



# Annual accounts of the European Agency for Safety and Health at Work

Financial year 2019

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## **CERTIFICATION OF THE ACCOUNTS**

I acknowledge my responsibility for the preparation and presentation of the annual accounts of EU-OSHA, the European Agency for Safety and Health at Work, in accordance with Article 102 of the Framework Financial Regulation ('FFR')<sup>1</sup> and I hereby certify that the annual accounts of the EU-OSHA for the year 2019 have been prepared in accordance with Title IX of the FFR and the accounting rules adopted by the Commission's Accounting Officer, as are to be applied by all the institutions and union bodies.

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

Rosa ALDEA BUSQUETS

**Accounting Officer of the European Agency for  
Safety and Health at Work**

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<sup>1</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.

## BACKGROUND INFORMATION ON EU-OSHA

The European Agency for Safety and Health at Work (EU-OSHA), based in Bilbao (Spain), is one of the decentralised agencies of the European Union. Established in 1994, the Agency functions based on a new founding regulation, which entered into force in early 2019<sup>2</sup>. The regulation defines its mandate and governance arrangements.

EU-OSHA's mission is to develop, gather and provide reliable and relevant information, analysis and tools to advance knowledge, raise awareness and exchange occupational safety and health (OSH) information and good practice, which will serve the needs of those involved in OSH.

The Agency's long-term strategic objectives are established in a Multi-annual Strategic Programme (MSP) which addresses the main challenges of OSH in the EU as identified in the main EU policy documents – such as the EU strategic framework, adopted in 2015 and the Commission's 2017 Communication "Safer and Healthier Work for All - Modernisation of the EU Occupational Safety and Health Legislation and Policy". These include, among others:

- The ageing of the EU working population and the need to ensure active and healthy ageing for all workers;
- The need to coordinate national strategies with a focus on implementation and enforcement;
- The importance of relying on comparable statistical data across Member States;
- The challenge of facilitating compliance with OSH regulations by medium, small and micro enterprises;
- The importance of managing dangerous substances at the workplace and ensuring adequate levels of prevention against work-related diseases;
- Anticipating other unknown and underestimated and emerging risks.

The Agency is based on a tripartite structure of its Management Board that comprises representatives of:

1. National governments;
2. Employers' organisations and trade unions of the EU-28;
3. The European Commission.

The European Parliament appoints an independent expert without right to vote. Representatives from the EEA-EFTA countries are also sitting at the Management Board as observers.

The Executive Board is a smaller steering group drawn from the membership of the Management Board. It oversees the preparation and implementation of Management Board decisions<sup>3</sup>.

As a tripartite organisation, the Agency works closely with governments', employers' and workers' representatives – in addition to the European Institutions - in order to share good practices and reach workers and workplaces across Europe.

## Highlights of the year

The year 2019 has witnessed important changes in relation to some key governance arrangements of EU-OSHA. As of February 2019, the Agency operates under a new Founding Regulation: Regulation (EU) 2019/126 of the European Parliament and of the Council of 16 January 2019 establishing the European Agency for Safety and Health at Work (EU-OSHA), and repealing Council Regulation (EC) No 2062/94.

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<sup>2</sup> Regulation (EU) 2019/126 of the European Parliament and of the Council of 16 January 2019 establishing the European Agency for Safety and Health at Work (EU-OSHA), and repealing Council Regulation (EC) No 2062/94, cf. <https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:32019R0126>

<sup>3</sup> With the 2018 Regulation, the "Governing Board" and "Bureau" have become "Management Board" and "Executive Board", and the "Director" became the "Executive Director". In this report, the terminology from the new Regulation is used unless reference is made to actions and decisions taken before its entry into force on 20 February 2019.

In addition, following entry into force of Regulation (EU, Euratom) 2018/1046 and related Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation, EU-OSHA has also a new Financial Regulation, adopted by the Management Board on 27 September 2019.

Lastly, as from 1 July 2019, the Agency has also outsourced its accounting function to the European Commission, DG Budget.

The year 2019 was another year of delivery for EU-OSHA, a year of continued commitment of the Agency's workforce and stakeholders achieving the objectives of the Annual Programme, and a year of further implementation of the Agency's activities. The Agency was able to deliver on its ambitious work programme almost in its entirety, which resulted into a very high budget implementation.

The budget of the agency amounted to kEUR 15 739 in 2019. Final budget implementation (commitments) for the appropriations of the year 2019 is 98% whereas the final execution (payments) is 76%. Remaining payments are to be made in 2020.

The main impact of the 2019 Management Board's decision to appoint the Commission's Accounting Officer as accounting officer of the Agency is clearly visible in the balance sheet, in particular in the variances of the current assets' sub-headings. Due to the integration of the Agency's treasury in the Commission's one, the financial resources of the Agency are now presented in the current receivables rather than in the cash and cash equivalents. Moreover, in some cases the presentation criteria were changed, as mentioned in the explicative notes of the items concerned.

In the statement of the financial performance, the impact of the above-mentioned activities is mirrored in the increase of the operating costs and the other expenses. The staff cost also show a quite significant increase mainly due to the salaries indexation and promotions.

# FINANCIAL STATEMENTS AND EXPLANATORY NOTES

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

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**BALANCE SHEET**

EUR '000

	Note	31.12.2019	31.12.2018
<b>NON-CURRENT ASSETS</b>			
<i>Intangible assets</i>	2.1	2	4
<i>Property, plant and equipment</i>	2.2	261	394
<i>Exchange receivables and non-exchange recoverables</i>	2.4	9	9
		<b>272</b>	<b>407</b>
<b>CURRENT ASSETS</b>			
<i>Pre-financing</i>	2.3	–	30
<i>Exchange receivables and non-exchange recoverables</i>	2.4	4 421	425
<i>Cash and cash equivalents</i>	2.5	7	5 288
		<b>4 428</b>	<b>5 743</b>
<b>TOTAL ASSETS</b>		<b>4 700</b>	<b>6 151</b>
<b>CURRENT LIABILITIES</b>			
<i>Payables and other liabilities</i>	2.6	(769)	(780)
<i>Accrued charges and deferred income</i>	2.7	(1 475)	(1 851)
		<b>(2 244)</b>	<b>(2 632)</b>
<b>TOTAL LIABILITIES</b>		<b>(2 244)</b>	<b>(2 632)</b>
<b>NET ASSETS</b>		<b>2 456</b>	<b>3 519</b>
<i>Accumulated surplus</i>		3 519	2 438
<i>Economic result of the year</i>		(1 063)	1 081
<b>NET ASSETS</b>		<b>2 456</b>	<b>3 519</b>

## STATEMENT OF FINANCIAL PERFORMANCE

		EUR '000	
	Note	2019	2018
<b>REVENUE</b>			
<b>Revenue from non-exchange transactions</b>			
<i>Funds from the Commission</i>	3.1	15 315	15 082
<i>Other</i>	3.1	272	–
		<b>15 587</b>	<b>15 082</b>
<b>Revenue from exchange transactions</b>			
<i>Financial revenue</i>	3.2	61	0
<i>Other</i>	3.2	1	255
		<b>62</b>	<b>255</b>
<b>Total revenue</b>		<b>15 649</b>	<b>15 337</b>
<b>EXPENSES</b>			
<i>Operating costs</i>	3.3	(8 326)	(6 540)
<i>Staff costs</i>	3.4	(6 146)	(5 690)
<i>Finance costs</i>		(0)	(0)
<i>Other expenses</i>	3.5	(2 239)	(2 026)
<b>Total expenses</b>		<b>(16 711)</b>	<b>(14 256)</b>
<b>ECONOMIC RESULT OF THE YEAR</b>		<b>(1 063)</b>	<b>1 081</b>

**CASHFLOW STATEMENT<sup>4</sup>**

	EUR '000	
	2019	2018
<i>Economic result of the year</i>	(1 063)	1 081
<b>Operating activities</b>		
<i>Depreciation and amortization</i>	144	(11)
<i>(Increase)/decrease in pre-financing</i>	30	79
<i>(Increase)/decrease in exchange receivables and non-exchange recoverables</i>	(3 996)	2 080
<i>Increase/(decrease) in payables</i>	(12)	(2 455)
<i>Increase/(decrease) in accrued charges &amp; deferred income</i>	(376)	153
<b>Investing activities</b>		
<i>(Increase)/decrease in intangible assets and property, plant and equipment</i>	(9)	0
<b>NET CASHFLOW</b>	<b>(5 281)</b>	<b>927</b>
<i>Net increase/(decrease) in cash and cash equivalents</i>	(5 281)	927
<i>Cash and cash equivalents at the beginning of the year</i>	5 288	4 362
<i>Cash and cash equivalents at year-end</i>	7	5 288

<sup>4</sup> Following the appointment of the Accounting Officer of the Commission as the Accounting Officer of EU-OSHA, the treasury of EU-OSHA was integrated into the Commission's treasury system. Because of this, EU-OSHA does not have any bank accounts of its own. All payments and receipts are processed via the Commission's treasury system and registered on intercompany accounts, which are presented under the heading exchange receivables.

## STATEMENT OF CHANGES IN NET ASSETS

EUR '000

	Accumulated Surplus/ (Deficit)	Economic result of the year	Net Assets
<b>BALANCE AS AT 31.12.2017</b>	<b>3 163</b>	<b>(725)</b>	<b>2 438</b>
<i>Allocation 2017 economic result</i>	<i>(725)</i>	<i>725</i>	<i>–</i>
<i>Economic result of the year</i>	<i>–</i>	<i>1 081</i>	<i>1 081</i>
<b>BALANCE AS AT 31.12.2018</b>	<b>2 438</b>	<b>1 081</b>	<b>3 519</b>
<i>Allocation 2018 economic result</i>	<i>1 081</i>	<i>(1 081)</i>	<i>–</i>
<i>Economic result of the year</i>	<i>–</i>	<i>(1 063)</i>	<i>(1 063)</i>
<b>BALANCE AS AT 31.12.2019</b>	<b>3 519</b>	<b>(1 063)</b>	<b>2 456</b>

## **NOTES TO THE FINANCIAL STATEMENTS**

# 1. SIGNIFICANT ACCOUNTING POLICIES

## 1.1. ACCOUNTING PRINCIPLES

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

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

## 1.2. BASIS OF PREPARATION

### 1.2.1. Reporting period

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

### 1.2.2. Currency and basis for conversion

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

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

#### Euro exchange rates

Currency	31.12.2019	31.12.2018	Currency	31.12.2019	31.12.2018
<b>BGN</b>	<b>1.9558</b>	1.9558	<b>PLN</b>	<b>4.2568</b>	4.3014
<b>CZK</b>	<b>25.4080</b>	25.7240	<b>RON</b>	<b>4.783</b>	4.6635
<b>DKK</b>	<b>7.4715</b>	7.4673	<b>SEK</b>	<b>10.4468</b>	10.2548
<b>GBP</b>	<b>0.8508</b>	0.8945	<b>CHF</b>	<b>1.0854</b>	1.1269
<b>HRK</b>	<b>7.4395</b>	7.4125	<b>JPY</b>	<b>121.9400</b>	125.8500
<b>HUF</b>	<b>330.5300</b>	320.9800	<b>USD</b>	<b>1.1234</b>	1.145

### 1.2.3. Use of estimates

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

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

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

## 1.3. 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 (i.e. it is capable of being separated or divided from the entity, e.g. by being sold, transferred, licensed, rented, or exchanged, either individually or together with a related contract, identifiable asset or liability, regardless of whether the entity intends to do so), or arises from binding arrangements (including rights from contracts or other legal rights), regardless of whether those rights are transferable or separable from the entity or from other rights and obligations).

