



Report on Budgetary and Financial Management 2022
EUSPA-FIN-BUD-RPT-268971
Issue/version: 0.1

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1 Introduction

The purpose of this report is to present a summary of the budgetary and financial management by the Agency in 2022.

LEGAL BASIS

Regulation (EU) 2021/696 of the European Parliament and of the Council of 28 April 2021 establishing the Union Space Programme and the European Union Agency for the Space Programme and repealing Regulations (EU) No 912/2010, (EU) No 1285/2013 and (EU) No 377/2014 and Decision No 541/2014/EU.

Article 103 of the Agency Financial Regulation stipulates that the Agency shall prepare "a report on budgetary and financial management for the financial year".

2 Executive summary

The Agency started the year 2022 with the initial budget of 68 345 128 EUR. There were three amending budgets adopted by the Administrative Board during the year.

- Amending budget number 1 increased the overall appropriations by 1 687 363,77 EUR bringing the commitment and payment appropriations to the total amount of 70 032 491,77 EUR.
- Amending budget number 2 allowed for the reallocation of commitment and payment appropriations mostly from the operational budget line to the Data processing line.
- Finally, the amending budget number 3 reduced payment appropriations under Title 3 by 4 640 000 EUR, bringing overall payment appropriations to the amount of 65 392 491,77 EUR.

Budget execution for the year 2022 was 100% in C1 commitment appropriations and 100% in C1 payment appropriations when considering the non-automatic carry-forward in order to maintain the Agency's payment capacity on existing legal obligations (73% of payment appropriations were used in 2022 and 27% were carried over to 2023).

The cancellation rate of 2021 payment appropriations carried over to 2022 reached 4% (482 thousand EUR). The Agency succeeded in maintaining very good payment time statistics with 98,1% of all payments within the prescribed time limit.

The Agency continued to manage a large amount of delegated budget in 2022. A total of 574,5 million EUR was committed under delegated budget and 1,26 billion EUR made in payments in 2022.

3 Budget management

3.1 Overview of the budget

The EUSPA budget consists of three titles indicating the nature of the expenditure:

- Title 1 – staff expenditure

- Title 2 – buildings, data processing and miscellaneous administrative expenditure
- Title 3 – operational expenditure

Both non-differentiated and differentiated appropriations are used in the Agency. Non-differentiated appropriations where the amounts of commitment and payment appropriations must be the same are used for title 1 and title 2, whereas differentiated appropriations used for title 3 can vary in their amounts.

3.1.1 Initial budget, amending budget and final budget

The Agency draft budget 2022 in the amount of 68 345 128 EUR became final following the adoption of the 2022 EU budget by the Council and European Parliament.

Amending budget no. 1 increased the overall appropriations by 1 687 363,77 EUR bringing the overall commitment and payment appropriations to the amount of 70 032 491,77 EUR in order to align with the final budget allocated to the Agency by the budgetary authority and final EFTA contribution.

The amending budget no. 2 consisted of a reallocation of overall amount of 2 659 300 EUR mostly from the operational budget. The budget became available due to the fact that one contract has been signed for shorter period than initially planned. Budget was reallocated to the Data processing line in the area of business continuity to improve redundancy and resilience and the support of classified systems in line with the approved Digital transformation. This amendment has not changed overall commitment and payment appropriations.

The amending budget no. 3 reduced payment appropriations by 4 640 000 EUR in order to align with the payment appropriations needed under Title 3. The overall commitment appropriations after the amendment remained unchanged at 70 032 491,77 EUR and the overall payment appropriations were reduced to the amount of 65 392 491,77 EUR.

Eight budget transfers were processed in 2022, all of them authorised by the Executive Director as they concerned transfers of amounts either within Titles or below 10% between Titles. For a detailed overview of the Agency's initial and final budget structure, with a consolidated presentation of amendments and transfers, please refer to the table on the next page.

