	475.64	47.56 %	1,000.00	475.64	47.56 %
<b>TOTAL</b>			<b>380,000.00</b>	<b>335,064.56</b>	<b>88.17%</b>	<b>380,000.00</b>	<b>203,907.15</b>	<b>53.66%</b>

## Chapter 24 - Publications, information, studies and surveys

The cost of publication in the Official Journal was lower than expected. No payment is due as per the payment method set out in the Service Level Agreements (SLA) concluded with the Publication office. According to this SLA, the request for final payment must be submitted to the EIT in N+1.

EIT intended to subscribe for newspapers but due to the delay in the adoption of last budget amendment that covered the needs, it was not possible to conclude the contract.

EIT staff survey was performed at the year-end and the analysis was delivered in 2020 only which resulted in no payment in 2019.

Official Budget Item	Heading	Fund Source	Commitment appropriation, EUR	Commitments made EUR	% Committed	Payment appropriation, EUR	Payments made, EUR	% Paid
2400	Official Journal	C1	1,000.00	400.00	40.00 %	1,000.00	0.00	0.00 %
2402	Purchase information	C1	6,000.00	0.00	0.00 %	6,000.00	0.00	0.00 %
2403	Studies and surveys	C1	13,500.00	13,500.00	100.00 %	13,500.00	0.00	0.00 %
<b>TOTAL</b>			<b>20,500.00</b>	<b>13,900.00</b>	<b>67.80%</b>	<b>20,500.00</b>	<b>0.00</b>	<b>0.00%</b>

## Chapter 25 - Meeting expenses

In the second half of the year EIT has implemented a more cost-effective way of organising EIT Governing Board meetings that resulted in substantial savings. At the same time, the projected expenses related to internal meetings were slightly overestimated. These two factors in combination respectively lowered the execution rate.

Official Budget Item	Heading	Fund Source	Commitment appropriation, EUR	Commitments made EUR	% Committed	Payment appropriation, EUR	Payments made, EUR	% Paid
2500	Organisation and travel expenses of Governing Board meetings	C1	157,970.00	126,236.91	79.91 %	157,970.00	116,366.07	73.66 %
2520	Internal meetings	C1	4,200.00	3,329.90	79.28 %	4,200.00	3,329.90	79.28 %
<b>TOTAL</b>			<b>162,170.00</b>	<b>129,566.81</b>	<b>79.90%</b>	<b>162,170.00</b>	<b>119,695.97</b>	<b>73.81%</b>

### B.2.3 Title 3 — Operational expenditure

#### Chapter - 30 Grants

The implementation rate of commitment appropriations for 2019 grants stands at 96.8% owing to the revision exercise performed by the KICs during the implementation of the annual Business Plans, which resulted in a decrease of requested EIT contribution. Due to the nature of KIC grant activities, it is difficult to estimate their final funds required. Therefore, EIT has been granted a derogation to the Financial Regulation that allows re-entering of unused appropriations.

Official Budget Item	Heading	Fund Source	Commitment appropriation, EUR	Commitments made EUR	% Committed	Payment appropriation, EUR	Payments made, EUR	% Paid
3000	KIC Grants	C1	483,310,188.54	469,205,902.34	97.08 %	403,811,636.05	395,684,229.67	97.99 %
		C2	1,456,123.92		0.00 %	8,465,392.02	8,465,392.02	100.00 %
		C4	34,037.71	0.00	0.00 %	34,037.71	34,037.71	100.00 %
		C5	95,455.31	95,455.31	100.00 %	95,455.31	95,455.31	100.00 %
<b>TOTAL</b>			<b>484,895,805.48</b>	<b>469,301,357.65</b>	<b>96.78%</b>	<b>412,406,521.09</b>	<b>404,279,114.71</b>	<b>98.03%</b>

#### Chapter 31 - Knowledge and Innovation Communities

The external experts to support the assessment of KIC business plans have not submitted their cost claim before the year end that resulted a low implementation of payment appropriations.

The execution rate for budget item 3112 'Knowledge Triangle Integration' was significantly low (63.9%) owing to that less activities have been implemented in the field of women leadership and entrepreneurship activities, the EU Skills for future initiative as well as of new EIT label programme.

Official Budget Item	Heading	Fund Source	Commitment appropriation, EUR	Commitments made EUR	% Committed	Payment appropriation, EUR	Payments made, EUR	% Paid
3111	Planning, reporting and audits	C1	2,336,900.00	2,270,914.50	97.18 %	2,421,900.00	2,003,030.10	82.70 %
3112	Knowledge Triangle Integration	C1	345,300.00	220,545.55	63.87 %	322,100.00	202,270.50	62.80 %
3114	New KICs	C1				176,000.00	166,796.50	94.77 %
<b>TOTAL</b>			<b>2,682,200.00</b>	<b>2,491,460.05</b>	<b>92.89%</b>	<b>2,920,000.00</b>	<b>2,372,097.10</b>	<b>81.24%</b>

### Chapter 32 – EIT's IMPACT

The low payment execution rate on 3202 and 3203 budget lines relates to contracts concluded either at the end of the year or at where the claim or invoice have not been submitted in the financial year.

Official Budget Item	Heading	Fund Source	Commitment appropriation, EUR	Commitments made EUR	% Committed	Payment appropriation, EUR	Payments made, EUR	% Paid
3201	Strategic Innovation Agenda	C1				9,300.00	9,210.34	99.04 %
3202	Communications and Dissemination	C1	1,030,000.00	997,875.19	96.88 %	1,125,000.00	665,482.40	59.15 %
3203	Alumni	C1	110,000.00	101,304.67	92.10 %	137,000.00	85,630.53	62.50 %
3204	Stakeholder relations	C1	570,000.00	534,617.73	93.79 %	535,430.00	474,007.96	88.53 %
3205	Awards	C1	230,000.00	230,000.00	100.00 %	230,000.00	225,000.00	97.83 %
<b>TOTAL</b>			<b>1,940,000.00</b>	<b>1,863,797.59</b>	<b>96.07%</b>	<b>2,036,730.00</b>	<b>1,459,331.23</b>	<b>71.65%</b>

### Chapter 33 – SIMPLIFICATION, MONITORING AND EVALUATION

Very low payment implementation rate on both budget items relations relates to expert contracts which was not completed in 2019.

Official Budget Item	Heading	Fund Source	Commitment appropriation, EUR	Commitments made EUR	% Committed	Payment appropriation, EUR	Payments made, EUR	% Paid
3301	EIT-KIC relations	C1				48,500.00	22,223.86	45.82 %
3303	Monitoring and evaluation	C1	79,000.00	63,981.73	80.99 %	79,000.00	39,002.45	49.37 %
<b>TOTAL</b>			<b>79,000.00</b>	<b>63,981.73</b>	<b>80.99%</b>	<b>127,500.00</b>	<b>61,226.31</b>	<b>48.02%</b>