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. The capitalisable costs include all directly attributable costs necessary to create, produce, and prepare the asset to be capable of operating in the manner intended by management. Costs associated with research activities, non-capitalisable development costs and maintenance costs are recognised as expenses when incurred.

Intangible assets are amortised on a straight-line basis over their estimated useful lives. The estimated useful lives of intangible assets depend on their specific economic lifetime or legal lifetime determined by an agreement.

Intangible assets residual values and useful lives are reviewed, and adjusted if appropriate, at least once per year.

### 1.3.2. Property, plant and equipment

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

Type of asset	Straight line depreciation rate
<i>Buildings</i>	4 % to 10 %
<i>Space assets</i>	8 % to 25 %
<i>Plant and equipment</i>	10 % to 25 %
<i>Furniture and vehicles</i>	10 % to 25 %
<i>Computer hardware</i>	25 % to 33 %
<i>Other</i>	10 % to 33 %

Property, plant and equipment residual values and useful lives are reviewed, and adjusted if appropriate, at least once per year.

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. When entering a finance lease as a lessee, the assets acquired under the finance lease are recognised as assets and the associated lease obligations as liabilities as from the commencement of the lease term. The assets and liabilities are recognised at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. Over the period of the lease term, the assets held under finance leases are depreciated over the shorter of the asset's useful life and the lease term. The minimum lease payments are apportioned between the finance charge (the interest element) and the reduction of the outstanding liability (the capital element). The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability, which is presented as current/non-current, as applicable. Contingent rents shall be charged as expenses in the period in which they are incurred.

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 a leased asset nor a leasing liability presented in the statement of financial position.

### 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 reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. 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. If the reasons for impairments recognised in previous years no longer apply, the impairment losses are reversed accordingly.

### 1.3.4. Financial assets

Financial assets are classified in the following categories: 'financial assets at fair value through surplus or deficit', 'loans and receivables', 'held-to-maturity investments' and 'available for sale financial assets'. The classification of the financial instruments is determined at initial recognition and re-evaluated at each balance sheet date.

#### (i) *Financial assets at fair value through surplus or deficit*

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by the entity. Derivatives are also presented in this category. Assets in this category are classified as current assets if they are expected to be realised within 12 months of the balance sheet date. During this financial year, the entity did not hold any investments in this category.

#### (ii) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the entity provides money, goods or services directly to a debtor with no intention of trading the receivable. They are included in non-current assets, except for maturities within 12 months of the balance sheet date. Loans and receivables include term deposits with the original maturity above three months.

#### (iii) *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the entity has the positive intention and ability to hold to maturity. During this financial year, the entity did not hold any investments in this category.

(iv) *Available for sale financial assets*

Available for sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are classified as either current or non-current assets, depending on the period of time the entity expects to hold them, which is usually the maturity date. During this financial year, the entity did not hold any investments in this category.

### **Initial recognition and measurement**

Purchases and sales of financial assets at fair value through surplus or deficit, held-to-maturity and available for sale are recognised on their trade date, i.e. the date on which the entity commits to purchase or sell the asset. Cash equivalents and loans are recognised when cash is deposited in a financial institution or advanced to borrowers. Financial instruments are initially recognised at fair value. For all financial assets not carried at fair value through surplus or deficit, transaction costs are added to the fair value at initial recognition.

Financial instruments are derecognised when the rights to receive cashflows from the investments have expired or the entity has transferred substantially all risks and rewards of ownership to another party.

### **Subsequent measurement**

Financial assets at fair value through surplus or deficit are subsequently carried at fair value, with gains and losses arising from changes in the fair value being included in the statement of financial performance in the period in which they arise.

Loans and receivables and held-to maturity investments are carried at amortised cost using the effective interest method.

Available for sale financial assets are subsequently carried at fair value. Gains and losses arising from changes in the fair value are recognised in the fair value reserve. Interest on available for sale financial assets, calculated using the effective interest method, is recognised in the statement of financial performance.

The entity assesses at each balance sheet date whether there is objective evidence that a financial asset is impaired and whether an impairment loss should be recorded in the statement of financial performance.

#### **1.3.5. Pre-financing amounts**

Pre-financing is a payment intended to provide the beneficiary with a cash advance, i.e. a float. It may be split into a number of payments over a period defined in the particular contract, decision, agreement or basic legal act. The float or advance is either used for the purpose for which it was provided during the period defined in the agreement or it is repaid. If the beneficiary does not incur eligible expenditure, he has the obligation to return the pre-financing advance to the entity. Thus, as the entity retains control over the pre-financing and is entitled to a refund for the ineligible part, the amount is presented 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 a separate presentation of exchange and non-exchange transactions. To distinguish between the two categories, the term 'receivable' is reserved for exchange transactions, whereas for non-exchange transactions, i.e. when the EU receives value from another entity without directly giving approximately equal value in exchange, the term 'recoverables' is used (e.g. recoverables from Member States related to own resources).

Receivables from exchange transactions meet the definition of financial instruments and are thus classified as loans and receivables and measured accordingly (see 1.3.4 above).

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

### 1.3.7. Cash and cash equivalents

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

### 1.3.8. 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).

Provisions for onerous contracts are measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

### 1.3.9. 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.

Where grants or other funding are provided to the beneficiaries, the cost claims are recorded as payables for the requested amount 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 and corresponding expenses are entered in the accounts when the supplies or services are delivered and accepted by the entity.

### 1.3.10. 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, 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 which aim at ensuring that the financial statements provide a faithful representation of the economic and other phenomena they purport to represent. By analogy, if a payment has been made in advance for services or goods that have not yet been received, the expense will be deferred and recognised in the subsequent accounting period.

## 1.4. STATEMENT OF FINANCIAL PERFORMANCE

### 1.4.1. Revenue

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

Depending on the nature of the underlying transactions in the statement of financial performance it 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. 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 (pre-financing received).

#### *(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 incurrence of liabilities that result in decreases in net assets/equity. 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 a possible obligation 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; or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation or, in the rare circumstances where the amount of the obligation cannot be measured with sufficient reliability. A contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

## **1.6. CONSOLIDATION**

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

## 2. NOTES TO THE BALANCE SHEET

### ASSETS

#### 2.1. INTANGIBLE ASSETS

'000 EUR

	TOTAL
Gross carrying amount at 31.12.2018	194
<b>Gross carrying amount at 31.12.2019</b>	<b>194</b>
Accumulated amortisation at 31.12.2018	(190)
Amortisation charge for the year	(2)
<b>Accumulated amortisation at 31.12.2019</b>	<b>(192)</b>
<b>NET CARRYING AMOUNT AT 31.12.2019</b>	<b>2</b>
NET CARRYING AMOUNT AT 31.12.2018	4

The amounts under this heading entirely comprise computer software with the annual amortisation rate 25 %.

#### 2.2. PROPERTY, PLANT AND EQUIPMENT

'000 EUR

	Land and buildings	Plant and equipment	Furniture and vehicles	Computer hardware	Other	TOTAL
Gross carrying amount at 31.12.2018	445	362	465	816	39	2 128
Additions	–	–	0	9	–	9
Disposals	–	–	(18)	–	–	(18)
<b>Gross carrying amount at 31.12.2019</b>	<b>445</b>	<b>362</b>	<b>448</b>	<b>825</b>	<b>39</b>	<b>2 119</b>
Accumulated depreciation at 31.12.2018	(248)	(361)	(396)	(692)	(37)	(1 734)
Depreciation charge for the year	(67)	(1)	(16)	(56)	(2)	(142)
Disposals	–	–	18	–	–	18
<b>Accumulated depreciation at 31.12.2019</b>	<b>(315)</b>	<b>(361)</b>	<b>(394)</b>	<b>(748)</b>	<b>(39)</b>	<b>(1 858)</b>
<b>NET CARRYING AMOUNT AT 31.12.2019</b>	<b>130</b>	<b>1</b>	<b>54</b>	<b>78</b>	<b>(0)</b>	<b>261</b>
NET CARRYING AMOUNT AT 31.12.2018	197	1	69	125	2	394

#### 2.3. PRE-FINANCING

EUR '000

	31.12.2019	31.12.2018
Current pre-financing	–	30

The heading prefinancing in EU-OSHA mainly contains amounts paid in advance to suppliers. According to the presentation criteria generally used by the new Accounting Officer, in 2019, the portion of the estimated accrued charges (see note 2.7 below) related to pre-financing paid was recorded as a reduction of the pre-financing while until 2018 they were showed under the heading “Accrued charges” as a liability.

## 2.4. EXCHANGE RECEIVABLES & NON-EXCHANGE RECOVERABLES

EUR '000

	Note	31.12.2019	31.12.2018
<b>Non-current</b>			
Receivables from exchange transactions	2.4.1	9	9
		<b>9</b>	<b>9</b>
<b>Current</b>			
Recoverables from non-exchange transactions	2.4.2	3	443
Receivables from exchange transactions	2.4.1	4 418	(18)
		<b>4 421</b>	<b>425</b>
<b>Total</b>		<b>4 430</b>	<b>434</b>

### 2.4.1. RECEIVABLES FROM EXCHANGE TRANSACTIONS

EUR '000

	31.12.2019	31.12.2018
<b>Non-current</b>		
Guarantees and deposits	9	9
	<b>9</b>	<b>9</b>
<b>Current</b>		
Central treasury liaison accounts	4 177	–
Staff	235	(25)
Deferred charges relating to exchange transactions	6	6
	<b>4 418</b>	<b>(18)</b>
<b>Total</b>	<b>4 427</b>	<b>(9)</b>

Following the appointment of the Accounting Officer of the Commission as the Accounting Officer of EU-OSHA, the treasury of the agency was integrated into the Commission's treasury system. Because of this, all payments and receipts are processed via the Commission's central treasury system and registered on inter-company (liaison) accounts, which are presented under this heading. Only some small payments are made via the imprest account managed locally.

The receivables from staff relate mainly to an ex-employee of EU-OSHA. The receivable was recognised following a decision of the Supreme Court of Belgium (Court of Cassation) in favour of EU-OSHA taken in 2019.

The long term guarantee and deposits refer to the various small amounts provided as guarantees to suppliers.

The deferred charges consist of 2020 pro-rata insurance cost of the headquarters premises.

### 2.4.2. RECOVERABLES FROM NON-EXCHANGE TRANSACTIONS

EUR '000

	31.12.2019	31.12.2018
<b>Current</b>		
Member States	3	–
Accrued income	–	443
	<b>3</b>	<b>443</b>
<b>Total</b>	<b>3</b>	<b>443</b>

Recoverables from Member States represent VAT amounts to be recovered from Portugal.

The decrease of accrued income relates to a change in the accounting treatment of the accrued revenues on projects' for operational subsidy paid by the Commission under the IPA II (Instruments for

Pre-Accession Assistance) framework. In 2019, these amounts were accounted directly against the pre-financing liability (see note 2.6 below), instead of being booked under this heading as receivables.