Table 1: 2022 Initial budget, amending budgets and final budget, in EUR

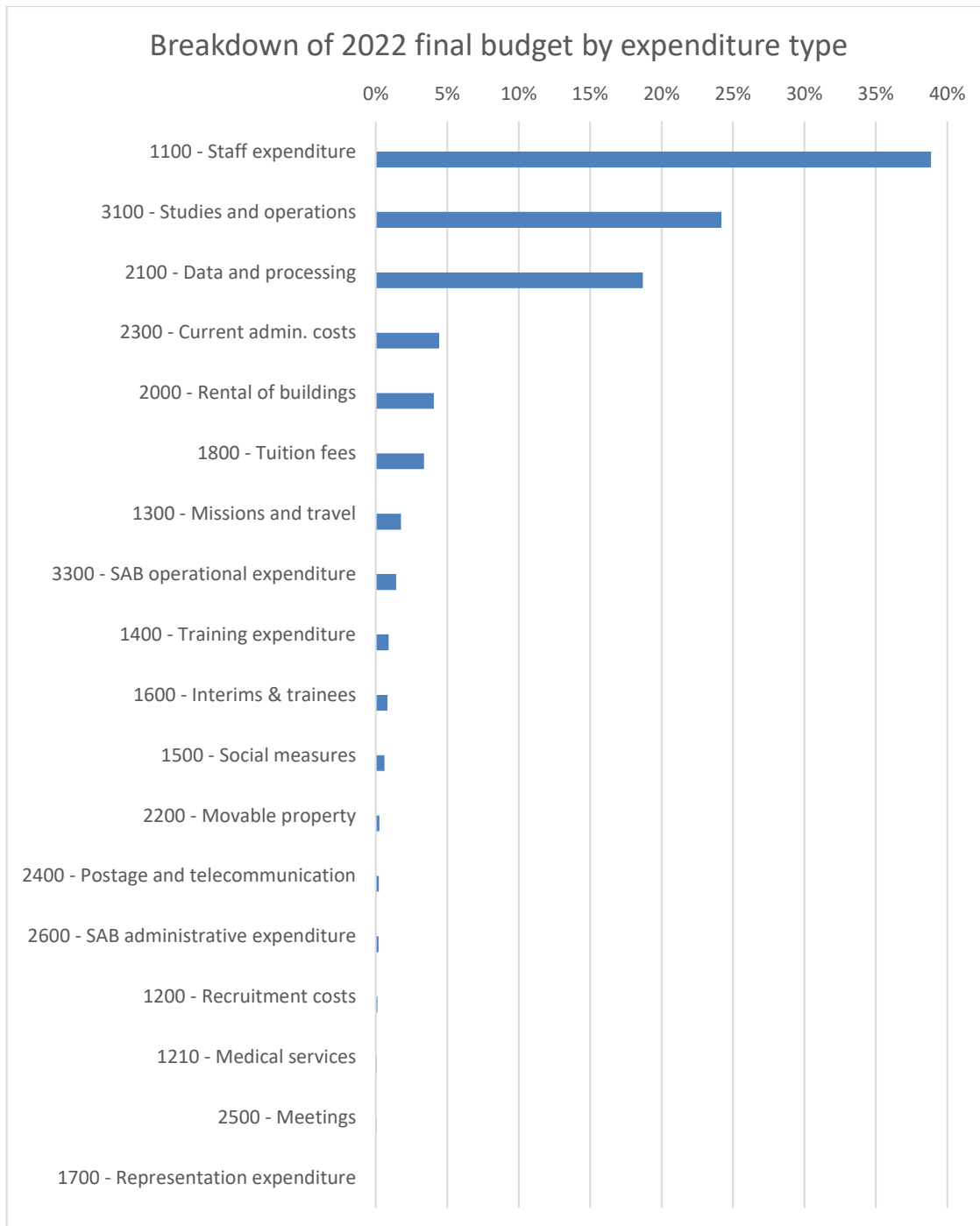
Title		Initial voted budget		Amendments/ transfers		Description	Final budget	
Bud. Line	Heading	Commitment appropriations	Payment appropriations	Commitment appropriations	Payment appropriations		Commitment appropriations	Payment appropriations
Title 1 - Staff expenditure								
1100	Staff expenditure	29 560 130	29 560 130	-2 340 956,12	-2 340 956,12	<p>Savings were identified under the Salaries due to the following reasons:</p> <p>1) The correction coefficient is announced in November and applies retroactively to July. It is therefore difficult to predict budget needs with certainty. The correction coefficient for 2022 has decreased for France and the Netherlands and increased for staff located in the Czech Republic and Spain. The overall indexation of salaries also increased and compensated the negative impact of the correction coefficient for France and the Netherlands.</p> <p>2) EUSPA received an additional 40 posts in 2022. The fact that not all new staff had actually taken up their positions in 2022 also resulted in a reduction of the initially planned budget consumption for salaries.</p>	27 219 173,88	27 219 173,88
1200	Recruitment costs	100 000	100 000	-20 673	-20 673	Lower recruitment expenditures were related to the fact that majority of the selection panels took place online and therefore travel costs of applicants were significantly lower.	79 327,00	79 327,00
1210	Medical services	139 500	139 500	-89 185,15	-89 185,15	Medical contract for Headquarters that has been initially planned to be signed in 2022 has been postponed to 2023.	50 314,85	50 314,85
1300	Missions and travel	1 000 000	1 000 000	228 036,37	228 036,37	Mission costs are increased in terms of additional staff.	1 228 036,37	1 228 036,37
1400	Training expenditure	558 000	558 000	70 000	70 000	Additional budget has been required for Cyber security trainings in order to allow more staff to be trained in this topic.	628 000,00	628 000,00