## 2.5. CASH AND CASH EQUIVALENTS

	EUR '000	
	31.12.2019	31.12.2018
<i>Current accounts</i>	–	5 287
<i>Imprest accounts</i>	7	–
<i>Cash in hand</i>	–	1
<b>Total</b>	<b>7</b>	<b>5 288</b>

As described above, in 2019 the treasury of EU-OSHA was integrated into the treasury of the Commission. Consequently, all bank accounts were closed and a new imprest account was created in order to allow EU-OSHA to manage small amounts locally.

In accordance with the financial regulation, the imprest accounts may be set up for the collection of revenue other than own resources and/or for the payment of small amounts where it is materially impossible or inefficient to carry out payment operations by budgetary procedures.

## LIABILITIES

## 2.6. PAYABLES

	EUR '000	
	31.12.2019	31.12.2018
<i>Pre-financing received from EC - operating subsidy</i>	507	–
<i>Pre-financing received from EC - balancing subsidy</i>	253	772
<i>Current payables</i>	8	8
<b>Total</b>	<b>769</b>	<b>780</b>

The operating subsidy received from the Commission relates to projects under the IPA framework. Until 2018 the amounts were shown together with the balancing subsidy (ordinary budget of the agency). This change in the presentation explains the changes in the first two sub-headings.

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

## 2.7. ACCRUED CHARGES

	EUR '000	
	31.12.2019	31.12.2018
<i>Accrued charges</i>	1 475	1 851

Accrued charges are the amounts estimated by the authorising officer of costs incurred for services and goods delivered in year 2019 but not yet invoiced or processed by the end of the year. The basis of the accruals calculation is the open amount of budgetary commitments at year end. The heading includes estimated operating expenses of kEUR 1 190, administrative expenses of kEUR 153 and staff expenses of kEUR 132.

The accrued administrative expenses are mainly composed of office supplies and maintenance (kEUR 50), communication and publication (kEUR 31) and maintenance and security of the premises (kEUR 24).

The accrued staff expenses (kEUR 132) include accrued charges for untaken leave of kEUR 122.

### 3. NOTES TO THE STATEMENT OF FINANCIAL PERFORMANCE

#### REVENUE

##### 3.1. NON-EXCHANGE REVENUE

	EUR '000	
	2019	2018
<i>Funds from the Commission</i>	15 315	15 082
<i>Other</i>	272	–
<b>Total</b>	<b>15 587</b>	<b>15 082</b>

The heading funds from the Commission corresponds to the amounts of the Commission balancing subsidy of kEUR 15 166 and operating subsidy of kEUR 149 used during 2019. Unused amounts are recorded as pre-financing liabilities under accounts payable (see note **2.6** above) and will be reimbursed to the Commission in 2020. The corresponding accrued expenses will be recorded in the financial statements of the Commission.

The other non-exchange revenue refer to the base amount (excluding interests) to be recovered from an ex-staff according the Belgian Court of Cassation's decision (kEUR 172). The related interests have been registered as exchange revenue instead. Included under this heading are also contributions received from the Spanish and the local Basque government (kEUR 100).

##### 3.2. EXCHANGE REVENUE

	EUR '000	
	2019	2018
<i>Financial revenue</i>	61	–
<i>Other</i>	1	255
<b>Total</b>	<b>62</b>	<b>255</b>

The amounts of financial revenue refer to the interests due by the above mentioned ex-staff member, calculated in accordance with the Court's decision.

The decrease other exchange revenue is explained by the change in the presentation of the revenue related to operating subsidy and to the contribution of the Spanish and local Basque government. As of 2019 they are reported as non-exchange revenues (see note **3.1** above).

#### EXPENSES

##### 3.3. OPERATIONAL COSTS

	EUR '000	
	2019	2018
<i>Operational costs</i>	8 326	6 540

Included under this heading are operational expenses incurred in relation to core tasks of the Agency and tasks delegated by the Commission carried out in 2019.

### 3.4. STAFF COSTS

EUR '000

	2019	2018
<i>Staff costs</i>	6 146	5 690

Included under this heading are salary expenses and other employment-related allowances and benefits. Calculations related to staff costs are, based on the service level agreement, entrusted to the European Commission's Office for administration and payment of individual entitlements (also known as the Paymaster's Office-PMO).

The pensions of the EU-OSHA staff members are covered by the Pensions 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 factors such as age and years of service. Both the EU-OSHA staff and the Commission contribute to the pension scheme and the contribution percentage is revised yearly to reflect the changes in the Staff Regulation. The cost to the Commission is not reflected in the EU-OSHA accounts. Similarly, the future benefits, payable to the EU-OSHA staff, are accounted for in the liabilities of the Commission, as it is the Commission who will pay out these benefits. No provisions related to the future pensions are made in these accounts.

### 3.5. OTHER EXPENSES

EUR '000

	2019	2018
<i>Office Supplies &amp; maintenance</i>	641	589
<i>Property, plant and equipment related expenses</i>	436	291
<i>Operating leasing expenses</i>	346	537
<i>Missions</i>	246	223
<i>External non IT services</i>	188	158
<i>Communications &amp; publications</i>	115	76
<i>Training costs</i>	154	127
<i>Other</i>	113	26
<b>Total</b>	<b>2 239</b>	<b>2 026</b>

Property, plant and equipment related expenses are mainly for the 2019 depreciation and for the maintenance, security and insurance of the headquarters' offices in Bilbao. The operating lease expenses refer to the same premises.

The amounts committed to be paid during the remaining term of the above-mentioned lease contracts are as follows:

EUR '000

	Future amounts to be paid			Total
	< 1 year	1- 5 years	> 5 years	
<i>Buildings</i>	312	257	–	568

## 4. OTHER SIGNIFICANT DISCLOSURES

### 4.1. OUTSTANDING COMMITMENTS NOT YET EXPENSED

EUR '000

	31.12.2019	31.12.2018
<i>Outstanding commitments not yet expensed</i>	2 047	3 146

The outstanding commitments not yet expensed comprises the budgetary RAL ('Reste à Liquider') less related amounts that have been included as expenses in the 2019 statement of financial performance. The budgetary RAL is an amount representing the open 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.

### 4.2. RELATED PARTIES

The related parties of the EU-OSHA are the other EU consolidated entities and EU-OSHA key management personnel. Transactions between these parties take place as part of the normal EU-OSHA operations and as this is the case, no specific disclosure requirements are necessary for these transactions in accordance with the EU accounting rules.

### 4.3. KEY MANAGEMENT ENTITLEMENTS

The highest ranked civil servant of the EU-OSHA is the Executive Director, who executes the role of the Authorising Officer.

	31.12.2019	31.12.2018
<i>Executive Director</i>	AD 14	AD 14

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

### 4.4. EVENTS AFTER REPORTING DATE

During the first half of 2020, the coronavirus outbreak has had huge impacts on the EU economy. As a non-adjusting event, the outbreak of the coronavirus does not require any adjustments to the figures reported in these annual accounts. For subsequent reporting periods, COVID-19 may affect the recognition and measurement of some assets and liabilities on the balance sheet and also of some revenue and expenses recognised in the statement of financial performance. Based on the information available at the date of signature of these annual accounts, the financial effects of the coronavirus outbreak cannot be reliably estimated.

## 5. FINANCIAL RISK MANAGEMENT

### 5.1. TYPES OF RISK

**Market risk** is the risk that the fair value or future cashflows 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 EU-OSHA has no significant other price risk).

- (1) Currency risk is the risk that the EU-OSHA operations or its investments' value will be affected by changes in exchange rates. This risk arises from the change in price of one currency against another.
- (2) Interest rate risk is the possibility of a reduction in the value of a security, especially a bond, resulting from an increase in interest rates. In general, higher interest rates will lead to lower prices of fixed rate bonds, and vice versa. EU-OSHA 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/borrower's non-payment of a loan or other line of credit (either the principal or interest or both) or other failure to meet a contractual obligation. The default events include a delay in repayments, restructuring of borrower repayments and bankruptcy.

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

### 5.2. CURRENCY RISKS

#### Exposure to currency risk at year end

At 31 December 2019, the financial assets are composed of exchange receivables and non-exchange recoverables. At 31 December 2019 financial liabilities are composed of accounts payable. At 31 December 2019 the ending balances of financial assets and financial liabilities did not include any material amounts quoted in currencies other than euro. EU-OSHA is thus not exposed to any significant currency risk.

### 5.3. CREDIT RISK

#### Financial assets that are neither past due nor impaired

At 31 December 2019 financial assets comprise entirely exchange receivables and non-exchange recoverables that are neither past due nor impaired of kEUR 4 430.

#### Financial assets by risk category

Receivables of kEUR 4 177 relate to entities with prime and high grade, kEUR 250 entirely relate to entities without external credit rating that never defaulted in the past and KEUR 3 to entities with a lower medium grade.

### 5.4. LIQUIDITY RISK

#### Maturity analysis of financial liabilities by remaining contractual maturity

The financial liabilities are composed of accounts payable of kEUR 769 with remaining contractual maturity of less than 1 year.

## **THE BUDGET IMPLEMENTATION REPORTS AND EXPLANATORY NOTES**

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

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# 1. BUDGETARY PRINCIPLES, STRUCTURE AND HIGHLIGHTS OF THE BUDGETARY IMPLEMENTATION

## 1.1. BUDGETARY PRINCIPLES

The establishment and implementation of the EU-OSHA budget is governed by the following basic principles set out in Article 5 of the Financial Regulation of the Agency adopted on 27 September 2019:

### **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 EU-OSHA budget. No expenditure may be committed or authorised in excess of the appropriations authorised by the budget. An appropriation may be entered in the budget only if it is for an item of expenditure considered necessary.

### **Principle of annuality**

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

### **Principle of equilibrium**

Revenue and payment appropriations shall be in balance.

### **Principle of unit of account**

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

### **Principle of universality**

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

### **Principle of specification**

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

### **Principle of sound financial management**

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

### **Principle of transparency**

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

## 1.2. STRUCTURE AND PRESENTATION OF THE BUDGET

Following the provisions of the EU-OSHA Financial Regulation adopted by Management Board decision 2019/09 of 27 September 2019, the budget accounts shall consist of a statement of revenue and a statement of expenditure. The statement of expenditure must be set out on the basis of a nomenclature with a classification by purpose. That nomenclature shall be determined by EU-OSHA and shall make a clear distinction between administrative appropriations and operating appropriations:

**Title 1 budget lines** relate to staff expenditure such as salaries and allowances for personnel working with EU-OSHA. It also includes recruitment expenses, staff missions, expenses for the socio-medical infrastructure and representation costs.

**Title 2 budget lines** relate to all buildings, equipment and miscellaneous administrative expenditure.

**Title 3 budget lines** provide for the implementation of the activities and tasks assigned to EU-OSHA by its establishing Regulation (EU) No. 2019/126 of the European Parliament and of the Council of 16 January 2019 repealing Council Regulation (EC) No 2062/94.

**Assigned revenue budget lines** relate to financing of specific items of expenditure. They can be external or internal assigned revenue.

## 1.3. HIGHLIGHTS OF THE BUDGETARY IMPLEMENTATION

### Main activities with financial impact

In its 25th year, the Agency implemented a wide-ranging work programme. It provided policy makers, researchers and intermediaries with reliable and comprehensive overviews based on state-of-the-art research on topics including “Work-related diseases” and the “Costs and benefits of OSH” and worked closely with the European Commission in the development of an EU OSH information system (OSH barometer). In addition, fieldwork for the third round of enterprise survey ESENER was completed, with 45 000 interviews. With this major survey, EU-OSHA contributes to meeting the challenge of gathering comparable and reliable OSH data across Member States, which can provide the basis for valuable secondary analytical studies.

The “Healthy Workplaces manage dangerous substances” campaign also came to an end in 2019 having seen record levels of engagement by the agency’s network of national focal points and other campaign partners.

With a view to ensuring sustained support to medium, small and micro enterprises, the Agency has continued to develop practical tools and guidelines to enable them to comply with OSH legislation in their countries and carry out good quality risk assessment through the OiRA (“Online interactive Risk Assessment”) tool.

Regarding the budget 2019, an amendment was adopted on 11 December 2019 by the Management Board. The main purpose of the amending budget was to anticipate the signature of a new contribution agreement between EU-OSHA and the European Commission for the participation of the Western Balkans and Turkey in the network and activities of the Agency via the Multi-country Action Programme (2018) resulting of the Commission Implementing Decision C(2018) 5074 of 31 July 2018. The agreed contribution is kEUR 399.5 for a period of three years. The amending budget also included six transfers of appropriations carried out in the course of 2019 following respective Executive Director’s decisions<sup>5</sup>.

<sup>5</sup> <https://osha.europa.eu/en/about-eu-osha/what-we-do/how-we-work/finance/finance-and-budget-information>

## **Budget execution summary**

The budget of the agency amounted to kEUR 15 739 in 2019. Final budget implementation (commitments) for the appropriations of the year 2019 is 97.8 % whereas the final execution (payments) is 76.3 %. Remaining payments are to be made in 2020.

With regard to IPA II programmes, the IPA II 2016 project (kEUR 290 for the period 2017-2019) ended in December 2019 with an implementation rate of 99.1 %. The agreement for the IPA II 2018 project was signed for starting in December 2019 for a period of 3 years and a total amount of kEUR 399.5.

Further details can be found the following sections.

## 2. RESULT OF THE IMPLEMENTATION OF THE BUDGET

		EUR '000	
	Title	2019	2018
<b>Revenue</b>		<b>15 919</b>	<b>15 257</b>
of which:			
European Union subsidy	1	15 419	15 154
Other subsidies	2	500	100
Miscellaneous revenue	5	1	2
<b>Expenditure</b>		<b>(12 162)</b>	<b>(10 784)</b>
of which:			
Staff expenditure	1	(6 201)	(5 892)
Administrative expenditure	2	(1 017)	(886)
Operational expenditure	3	(4 795)	(3 682)
Specific expenditure	4	(149)	(323)
<b>Payment appropriat. carried over to the following year</b>		<b>(3 386)</b>	<b>(4 901)</b>
of which:			
Staff expenditure	1	(152)	(98)
Administrative expenditure	2	(319)	(469)
Operational expenditure	3	(2 915)	(4 334)
<b>Cancellation of unused appropri. carried over from year n-1</b>		<b>132</b>	<b>176</b>
<b>Evolution of assigned revenue (B)-(A)</b>		<b>(250)</b>	<b>323</b>
Unused appropriations at the end of current year (A)		507	257
Unused appropriations at the end of previous year (B)		257	580
<b>Exchange rate differences</b>		<b>1</b>	<b>(0)</b>
<b>Budget result</b>		<b>253</b>	<b>72</b>

### 3. RECONCILIATION OF ECONOMIC RESULT WITH BUDGET RESULT

EUR '000

	2019	2018
<b>ECONOMIC RESULT OF THE YEAR</b>	<b>(1 063)</b>	<b>1 081</b>
<b>Adjustment for accrual items (items not in the budgetary result but included in the economic result)</b>		
<i>Adjustments for accrual cut-off (net)</i>	(343)	153
<i>Unpaid invoices at year end but booked in expenses</i>	7	8
<i>Depreciation of intangible and tangible assets</i>	144	162
<i>Recovery orders issued in the year and not yet cashed</i>	(232)	–
<i>Pre-financing given in previous year and cleared in the year</i>	30	109
<i>Payments made from carry-over of payment appropriations</i>	4 771	3 427
<i>Other individually immaterial</i>	236	60
<b>Adjustment for budgetary items (item included in the budgetary result but not in the economic result)</b>		
<i>Asset acquisitions (less unpaid amounts)</i>	(9)	(173)
<i>Payments made from non-budget lines</i>	(33)	(30)
<i>New pre-financing paid in the year and remaining open as at 31 December</i>		
<i>Payment appropriations carried over to next year</i>	(3 386)	(4 901)
<i>Cancellation of unused carried over payment appropriations from previous year</i>	132	176
<b>BUDGET RESULT OF THE YEAR</b>	<b>253</b>	<b>72</b>

## 4. IMPLEMENTATION OF BUDGET REVENUE

### 4.1. Implementation of budget revenue – Title 1

EUR '000

Item		Income appropriations		Entitlements established			Revenue			Out-standing	
		Initial budget	Final budget	Current year	Carried over	Total	On entitlements of current year	On entitlements carried over	Total		%
		1	2	3	4	5=3+4	6	7	8=6+7	9=8/2	10=5-8
1000	European Union subsidy	15 123	15 123	14 908	–	14 908	14 908	–	14 908	99 %	–
1010	Other revenue	150	150	150	–	150	150	–	150	100 %	–
1020	EEA-EFTA Contribution	366	366	361	–	361	361	–	361	99 %	–
Total Chapter 10		15 639	15 639	15 419	–	15 419	15 419	–	15 419	99 %	–
Total Title 1		15 639	15 639	15 419	–	15 419	15 419	–	15 419	99 %	–

### 4.2. Implementation of budget revenue – Title 2

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
2000	Grant from the Basque regional government	40	40	40	–	40	40	–	40	100 %	–
2020	Grant from the Spanish government	60	60	60	–	60	60	–	60	100 %	–
Total Chapter 20		100	100	100	–	100	100	–	100	100 %	–
2250	DG NEAR for IPA II 2018 programme earmarked	–	–	400	–	400	400	–	400	-	–
Total Chapter 22		–	–	400	–	400	400	–	400	-	–
Total Title 2		100	100	500	–	500	500	–	500	499 %	

### 4.3. Implementation of budget revenue – Title 5

EUR '000

Item	Income appropriations		Entitlements established			Revenue		Total	%	Out-standing
	Initial budget	Final budget	Current year	Carried over	Total	On entitlements of current year	On entitlements carried over			
	1	2	3	4	5=3+4	6	7	8=6+7	9=8/2	10=5-8
5400 Miscellaneous revenue	–	–	218	–	218	0	–	0	–	218
Total Chapter 54	–	–	218	–	218	0	–	0	–	218
5900 Other revenue from administrative operations	–	–	0	–	0	0	–	0	–	–
Total Chapter 59	–	–	0	–	0	0	–	0	–	–
<b>Total Title 5</b>	<b>–</b>	<b>–</b>	<b>218</b>	<b>–</b>	<b>218</b>	<b>1</b>	<b>–</b>	<b>1</b>	<b>–</b>	<b>218</b>
<b>GRAND TOTAL</b>	<b>15 739</b>	<b>15 739</b>	<b>16 137</b>	<b>–</b>	<b>16 137</b>	<b>15 919</b>	<b>–</b>	<b>15 919</b>	<b>101 %</b>	<b>218</b>

## 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 apppr. available	
		Initial adopted budget	Amending budgets	Transfers	Final budget adopted	Carry- overs	Assigned revenue		Total
		1	2	3	4=1+2+3	5	6		7=5+6
1100	Basic salaries	3 188	–	(25)	3 163	–	–	–	3 163
1101	Family allowances	540	–	(33)	507	–	–	–	507
1102	Expatriation and foreign-residence allowances	473	–	(7)	467	–	–	–	467
1103	Secretarial allowances	4	–	0	4	–	–	–	4
1112	Local staff	–	–	0	0	–	–	–	0
1113	Contract agents	1 412	–	(69)	1 343	–	–	–	1 343
1120	Professional training of staff	120	–	25	145	–	–	–	145
1130	Insurance against sickness	151	–	9	160	–	–	–	160
1131	Insurance against accidents and occupational	18	–	–	18	–	–	–	18
1132	Insurance against unemployment	56	–	5	61	–	–	–	61
1141	Travel expenses for annual leave	62	–	(0)	62	–	–	–	62
1175	Interim services	100	–	78	178	–	–	–	178
1177	Inter-institutional support	81	–	26	107	–	–	–	107
1178	Interagencies secretariat	2	–	0	2	–	–	–	2
1180	Miscellaneous expenditure on staff recruitment	7	–	1	8	–	–	–	8
1181	Travel expenses	1	–	(1)	–	–	–	–	–
1182	Installation resettlement and transfer allow	28	–	(8)	19	–	–	–	19
1183	Removal expenses	10	–	(10)	–	–	–	–	–
1184	Temporary daily subsistence allowances	10	–	0	10	–	–	–	10
Total Chapter 11		6 263	–	(9)	6 254	–	–	–	6 254
1410	Medical service	18	–	1	19	–	–	–	19
1420	Other welfare expenditure	5	–	5	10	–	–	–	10
Total Chapter 14		23	–	7	30	–	–	–	30
1522	Trainees	74	–	2	76	–	–	–	76
Total Chapter 15		74	–	2	76	–	–	–	76
Total Title 1		6 360	–	(0)	6 360	–	–	–	6 360

## 5.1.2. Breakdown &amp; changes in commitment appropriations – Title 2

EUR '000

Item		Budget appropriations			Additional appropriations			Total apppr. available	
		Initial adopted budget	Amending budgets	Transfers	Final budget adopted	Carry-overs	Assigned revenue		Total
		1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
2000	Rent	349	–	–	349	–	–	–	349
2010	Insurance	7	–	–	7	–	–	–	7
2020	Water gas electricity and heating	90	–	–	90	–	–	–	90
2030	Cleaning and maintenance	65	–	22	87	–	–	–	87
2040	Fitting-out of premises	15	–	–	15	–	–	–	15
2050	Security and surveillance of buildings	125	–	(22)	104	–	–	–	104
Total Chapter 20		651	–	–	651	–	–	–	651
2100	IT operating expenditure	199	–	24	223	–	–	–	223
2120	Services provided by IT ext prov	286	–	35	321	–	–	–	321
2130	New and replacement furniture purchases	77	–	(44)	34	–	–	–	34
Total Chapter 21		562	–	15	577	–	–	–	577
2210	New and replacement furniture purchases furn	10	–	(1)	9	–	–	–	9
2232	Vehicle upkeep petrol and hiring means of transportation	2	–	–	2	–	–	–	2
2250	Publications and subscriptions	6	–	–	6	–	–	–	6
Total Chapter 22		18	–	(1)	17	–	–	–	17
2300	Stationery and office supplies	12	–	–	12	–	–	–	12
2320	Bank charges	1	–	–	1	–	–	–	1
2330	Legal expenses	10	–	–	10	–	–	–	10
2331	Audit services	14	–	–	14	–	–	–	14
2332	Other outsourced services	27	–	–	27	–	–	–	27
2352	Internal catering expenses	6	–	1	7	–	–	–	7
Total Chapter 23		69	–	1	70	–	–	–	70
2400	Postage and delivery charges	10	–	–	10	–	–	–	10
2410	Telephone telegraph telex radio and television	90	–	(15)	76	–	–	–	76
Total Chapter 24		100	–	(15)	86	–	–	–	86
Total Title 2		1 400	–	–	1 400	–	–	–	1 400