Title		Initial voted budget		Amendments/ transfers			Final budget	
1500	Social measures	625 000	625 000,00	-207 020,56	-207 020,56	Lower budget needed as not all new staff had actually taken up their positions in 2022.	417 979,44	417 979,44
1600	Interims & trainees	325 000	325 000	253 320,31	253 320,31	Higher need for Interims and Trainees budget was related to the necessary replacements for long term leave of the EUSPA staff, e.g. due to parental leave and also due to the increase in the traineeship grant as of 15/6/2022.	578 320,31	578 320,31
1700	Representation expenditure	2 000	2 000	-1 766,44	-1 766,44	Initially estimated amount has been adjusted to the required level of expenditure.	233,56	233,56
1800	Tuition fees	2 277 355	2 277 355	87 211,07	87 211,07	Tuition fees were higher than initially anticipated. It is difficult to predict the number of children of the newcomers and the schools they will attend.	2 364 566,07	2 364 566,07
	Total for title 1	34 586 985	34 586 985	-2 021 033,52	-2 021 033,52		32 565 951,48	32 565 951,48
Title 2 - Administrative expenditure								
2000	Rental of buildings	3 585 070	3 585 070	-747 016,52	-747 016,52	Contract for Headquarters' guarding services has been signed for a shorter period than initially foreseen in order to align with a new framework contract that shall be in place in early 2023.	2 838 053,48	2 838 053,48
2100	Data processing	7 459 280	7 459 280	5 625 521,10	5 625 521,10	Savings under Salaries, Buildings, Tuition fees and other lines were reallocated mostly to the Data processing budget line in order to purchase hardware for EUSPA datacentres (servers, storage, networking, security devices, software) and work on the related design and deployment.	13 084 801,10	13 084 801,10
2200	Movable property	134 640	134 640	43 712,30	43 712,30	An increased budget has been required for security furniture for the new GSMC France building.	178 352,30	178 352,30
2300	Current admin. costs	1 453 013	1 453 013	1 648 882,38	1 648 882,38	Additional budget has been required for new contract for administrative support.	3 101 895,38	3 101 895,38

Title		Initial voted budget		Amendments/ transfers			Final budget	
2400	Postage and telecommunication	148 140	148 140	-1 530,00	-1 530,00	Expenditure slightly lower in comparison to the initial estimate.	146 610,00	146 610,00
2500	Meetings	153 000	153 000	-115 696,00	-115 696,00	Initially estimated amount has been adjusted to the required level of expenditure.	37 304,00	37 304,00
2600	SAB admin. expenditure	475 000	475 000	-340 671,41	-340 671,41	Mission budget related to FFK and SAB members was reduced due to postponement of satellite launches.	134 328,59	134 328,59
	Total for title 2	13 408 143	13 408 143	6 113 201,85	6 113 201,85		19 521 344,85	19 521 344,85
	Total for titles 1 and 2	47 995 128	47 995 128	4 092 168,33	4 092 168,33		52 087 296,33	52 087 296,33
Title 3 - Operational expenditure								
3100	Studies and operations	19 350 000	19 350 000	-2 403 801,11	-7 137 125,29	Contract related to the operational security has been signed for shorter period than initially foreseen. Budget has been used under Data processing budget line in the area of business continuity. The Agency reduced differentiated payment appropriations under this budget line in order to align the amount to the payments planned and to avoid large carry over at the end of the year.	16 946 198,89	12 212 874,71
3300	SAB operational expenditure	1 000 000	1 000 000	-1 003,45	92 320,73	Differentiated payment appropriations under this budget line were aligned with the amount of the planned payments.	998 996,55	1 092 320,73
	Total for title 3	20 350 000	20 350 000	-2 404 804,56	-7 044 804,56		17 945 195,44	13 305 195,44

Title	Initial voted budget		Amendments/ transfers			Final budget	
TOTAL titles 1, 2 and 3	68 345 128	68 345 128	1 687 363,77	-2 952 636,23	Both commitment and payment appropriations of the initial budget have been increased by 1,7 million EUR in the amending budget no.1 in order to align with the final budget allocated by budgetary authority and EFTA contribution. Finally, payment appropriations were reduced by 4,6 million EUR in the Amending budget no.3 to align the payment appropriations to the planned payments in 2022.	70 032 491,77	65 392 491,77