## 5.1.3. Breakdown &amp; changes in commitment appropriations – Title 3

EUR '000

Item		Budget appropriations			Additional appropriations			Total apppr. available
		Initial adopted budget	Amending budgets	Transfers	Final budget adopted	Carry- overs	Assigned revenue	
		1	2	3	4=1+2+3	5	6	7=5+6
								8=4+7
3010	Anticipating change and related activities	158	–	(50)	108	–	–	–
3020	Facts & figures and related activities	2 609	–	59	2 668	–	–	–
3030	Tools for OSH management and related activities	333	–	(89)	244	–	–	–
3040	Raising awareness and communication	4 104	–	100	4 204	–	–	–
3050	Networking knowledge and related activities	126	–	–	126	–	–	–
3060	Networking knowledge and related activities	544	–	–	544	–	–	–
Total Chapter 30		7 874	–	20	7 894	–	–	–
3100	Support to operational activities	105	–	(20)	85	–	–	–
Total Chapter 31		105	–	(20)	85	–	–	–
<b>Total Title 3</b>		<b>7 979</b>	<b>–</b>	<b>–</b>	<b>7 979</b>	<b>–</b>	<b>–</b>	<b>–</b>

## 5.1.4. Breakdown &amp; changes in commitment appropriations – Title 4

EUR '000

Item		Budget appropriations			Additional appropriations			Total apppr. available
		Initial adopted budget	Amending budgets	Transfers	Final budget adopted	Carry-overs	Assigned revenue	
		1	2	3	4=1+2+3	5	6	7=5+6
								8=4+7
4100	IPA II 2016 programme	–	–	–	–	–	44	44
Total Chapter 41		–	–	–	–	–	44	44
4200	IPA II 2018 programme earmarked	–	–	–	–	–	400	400
Total Chapter 42		–	–	–	–	–	400	400
4900	New IPA II programme	–	–	–	–	–	93	93
Total Chapter 49		–	–	–	–	–	93	93
<b>Total Title 4</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>537</b>	<b>537</b>
<b>GRAND TOTAL</b>		<b>15 739</b>	<b>–</b>	<b>–</b>	<b>15 739</b>	<b>–</b>	<b>537</b>	<b>537</b>
								<b>16 276</b>

## 5.2. Breakdown & changes in payment appropriations

### 5.2.1. Breakdown & changes in payment appropriations – Title 1

EUR '000

Item		Budget appropriations			Additional appropriations			Total apppr. available
		Initial budget adopted	Amending budgets	Transfers	Final adopted budget	Carry- overs	Assigned revenue	
		1	2	3	4=1+2+3	5	6	7=5+6
								8=4+7
1100	Basic salaries	3 188	–	(25)	3 163	–	–	–
1101	Family allowances	540	–	(33)	507	–	–	–
1102	Expatriation and foreign-residence allowances	473	–	(7)	467	–	–	–
1103	Secretarial allowances	4	–	0	4	–	–	–
1112	Local staff	–	–	0	0	–	–	–
1113	Contract agents	1 412	–	(69)	1 343	–	–	–
1120	Professional training of staff	120	–	25	145	65	–	65
1130	Insurance against sickness	151	–	9	160	–	–	–
1131	Insurance against accidents and occupational	18	–	–	18	–	–	–
1132	Insurance against unemployment	56	–	5	61	–	–	–
1141	Travel expenses for annual leave	62	–	(0)	62	–	–	–
1175	Interim services	100	–	78	178	22	–	22
1177	Inter-institutional support	81	–	26	107	0	–	0
1178	Interagencies secretariat	2	–	0	2	–	–	–
1180	Miscellaneous expenditure on staff recruitment	7	–	1	8	–	–	–
1181	Travel expenses	1	–	(1)	–	–	–	–
1182	Installation resettlement and transfer allow	28	–	(8)	19	–	–	–
1183	Removal expenses	10	–	(10)	–	–	–	–
1184	Temporary daily subsistence allowances	10	–	0	10	–	–	–
Total Chapter 11		6 263	–	(9)	6 254	88	–	88
1410	Medical service	18	–	1	19	6	–	6
1420	Other welfare expenditure	5	–	5	10	4	–	4
Total Chapter 14		23	–	7	30	10	–	10
1522	Trainees	74	–	2	76	–	–	–
Total Chapter 15		74	–	2	76	–	–	–
<b>Total Title 1</b>		<b>6 360</b>	<b>–</b>	<b>(0)</b>	<b>6 360</b>	<b>98</b>	<b>–</b>	<b>98</b>

## 5.2.2. Breakdown &amp; changes in payment appropriations – Title 2

EUR '000

Item		Budget appropriations				Additional appropriations			Total appropri. available
		Initial budget adopted	Amending budgets	Transfers	Final adopted budget	Carry-overs	Assigned revenue	Total	
		1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
2000	Rent	349	–	–	349	16	–	16	365
2010	Insurance	7	–	–	7	–	–	–	7
2020	Water gas electricity and heating	90	–	–	90	4	–	4	94
2030	Cleaning and maintenance	65	–	22	87	36	–	36	122
2040	Fitting-out of premises	15	–	–	15	11	–	11	26
2050	Security and surveillance of buildings	125	–	(22)	104	32	–	32	136
Total Chapter 20		651	–	–	651	99	–	99	750
2100	IT operating expenditure	199	–	24	223	17	–	17	239
2120	Services provided by IT ext prov	286	–	35	321	181	–	181	502
2130	New and replacement furniture purchases	77	–	(44)	34	35	–	35	68
Total Chapter 21		562	–	15	577	233	–	233	809
2210	New and replacement furniture purchases furn	10	–	(1)	9	25	–	25	34
2232	Vehicle upkeep petrol and hiring means of transportation	2	–	–	2	–	–	–	2
2250	Publications and subscriptions	6	–	–	6	3	–	3	9
Total Chapter 22		18	–	(1)	17	28	–	28	45
2300	Stationery and office supplies	12	–	–	12	8	–	8	20
2320	Bank charges	1	–	–	1	0	–	0	1
2330	Legal expenses	10	–	–	10	9	–	9	19
2331	Audit services	14	–	–	14	20	–	20	33
2332	Other outsourced services	27	–	–	27	25	–	25	51
2352	Internal catering expenses	6	–	1	7	1	–	1	9
Total Chapter 23		69	–	1	70	63	–	63	133
2400	Postage and delivery charges	10	–	–	10	1	–	1	11
2410	Telephone telegraph telex radio and television	90	–	(15)	76	45	–	45	120
Total Chapter 24		100	–	(15)	86	46	–	46	132
<b>Total Title 2</b>		<b>1 400</b>	<b>–</b>	<b>–</b>	<b>1 400</b>	<b>469</b>	<b>–</b>	<b>469</b>	<b>1 869</b>

## 5.2.3. Breakdown &amp; changes in payment appropriations – Title 3

EUR '000

Item		Budget appropriations			Additional appropriations			Total appror. available
		Initial budget adopted	Amending budgets	Transfers	Final adopted budget	Carry-overs	Assigned revenue	
		1	2	3	4=1+2+3	5	6	7=5+6
								8=4+7
3010	Anticipating change and related activities	158	–	(50)	108	85	–	85
3020	Facts & figures and related activities	2 609	–	59	2 668	2 074	–	2 074
3030	Tools for OSH management and related activities	333	–	(89)	244	112	–	112
3040	Raising awareness and communication	4 104	–	100	4 204	1 656	–	1 656
3050	Networking knowledge and related activities	126	–	–	126	132	–	132
3060	Networking knowledge and related activities	544	–	–	544	226	–	226
Total Chapter 30		7 874	–	20	7 894	4 285	–	4 285
3100	Support to operational activities	105	–	(20)	85	49	–	49
Total Chapter 31		105	–	(20)	85	49	–	49
<b>Total Title 3</b>		<b>7 979</b>	<b>–</b>	<b>–</b>	<b>7 979</b>	<b>4 334</b>	<b>–</b>	<b>4 334</b>

## 5.2.4. Breakdown &amp; changes in payment appropriations – Title 4

EUR '000

Item		Budget appropriations			Additional appropriations			Total appror. available
		Initial budget adopted	Amending budgets	Transfers	Final adopted budget	Carry-overs	Assigned revenue	
		1	2	3	4=1+2+3	5	6	7=5+6
								8=4+7
4100	IPA II 2016 programme	–	–	–	–	–	164	164
Total Chapter 41		–	–	–	–	–	164	164
4200	IPA II 2018 programme earmarked	–	–	–	–	–	400	400
Total Chapter 42		–	–	–	–	–	400	400
4900	New IPA II programme	–	–	–	–	–	93	93
Total Chapter 49		–	–	–	–	–	93	93
<b>Total Title 4</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>656</b>	<b>656</b>
<b>GRAND TOTAL</b>		<b>15 739</b>	<b>–</b>	<b>–</b>	<b>15 739</b>	<b>4 901</b>	<b>656</b>	<b>5 557</b>

## 5.3. Implementation of commitment appropriations

### 5.3.1. Implementation of commitment appropriations - Title 1

EUR '000

		Total approp. available	Commitments made				Appropriations carried over to 2020			Appropriations lapsing				
			from final adopt. budget	from carry-overs	from assign. revenue	Total	%	Assign. revenue	By decision	Total	from final adopt. budget	from carry-overs	from assign. revenue	Total
Item		1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10+11+12
1100	Basic salaries	3 163	3 162	–	–	3 162	100 %	–	–	–	0	–	–	0
1101	Family allowances	507	507	–	–	507	100 %	–	–	–	0	–	–	0
1102	Expatriation and foreign-residence allowances	467	466	–	–	466	100 %	–	–	–	0	–	–	0
1103	Secretarial allowances	4	4	–	–	4	100 %	–	–	–	0	–	–	0
1112	Local staff	0	0	–	–	0	2 %	–	–	–	0	–	–	0
1113	Contract agents	1 343	1 342	–	–	1 342	100 %	–	–	–	0	–	–	0
1120	Professional training of staff	145	145	–	–	145	100 %	–	–	–	–	–	–	–
1130	Insurance against sickness	160	160	–	–	160	100 %	–	–	–	0	–	–	0
1131	Insurance against accidents and occupational	18	18	–	–	18	100 %	–	–	–	0	–	–	0
1132	Insurance against unemployment	61	61	–	–	61	100 %	–	–	–	0	–	–	0
1141	Travel expenses for annual leave	62	56	–	–	56	92 %	–	–	–	5	–	–	5
1175	Interim services	178	178	–	–	178	100 %	–	–	–	1	–	–	1
1177	Inter-institutional support	107	107	–	–	107	100 %	–	–	–	–	–	–	–
1178	Interagencies secretariat	2	2	–	–	2	100 %	–	–	–	0	–	–	0
1180	Miscellaneous expenditure on staff recruitment	8	8	–	–	8	100 %	–	–	–	0	–	–	0
1182	Installation resettlement and transfer allow	19	19	–	–	19	100 %	–	–	–	0	–	–	0
1184	Temporary daily subsistence allowances	10	10	–	–	10	98 %	–	–	–	0	–	–	0

Item	Total approp. available	from final adopt. budget	Commitments made				Appropriations carried over to 2020			Appropriations lapsing			
			from carry- overs	from assign. revenue	Total	%	Assign. revenue	By decision	Total	from final adopt. budget	from carry- overs	from assign. revenue	Total
	1	2	3	4	5=2+3+ 4	6=5/1	7	8	9=7+8	10	11	12	13=10+ 11+12
Total Chapter 11	6 254	6 247	–	–	6 247	100 %	–	–	–	7	–	–	7
1410 Medical service	19	19	–	–	19	100 %	–	–	–	0	–	–	0
1420 Other welfare expenditure	10	10	–	–	10	100 %	–	–	–	–	–	–	–
Total Chapter 14	30	29	–	–	29	100 %	–	–	–	0	–	–	0
1522 Trainees	76	76	–	–	76	100 %	–	–	–	0	–	–	0
Total Chapter 15	76	76	–	–	76	100 %	–	–	–	0	–	–	0
<b>Total Title 1</b>	<b>6 360</b>	<b>6 353</b>	<b>–</b>	<b>–</b>	<b>6 353</b>	<b>100 %</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>7</b>	<b>–</b>	<b>–</b>	<b>7</b>

## 5.3.2. Implementation of commitment appropriations - Title 2

EUR '000

Item		Total approp. available	from final adopt. budget	Commitments made		Total	%	Appropriations carried over to 2020			Appropriations lapsing			Total
				from carry- overs	from assign. revenue			Assign. revenue	By decision	Total	from final adopt. budget	from carry- overs	from assign. revenue	
		1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10+ 11+12
2000	Rent	349	340	–	–	340	98 %	–	–	–	8	–	–	8
2010	Insurance	7	6	–	–	6	88 %	–	–	–	1	–	–	1
2020	Water gas electricity and heating	90	84	–	–	84	93 %	–	–	–	6	–	–	6
2030	Cleaning and maintenance	87	86	–	–	86	100 %	–	–	–	0	–	–	0
2040	Fitting-out of premises	15	7	–	–	7	44 %	–	–	–	8	–	–	8
2050	Security and surveillance of buildings	104	85	–	–	85	82 %	–	–	–	18	–	–	18
Total Chapter 20		651	608	–	–	608	93 %	–	–	–	43	–	–	43
2100	IT operating expenditure	223	220	–	–	220	99 %	–	–	–	2	–	–	2
2120	Services provided by IT ext prov	321	320	–	–	320	100 %	–	–	–	0	–	–	0
2130	New and replacement furniture purchases	34	33	–	–	33	98 %	–	–	–	1	–	–	1
Total Chapter 21		577	574	–	–	574	99 %	–	–	–	3	–	–	3
2210	New and replacement furniture purchases furn	9	6	–	–	6	69 %	–	–	–	3	–	–	3
2232	Vehicle upkeep petrol and hiring means of transportation	2	2	–	–	2	82 %	–	–	–	0	–	–	0
2250	Publications and subscriptions	6	6	–	–	6	95 %	–	–	–	0	–	–	0
Total Chapter 22		17	13	–	–	13	80 %	–	–	–	3	–	–	3
2300	Stationery and office supplies	12	12	–	–	12	99 %	–	–	–	0	–	–	0
2320	Bank charges	1	0	–	–	0	39 %	–	–	–	1	–	–	1
2330	Legal expenses	10	4	–	–	4	41 %	–	–	–	6	–	–	6
2331	Audit services	14	13	–	–	13	97 %	–	–	–	0	–	–	0
2332	Other outsourced services	27	24	–	–	24	91 %	–	–	–	2	–	–	2
2352	Internal catering	7	7	–	–	7	96 %	–	–	–	0	–	–	0

EUR '000

Item	Total approp. available	Commitments made					Appropriations carried over to 2020			Appropriations lapsing			
		from final adopt. budget	from carry-overs	from assign. revenue	Total	%	Assign. revenue	By decision	Total	from final adopt. budget	from carry-overs	from assign. revenue	Total
	1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10+11+12
expenses													
Total Chapter 23	70	61	–	–	61	86 %	–	–	–	10	–	–	10
2400 Postage and delivery charges	10	5	–	–	5	52 %	–	–	–	5	–	–	5
2410 Telephone telegraph telex radio and television	76	75	–	–	75	100 %	–	–	–	0	–	–	0
Total Chapter 24	86	81	–	–	81	94 %	–	–	–	5	–	–	5
<b>Total Title 2</b>	<b>1 400</b>	<b>1 337</b>	<b>–</b>	<b>–</b>	<b>1 337</b>	<b>95 %</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>63</b>	<b>–</b>	<b>–</b>	<b>63</b>

## 5.3.3. Implementation of commitment appropriations - Title 3

EUR '000

Item	Total approp. available	from final adopt. budget	Commitments made				Appropriations carried over to 2020			Appropriations lapsing			
			from carry-overs	from assign. revenue	Total	%	Assign. revenue	By decision	Total	from final adopt. budget	from carry-overs	from assign. revenue	Total
	1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10+11+12
3010 Anticipating change and related activities	108	104	–	–	104	96 %	–	–	–	4	–	–	4
3020 Facts & figures and related activities	2 668	2 563	–	–	2 563	96 %	–	–	–	105	–	–	105
3030 Tools for OSH management and related activities	244	237	–	–	237	97 %	–	–	–	7	–	–	7
3040 Raising awareness and communication	4 204	4 187	–	–	4 187	100 %	–	–	–	18	–	–	18
3050 Networking knowledge and related activities	126	44	–	–	44	35 %	–	–	–	83	–	–	83
3060 Networking knowledge and related activities	544	522	–	–	522	96 %	–	–	–	22	–	–	22
Total Chapter 30	7 894	7 656	–	–	7 656	97 %	–	–	–	238	–	–	238

EUR '000

		Total approp. available	Commitments made					Appropriations carried over to 2020			Appropriations lapsing			
			from final adopt. budget	from carry- overs	from assign. revenue	Total	%	Assign. revenue	By decision	Total	from final adopt. budget	from carry- overs	from assign. revenue	Total
Item		1	2	3	4	5=2+3+ 4	6=5/1	7	8	9=7+8	10	11	12	13=10+ 11+12
3100	Support to operational activities	85	54	–	–	54	64 %	–	–	–	31	–	–	31
Total Chapter 31		85	54	–	–	54	64 %	–	–	–	31	–	–	31
Total Title 3		7 979	7 710	–	–	7 710	97 %	–	–	–	269	–	–	269

## 5.3.4. Implementation of commitment appropriations - Title 4

EUR '000

Item	Total approp. available	Commitments made			Total	%	Appropriations carried over to 2020			Appropriations lapsing			
		from final adopt. budget	from carry- overs	from assign. revenue			Assign. revenue	By decision	Total	from final adopt. budget	from carry- overs	from assign. revenue	Total
	1	2	3	4	5=2+3+ 4	6=5/1	7	8	9=7+8	10	11	12	13=10+ 11+12
4100 IPA II 2016 programme	44	–	–	37	37	83 %	7	–	7	–	–	–	–
Total Chapter 41	44	–	–	37	37	83 %	7	–	7	–	–	–	–
4200 IPA II 2018 programme earmarked	400	–	–	–	–	0 %	400	–	400	–	–	–	–
Total Chapter 42	400	–	–	–	–	0 %	400	–	400	–	–	–	–
4900 New IPA II programme	93	–	–	–	–	0 %	93	–	93	–	–	–	–
Total Chapter 49	93	–	–	–	–	0 %	93	–	93	–	–	–	–
<b>Total Title 4</b>	<b>537</b>	–	–	<b>37</b>	<b>37</b>	<b>7 %</b>	<b>500</b>	–	<b>500</b>	–	–	–	–
<b>GRAND TOTAL</b>	<b>16 276</b>	<b>15 399</b>	–	<b>37</b>	<b>15 436</b>	<b>95 %</b>	<b>500</b>	–	<b>500</b>	<b>340</b>	–	–	<b>340</b>

## 5.4. Implementation of payment appropriations

### 5.4.1. Implementation of payment appropriations - Title 1

EUR '000

Item		Total approp. availab.	from final adopt. budget	Payments made		Total	%	Appropriations carried over to 2020				Appropriations lapsing			
				from carry-overs	from assign. revenue			Autom. carry-overs	By decision	Assigned rev.	Total	from final adopt. budget	from carry-overs	from assign. rev.	Total
		1	2	3	4	5=2+3+4	6=5/1	7	8	9	10=7+8+9	11	12	13	14=11+12+13
1100	Basic salaries	3 163	3 162	–	–	3 162	100 %	–	–	–	–	0	–	–	0
1101	Family allowances	507	507	–	–	507	100 %	–	–	–	–	0	–	–	0
1102	Expatriation and foreign-residence allowances	467	466	–	–	466	100 %	–	–	–	–	0	–	–	0
1103	Secretarial allowances	4	4	–	–	4	100 %	–	–	–	–	0	–	–	0
1112	Local staff	0	0	–	–	0	2 %	–	–	–	–	0	–	–	0
1113	Contract agents	1 343	1 342	–	–	1 342	100 %	–	–	–	–	0	–	–	0
1120	Professional training of staff	210	92	56	–	148	71 %	53	–	–	53	–	9	–	9
1130	Insurance against sickness	160	160	–	–	160	100 %	–	–	–	–	0	–	–	0
1131	Insurance against accidents and occupational	18	18	–	–	18	100 %	–	–	–	–	0	–	–	0
1132	Insurance against unemployment	61	61	–	–	61	100 %	–	–	–	–	0	–	–	0
1141	Travel expenses for annual leave	62	56	–	–	56	92 %	–	–	–	–	5	–	–	5
1175	Interim services	200	101	21	–	123	61 %	77	–	–	77	1	1	–	1
1177	Inter-institutional support	108	99	0	–	100	92 %	8	–	–	8	–	–	–	–
1178	Interagencies secretariat	2	2	–	–	2	100 %	–	–	–	–	0	–	–	0
1180	Miscellaneous expenditure on staff recruitment	8	8	–	–	8	100 %	–	–	–	–	0	–	–	0
1182	Installation resettlement and	19	19	–	–	19	100 %	–	–	–	–	0	–	–	0