Graph 1: Breakdown of final 2022 core budget by expenditure type



3.1.2 List of amending budgets adopted by the Board

Table 2: List of amending budgets in 2022

No.	Date of adoption	Main subject Description	Impact on Commitment appropriations (in EUR)	Impact on Payment appropriations (in EUR)
1	27-Jan-22	Adjustment of budget according to the actual EC contribution approved by the budgetary authority and actual 2022 EFTA contribution.	1 687 363,77	1 687 363,77
2	20-Jun-22	Reallocation of overall amount of 2 659 300 EUR mostly from the operational budget to the Data processing line. The budget became available due to the fact that one contract has been signed for shorter period than initially planned. Budget was reallocated in the area of business continuity to improve redundancy and resilience and the support of classified systems in line with the approved Digital transformation. This amendment has not changed overall commitment and payment appropriations.	0,00	0,00
3	27-Sep-22	It is extremely difficult to predict consumption of payment appropriations when preparing the draft budget due to operational needs of the programme and the need to react to developments as well as delays in the programme. Payment appropriations were reduced on Title 3, the operational title, in the amount of 4,64M EUR.	0,00	-4 640 000,00

3.1.3 List of transfers adopted

The Executive Director may approve transfers of appropriations from one title to another up to a maximum of 10% of the appropriations for the year shown on the line from which the transfer is made and within the Title without limit for core budget. Transfers between the Titles exceeding 10% of the appropriations for the year shown on the line from which the transfer is made are approved by the Administrative Board.

Eight budget transfers were processed in 2022, all concerning transfers of the amounts either within Titles or below 10% between Titles.

Table 3: List of transfers in 2022

#	Date of transfer adoption	Main subject description	From	To	Impact on Commitment appropriations (in EUR)	Impact on Payment appropriations (in EUR)
1	28/06/2022	<p>This transfer concerned the reallocation of available funds from Staff expenditure budget (BL1100) to budget line 2300 in order to provide sufficient budget for signature of the following contracts:</p> <ul style="list-style-type: none"> Administrative support EUSPA/OP/19/21/LOT1/SC1. The budget needed for SC1 (1,7M EUR) is higher in comparison to the initial estimate (1,4M EUR). Specific contract GSA/OP/O6/18/SC6 for the extension of the Agency's Integrated Management System to implement the oversight of the quality framework of the EU Space Programme's components (100 000 EUR). <p>Budget savings under Social measures (BL1500) were reallocated to budget line 1600 Interims and Trainees in order to cover higher need of departments for trainees and increased traineeship grant as of 15. 6. 2022.</p> <p>663 000 EUR in payment appropriations only (Title 3 appropriations are differentiated) are to be transferred from BL3300 to BL3100 in order to cover expected payments on legal obligations from both previous years and 2022.</p>	1100	2300	400 000	400 000
			1500	1600	67 000	67 000
			3300	3100		663 000
2	07/10/2022	<p>This transfer reallocated available funds from Staff expenditure budget (BL1100) to budget line 2100 in order to provide sufficient budget for purchase of hardware for EUSPA datacentres (servers, storage, networking, security devices, software) and work on the related design and deployment.</p> <p>Budget savings under Social measures (BL1500) and Salaries (BL1100) were re-allocated to Missions budget line 1300 in order to ensure coverage until the end of the year.</p> <p>25,000 EUR is reallocated from Salaries Budget line (1100) to budget line 1600 Interims and Trainees in order to cover higher need of departments for trainees and increased traineeship grant as of 15. 6. 2022.</p> <p>Savings under Buildings budget line (BL2000) mostly related to the delay of a new framework contract for Prague guarding services will reinforce Data processing budget line 2100 for the purchase of hardware described above.</p>	1100	2100	1 000 000	1 000 000
			1100	1300	55 000	55 000
			1100	1600	25 000	25 000
			1500	1300	100 000	100 000
			2000	2100	580 000	580 000
			2300	2100	50 000	50 000