EUR '000

		Total approp. availab.	Payments made				Appropriations carried over to 2020				Appropriations lapsing				
			from final adopt. budget	from carry-overs	from assign. revenue	Total	%	Autom. carry-overs	By decision	Assigned rev.	Total	from final adopt. budget	from carry-overs	from assign. rev.	Total
Item		1	2	3	4	5=2+3+4	6=5/1	7	8	9	10=7+8+9	11	12	13	14=11+12+13
transfer allow															
1184	Temporary daily subsistence allowances	10	10	–	–	10	98 %	–	–	–	–	0	–	–	0
Total Chapter 11		6 342	6 110	78	–	6 188	98 %	138	–	–	138	7	10	–	17
1410	Medical service	25	8	4	–	13	50 %	11	–	–	11	0	2	–	2
1420	Other welfare expenditure	14	7	3	–	10	68 %	4	–	–	4	–	1	–	1
Total Chapter 14		40	15	8	–	22	56 %	14	–	–	14	0	3	–	3
1522	Trainees	76	76	–	–	76	100 %	–	–	–	–	0	–	–	0
Total Chapter 15		76	76	–	–	76	100 %	–	–	–	–	0	–	–	0
Total Title 1		6 458	6 201	86	–	6 286	97 %	152	–	–	152	7	13	–	20

## 5.4.2. Implementation of payment appropriations - Title 2

EUR '000

		Total approp. availab.	from final adopt. budget	Payments made				Appropriations carried over to 2020				Appropriations lapsing			
Item				from carry- overs	from assign. revenue	Total	%	Autom. carry- overs	By decision	Assigned rev.	Total	from final adopt. budget	from carry- overs	from assign. rev.	Total
		1	2	3	4	5=2+3+ 4	6=5/1	7	8	9	10=7+8 +9	11	12	13	14=11+ 12+13
2000	Rent	365	328	15	–	343	94 %	12	–	–	12	8	1	–	9
2010	Insurance	7	6	–	–	6	88 %	0	–	–	0	1	–	–	1
2020	Water gas electricity and heating	94	80	3	–	84	89 %	3	–	–	3	6	0	–	7
2030	Cleaning and maintenance	122	19	36	–	55	45 %	68	–	–	68	0	–	–	0
2040	Fitting-out of premises	26	4	11	–	15	59 %	2	–	–	2	8	0	–	8
2050	Security and surveillance of buildings	136	78	32	–	110	81 %	8	–	–	8	18	0	–	19
Total Chapter 20		750	516	97	–	613	82 %	92	–	–	92	43	2	–	44
2100	IT operating expenditure	239	207	13	–	220	92 %	13	–	–	13	2	4	–	6
2120	Services provided by IT ext prov	502	222	178	–	401	80 %	98	–	–	98	0	3	–	3
2130	New and replacement furniture purchases	68	10	35	–	44	65 %	23	–	–	23	1	–	–	1
Total Chapter 21		809	439	226	–	665	82 %	134	–	–	134	3	7	–	10
2210	New and replacement furniture purchases furn	34	3	25	–	28	82 %	3	–	–	3	3	–	–	3
2232	Vehicle upkeep petrol and hiring means of transportation	2	2	–	–	2	82 %	–	–	–	–	0	–	–	0
2250	Publications and subscriptions	9	5	3	–	8	86 %	1	–	–	1	0	–	–	0
Total Chapter 22		45	9	28	–	37	83 %	4	–	–	4	3	–	–	3
2300	Stationery and office supplies	20	1	8	–	10	47 %	11	–	–	11	0	0	–	0
2320	Bank charges	1	0	–	–	0	35 %	–	–	–	–	1	0	–	1

EUR '000

Item		Total approp. availab.	from final adopt. budget	Payments made				Appropriations carried over to 2020				Appropriations lapsing			
				from carry- overs	from assign. revenue	Total	%	Autom. carry- overs	By decision	Assigned rev.	Total	from final adopt. budget	from carry- overs	from assign. rev.	Total
		1	2	3	4	5=2+3+ 4	6=5/1	7	8	9	10=7+8 +9	11	12	13	14=11+ 12+13
2330	Legal expenses	19	4	5	–	9	48 %	–	–	–	–	6	4	–	10
2331	Audit services	33	–	20	–	20	59 %	13	–	–	13	0	–	–	0
2332	Other outsourced services	51	–	22	–	22	43 %	24	–	–	24	2	3	–	5
2352	Internal catering expenses	9	6	1	–	7	78 %	1	–	–	1	0	0	–	1
Total Chapter 23		133	12	56	–	67	50 %	49	–	–	49	10	7	–	17
2400	Postage and delivery charges	11	4	1	–	5	44 %	1	–	–	1	5	1	–	5
2410	Telephone telegraph telex radio and television	120	38	42	–	79	66 %	38	–	–	38	0	3	–	3
Total Chapter 24		132	42	43	–	84	64 %	39	–	–	39	5	3	–	8
Total Title 2		1 869	1 017	449	–	1 467	78 %	319	–	–	319	63	19	–	83

## 5.4.3. Implementation of payment appropriations - Title 3

EUR '000

Item	Total approp. availab.	from final adopt. budget	Payments made		Total	%	Appropriations carried over to 2020				Appropriations lapsing			
			from carry-overs	from assign. revenue			Autom. carry-overs	By decision	Assigned rev.	Total	from final adopt. budget	from carry-overs	from assign. rev.	Total
	1	2	3	4	5=2+3+4	6=5/1	7	8	9	10=7+8+9	11	12	13	14=11+12+13
3010 Anticipating change and related activities	193	35	84	–	119	62 %	68	–	–	68	4	1	–	5
3020 Facts & figures and related activities	4 742	1 694	2 070	–	3 764	79 %	869	–	–	869	105	3	–	108
3030 Tools for OSH management and related activities	356	114	83	–	198	56 %	123	–	–	123	7	29	–	35
3040 Raising awareness and communication	5 860	2 574	1 624	–	4 198	72 %	1 612	–	–	1 612	18	32	–	49
3050 Networking knowledge and related activities	259	28	130	–	158	61 %	16	–	–	16	83	2	–	85
3060 Networking knowledge and related activities	770	320	199	–	518	67 %	202	–	–	202	22	27	–	49
<b>Total Chapter 30</b>	<b>12 179</b>	<b>4 765</b>	<b>4 191</b>	<b>–</b>	<b>8 955</b>	<b>74 %</b>	<b>2 892</b>	<b>–</b>	<b>–</b>	<b>2 892</b>	<b>238</b>	<b>94</b>	<b>–</b>	<b>332</b>
3100 Support to operational activities	134	30	43	–	74	55 %	24	–	–	24	31	6	–	37
<b>Total Chapter 31</b>	<b>134</b>	<b>30</b>	<b>43</b>	<b>–</b>	<b>74</b>	<b>55 %</b>	<b>24</b>	<b>–</b>	<b>–</b>	<b>24</b>	<b>31</b>	<b>6</b>	<b>–</b>	<b>37</b>
<b>Total Title 3</b>	<b>12 313</b>	<b>4 795</b>	<b>4 234</b>	<b>–</b>	<b>9 029</b>	<b>73 %</b>	<b>2 915</b>	<b>–</b>	<b>–</b>	<b>2 915</b>	<b>269</b>	<b>100</b>	<b>–</b>	<b>369</b>

## 5.4.4. Implementation of payment appropriations - Title 4

EUR '000

		Total approp. availab.	Payments made					Appropriations carried over to 2020				Appropriations lapsing			
			from final adopt. budget	from carry- overs	from assign. revenue	Total	%	Autom. carry- overs	By decision	Assigne d rev.	Total	from final adopt. budget	from carry- overs	from assign . rev.	Total
Item		1	2	3	4	5=2+3+ 4	6=5/1	7	8	9	10=7+8 +9	11	12	13	14=11+ 12+13
4100	IPA II 2016 programme	164	–	–	149	149	91 %	–	–	15	15	–	–	–	–
Total Chapter 41		164	–	–	149	149	91 %	–	–	15	15	–	–	–	–
4200	IPA II 2018 programme earmarked	400	–	–	–	–	0 %	0	–	400	400	–	–	–	–
Total Chapter 42		400	–	–	–	–	0 %	–	–	400	400	–	–	–	–
4900	New IPA II programme	93	–	–	–	–	0 %	0	–	93	93	–	–	–	–
Total Chapter 49		93	–	–	–	–	0 %	–	–	93	93	–	–	–	–
Total Title 4		656	–	–	149	149	23 %	–	–	507	507	–	–	–	–
GRAND TOTAL		21 296	12 013	4 769	149	16 931	80 %	3 386	–	507	3 894	340	132	–	471

## 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
1100 Basic salaries	-	-	-	-	3 162	3 162	-	-	-
1101 Family allowances	-	-	-	-	507	507	-	-	-
1102 Expatriation and foreign-residence allowances	-	-	-	-	466	466	-	-	-
1103 Secretarial allowances	-	-	-	-	4	4	-	-	-
1112 Local staff	-	-	-	-	0	0	-	-	-
1113 Contract agents	-	-	-	-	1 342	1 342	-	-	-
1120 Professional training of staff	65	(9)	56	-	145	92	-	53	53
1130 Insurance against sickness	-	-	-	-	160	160	-	-	-
1131 Insurance against accidents and occupational	-	-	-	-	18	18	-	-	-
1132 Insurance against unemployment	-	-	-	-	61	61	-	-	-
1141 Travel expenses for annual leave	-	-	-	-	56	56	-	-	-
1175 Interim services	22	(1)	21	-	178	101	-	77	77
1177 Inter-institutional support	0	-	0	-	107	99	-	8	8
1178 Interagencies secretariat	-	-	-	-	2	2	-	-	-
1180 Miscellaneous expenditure on staff recruitment	-	-	-	-	8	8	-	-	-
1182 Installation resettlement and transfer allow	-	-	-	-	19	19	-	-	-
1184 Temporary daily subsistence allowances	-	-	-	-	10	10	-	-	-
<b>Total chapter 11</b>	<b>88</b>	<b>(10)</b>	<b>78</b>	<b>-</b>	<b>6 247</b>	<b>6 110</b>	<b>-</b>	<b>138</b>	<b>138</b>
1410 Medical service	6	(2)	4	-	19	8	-	11	11
1420 Other welfare expenditure	4	(1)	3	-	10	7	-	4	4
<b>Total chapter 14</b>	<b>10</b>	<b>(3)</b>	<b>8</b>	<b>-</b>	<b>29</b>	<b>15</b>	<b>-</b>	<b>14</b>	<b>14</b>
1522 Trainees	-	-	-	-	76	76	-	-	-
<b>Total chapter 15</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>76</b>	<b>76</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Title 1</b>	<b>98</b>	<b>(13)</b>	<b>86</b>	<b>-</b>	<b>6 353</b>	<b>6 201</b>	<b>-</b>	<b>152</b>	<b>152</b>

## 6.2. Outstanding commitments – Title 2

EUR '000

Item		Commitments outstanding at the end of previous year				Commitments of the current year				Total commitm. outstanding at year-end	
		Commitm. carried forward from previous year	Decommit. Revaluation Cancellations	Pay-ments	Total	Commit-ments made during the year	Pay-ments	Cancel-lation of commit. which cannot be carried forward	Commit. outstand-ing at year-end		
		1	2	3	4=1+2-3	5	6	7	8=5-6-7	9=4+8	
2000	Rent	16	(1)	15	–	340	328	–	12	12	
2010	Insurance	–	–	–	–	6	6	–	0	0	
2020	Water gas electricity and heating	4	(0)	3	–	84	80	–	3	3	
2030	Cleaning and maintenance	36	–	36	–	86	19	–	68	68	
2040	Fitting-out of premises	11	(0)	11	–	7	4	–	2	2	
2050	Security and surveillance of buildings	32	(0)	32	–	85	78	–	8	8	
Total chapter 20		99	(2)	97	–	608	516	–	92	92	
2100	IT operating expenditure	17	(4)	13	–	220	207	–	13	13	
2120	Services provided by IT ext prov	181	(3)	178	–	320	222	–	98	98	
2130	New and replacement furniture purchases	35	–	35	–	33	10	–	23	23	
Total chapter 21		233	(7)	226	–	574	439	–	134	134	
2210	New and replacement furniture purchases furn	25	–	25	–	6	3	–	3	3	
2232	Vehicle upkeep petrol and hiring means of transportation	–	–	–	–	2	2	–	–	–	
2250	Publications and subscriptions	3	–	3	–	6	5	–	1	1	
Total chapter 22		28	–	28	–	13	9	–	4	4	
2300	Stationery and office supplies	8	(0)	8	–	12	1	–	11	11	
2320	Bank charges	0	(0)	–	–	0	0	–	–	–	
2330	Legal expenses	9	(4)	5	–	4	4	–	–	–	
2331	Audit services	20	–	20	–	13	–	–	13	13	
2332	Other outsourced services	25	(3)	22	–	24	–	–	24	24	
2352	Internal catering expenses	1	(0)	1	–	7	6	–	1	1	
Total chapter 23		63	(7)	56	–	61	12	–	49	49	
2400	Postage and delivery charges	1	(1)	1	–	5	4	–	1	1	
2410	Telephone telegraph telex radio and television	45	(3)	42	–	75	38	–	38	38	
Total chapter 24		46	(3)	43	–	81	42	–	39	39	
<b>Total Title 2</b>		<b>469</b>	<b>(19)</b>	<b>449</b>	<b>–</b>	<b>1 337</b>	<b>1 017</b>	<b>–</b>	<b>319</b>	<b>319</b>	

### 6.3. Outstanding commitments – Title 3

EUR '000

Item		Commitments outstanding at the end of previous year				Commitments of the current year				Total commitm. outstanding at year-end
		Commitm. carried forward from previous year	Decommit. Revaluation Cancellations	Pay-ments	Total	Commit-ments made during the year	Pay-ments	Cancel-lation of commit. which cannot be carried forward	Commit. outstanding at year-end	
		1	2	3	4=1+2-3	5	6	7	8=5-6-7	9=4+8
3010	Anticipating change and related activities	85	(1)	84	–	104	35	–	68	68
3020	Facts & figures and related activities	2 074	(3)	2 070	–	2 563	1 694	–	869	869
3030	Tools for OSH management and related activities	112	(29)	83	–	237	114	–	123	123
3040	Raising awareness and communication	1 656	(32)	1 624	–	4 187	2 574	–	1 612	1 612
3050	Networking knowledge and related activities	132	(2)	130	–	44	28	–	16	16
3060	Networking knowledge and related activities	226	(27)	199	–	522	320	–	202	202
Total chapter 30		4 285	(94)	4 191	–	7 656	4 765	–	2 892	2 892
3100	Support to operational activities	49	(6)	43	–	54	30	–	24	24
Total chapter 31		49	(6)	43	–	54	30	–	24	24
<b>Total Title 3</b>		<b>4 334</b>	<b>(100)</b>	<b>4 234</b>	<b>–</b>	<b>7 710</b>	<b>4 795</b>	<b>–</b>	<b>2 915</b>	<b>2 915</b>

## 6.4. Outstanding commitments – Title 4

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
4100 IPA II 2016 programme	129	(10)	120	–	37	29	–	7	7
Total chapter 41	129	(10)	120	–	37	29	–	7	7
<b>Total Title 4</b>	<b>129</b>	<b>(10)</b>	<b>120</b>	<b>–</b>	<b>37</b>	<b>29</b>	<b>–</b>	<b>7</b>	<b>7</b>
<b>GRAND TOTAL</b>	<b>5 030</b>	<b>(141)</b>	<b>4 888</b>	<b>–</b>	<b>15 436</b>	<b>12 043</b>	<b>–</b>	<b>3 394</b>	<b>3 394</b>

## 7. GLOSSARY

### ABAC

This is the name given to the Commission's accounting system, which since 2005 has been enriched by accrual accounting rules. Apart from the cash-based budget accounts, the Commission produces accrual-based accounts which recognise revenue when earned, rather than when collected. Expenses are recognised when incurred rather than when paid. This contrasts with cash basis budgetary accounting that recognises transactions and other events only when cash is received or paid.

### Accounting

The act of recording and reporting financial transactions, including the creation of the transaction, its recognition, processing, and summarisation in the financial statements.

### Accounting Officer

The role, powers and responsibilities of the accounting officer are set out in the Financial Regulation:

- proper implementation of payments,
- collection of revenue,
- recovery of amounts and offsetting,
- keeping, preparing and presenting the accounts,
- laying down the accounting rules and methods and the chart of accounts,
- laying down and validating the accounting systems and validating systems laid down by the authorising officer to supply or justify accounting information (local systems),
- treasury management,
- designation of the Imprest Administrators,
- opening and closing bank accounts in the name of the Institution.

### Administrative appropriations

Administrative appropriations cover the running costs of the Institutions and entities (staff, buildings, office equipment).

### Adjustment

Amending budget or transfer of funds from one budget item to another.

### Adopted budget

Draft budget becomes the adopted budget as soon as approved by the Budgetary Authority.

Cf. Budget

### Agencies

EU bodies having a distinct legal personality, and to whom budget implementing powers may be delegated under strict conditions. They are subject to a distinct discharge from the discharge authority.

### Amending budget

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

### Annuality

The budgetary principle according to which expenditure and revenue is programmed and authorised for one year, starting on 1 January and ending on 31 December.

### Appropriations

Budget funding.

The budget forecasts both commitments (legal pledges to provide finance, provided that certain conditions are fulfilled) 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. Non-differentiated appropriations apply to administrative expenditure and commitment appropriations equal payment appropriations.

#### Assigned revenue External/Internal

Dedicated revenue received to finance specific items of expenditure.

Main sources of external assigned revenue *are financial contributions from third countries to programmes financed by the Union.*

*Main sources of internal assigned revenue are revenue from third parties in respect of goods, services or work supplied at their request, revenue arising from the repayment of amounts wrongly paid and revenue from the sale of publications and films, including those on an electronic medium.*

The complete list of items constituting assigned revenue is given in the Financial Regulation Art. 21.

#### Authorising Officer by Delegation (AOD)

The AOD is responsible in each entity for authorising revenue and expenditure operations in accordance with the principles of sound financial management and for ensuring that the requirements of legality and regularity are complied with.

The AOD is responsible for taking all financial decision concerning actions under his/her responsibility. Particularly, he/she must take decisions to implement the budget based on his/her risk analysis.

#### Budget

Annual financial plan, drawn up according to budgetary principles, that provides forecasts and authorises, for each financial year, an estimate of future costs and revenue and expenditures and their detailed description and justification, the latter included in budgetary remarks.

#### 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 as provided in the Financial Regulation for agencies.

#### Budget implementation

Consumption of the budget through expenditure and revenue operations.

#### Budget item / Budget line / Budget position

As far as the budget structure is concerned, revenue and expenditure are shown in the budget 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 authority

Institutions with decisional powers on budgetary matters: for the EU institutions, the European Parliament and the Council of Ministers.

For the agencies and joint undertakings, their board is the budgetary authority.

#### Budgetary commitment

A budgetary commitment is a reservation of appropriations to cover for subsequent expenses.

#### Cancellation of appropriations

Unused appropriations that may no longer be used.

#### 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 cost of legal obligations (contracts, grant agreements/decisions) that could be signed in the current financial year. Financial Regulation Art. 7: *Commitment appropriations cover the total cost in the current financial year of legal obligations (contracts, grant agreements/decisions) entered into for operations extending over more than one year.*

### De-commitment

Cancellation of a reservation of appropriations.

### 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. Financial Regulation Art. 7: *Differentiated appropriations are entered for multiannual operations. They consist of commitment appropriations and payment appropriations.*

### Earmarked revenue

Revenue earmarked for a specific purpose, such as income from foundations, subsidies, gifts and bequests, including the earmarked revenue specific to each institution.

Cf. Assigned revenue

### Economic result

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

### Entitlements established

Entitlements are recovery orders that the European Union must establish for collecting income.

### 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 currency at the closure.

### Expenditure

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

### Financial regulation (FR)

Adopted through the ordinary legislative procedure after consulting the European Court of Auditors, this regulation lays down the rules for the establishment and implementation of the general budget of the European Union.

For reference, Regulation (EU, Euratom) No 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union

### Funds Source

Type of appropriations

### Grants

Direct financial contributions, by way of donation, from the budget in order to finance either an action intended to help achieve an objective part of an EU policy or the functioning of a body, which pursues an aim of general European interest or has an objective forming part of an EU policy.

### Implementation

Cf. Budget implementation

### Income

Cf. Revenue

### Joint Undertakings (JUs)

A legal EU-body established under the Treaty on the Functioning of the European Union. The term can be used to describe any collaborative structure proposed for the *"efficient execution of Union research, technological development and demonstration programmes"*.

### 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, which is represented by an appropriation.

Only for joint undertakings, 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 could be re-activated until financial year "N+3".

### Legal base (basic act)

The legal base or basis is, as a general rule, a law based on an article in the Treaty on the Functioning of the European Union giving competence to the Community for a specific policy area and setting out the conditions for fulfilling that competence including budget implementation. Certain articles from the treaty authorise the Commission to undertake certain actions, which imply spending, without there being a further legal act.

### Legal commitment

A legal commitment establishes a legal obligation towards third parties.

### Non-differentiated appropriations

Non-differentiated appropriations are for operations of an annual nature. (Financial Regulation Art. 9). In the EU Budget, non-differentiated appropriations apply to administrative expenditure, for agricultural market support and direct payments.

### Operational appropriations

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

### Outstanding commitment

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

### Outturn

Cf. Budget result

### Payment

A payment is a disbursement to honour legal obligations.

### Payment appropriations

Payment appropriations cover expenditure due in the current year, arising from legal commitments entered in the current year and/or earlier years (Financial Regulation Art. 7).

### RAL

Sum of outstanding commitments. Cf. Outstanding commitments

### Recovery

The recovery order is the procedure by which the Authorising officer by Delegation (AOD) registers an entitlement by the Commission in order to retrieve the amount, which is due. The entitlement is the right that the Commission has to claim the sum, which is due by a debtor, usually a beneficiary.

### Result

Cf. Budget result

### Revenue

Term used to describe income from all sources financing the budget.

### Rules of application

Detailed rules for the implementation of the financial regulation. They are set out in a Commission regulation adopted after consulting all institutions and cannot alter the financial regulation upon which they depend.

### Surplus

Positive difference between revenue and expenditure (Cf. Budget result) which has to be returned to the funding authority as provided in the Financial Regulation.

### Transfer

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. However, they are expressly authorised by the Treaty on the Functioning of the European Union under the conditions laid down in the Financial Regulation. The Financial Regulation identifies different types of transfers depending on whether they are between or within budget titles, chapters, articles or headings and require different levels of authorisation.