		99 893,83 EUR in payment appropriations only (Title 3 appropriations are differentiated) were transferred from BL3100 to BL3300 in order to cover expected payments on legal obligations from 2022.	2500	2100	50 000	50 000
			2600	2100	100 000	100 000
			3100	3300		99 893,83
3	08/11/2022	This transfer concerned the reallocation of budget savings under Salaries (BL1100), Recruitment costs (BL1200) and Medical services (BL1210) to Missions budget line 1300 in order to ensure coverage until the end of the year.	1100	1300	45 000	45 000
			1200	1300	25 000	25 000
		2 800 000 EUR in payment appropriations only (Title 3 appropriations are differentiated) were transferred from BL3100 to BL3300 in order to cover expected payments on legal obligations from 2022.	1210	1300	20 000	20 000
			3100	3300		2 800 000
4	13/12/2022	This transfer concerned mainly the reallocation of available funds from the Salaries budget line (BL1100) as December salaries and SNE allowances were fully processed and a reserve for correction coefficient could be redistributed.	1100	2100	645 355	645 355
			1210	1300	16 440,15	16 440,15
		Funds from Salaries budget line (BL1100) reinforced Data processing budget line (BL2100) in order to finance purchase of hardware for EUSPA datacentres and work on the related design and deployment.	1210	1200	2 000	2 000
			2000	2100	145 570	145 570
		Also, savings under Movable property (BL2200), Current administrative costs (BL2300) and Meetings (BL2500) can be transferred to Data processing budget line (BL2100) for the purposes described above.	2200	2100	30 000	30 000
		Savings under Medical budget line (BL1210) were transferred to Missions (BL1300) to provide sufficient budget to cover the costs of missions approved until end of the year.	2300	2100	42 000	42 000
		Available budget under Meetings (BL2500) reinforced Postage and telecommunication costs (BL2400) to provide additional budget for postage expenditure.	2500	2400	10 360	10 360
			2500	2100	6 640	6 640
			3300	3100	602,38	
5	15/12/2022	Available funds under Tuition budget line (BL1800) reinforced Operational budget line (BL3100) in order to provide sufficient budget for signature of the last contracts under Title 3, mainly Communication contract EUSPA/OP/22/20/SC10 - Event support services.	1700	1200	1 766,44	1 766,44
			1800	3100	156 436,51	156 436,51
			2300	2100	45 795,38	45 795,38

		Also, savings under Current administrative costs (BL2300), Meetings (BL2500) and SAB administrative expenditure (BL2600) were transferred to Data processing budget line (BL2100) in order to finance last purchases of hardware for EUSPA datacentres and work on the related design and deployment.	2500	2100	10 696	10 696
			2600	2100	38 841,41	38 841,41
6	19/12/2022	This transfer reallocated available funds on a number of budget lines in order to ensure optimal use of commitment appropriations in 2022. The staff salaries line was reduced to zero, given that it is not possible to carry-forward appropriations.	1100	2100	4 166,89	4 166,89
			1500	1200	560,56	560,56
		It was possible to better estimate the amounts needed to carry-forward for missions raised and approved in 2022 (BL1300) and on other budget lines such as Recruitment (BL1200), Social measures (BL1500), Interims and trainees (BL1600), Tuition (BL1800), Current administrative costs (BL2300) and SAB administrative expenditure (BL2600). Respective provisional commitments were decreased or increased accordingly.	1300	2100	14 808,78	14 808,78
			1600	2100	28 679,69	28 679,69
			1800	2100	22 453,42	22 453,42
			2000	2100	12 504,52	12 504,52
			2200	2100	12 386,70	12 386,70
		Budget savings under Salaries (BL1100), Missions (BL1300), Interims and trainees (BL1600), Tuition (BL1800), Buildings (BL2000) and Movable property (BL2200) were transferred to Data processing budget line (BL2100) in order to provide sufficient budget for purchase of laptops.	2600	2300	7 830	7 830
		194 169,03 EUR in payment appropriations only (Title 3 appropriations are differentiated) are to be transferred from BL3300 to BL3100 in order to cover expected payments on legal obligations from current year.	3300	3100		194 169,03
7	21/12/2022	This transfer reallocated available funds on a number of budget lines in order to ensure optimal use of commitment appropriations in 2022.	1300	1800	18 595	18 595
			2100	2300	0,69	0,69
		It was possible to better estimate the amounts needed to carry-forward for missions raised and approved in 2022 (BL1300) and on other budget lines such as Tuition (BL1800) and Current administrative costs (BL2300). Respective provisional commitments were decreased or increased accordingly. 29 290,07 EUR in payment appropriations only (Title 3 appropriations are differentiated) were transferred from BL3300 to BL3100 in order to cover expected payments on legal obligations from the current year.	2400	2300	8 000	8 000
			3100	2300	1 540	1 540
			3300	2300	401,07	401,07
			3300	3100		29 290,07

8	22/12/2022	<p>Funds available under Movable property (BL2200) reinforced Tuition expenditure (BL1800) and Current administrative expenditure (BL2300). Budget became available as the proposal for the contract EUSPA-NP-17-22 for Supply and installation of security furniture was lower by 28 361 EUR in comparison to initial estimate.</p> <p>1 920 712,93 EUR in payment appropriations only (Title 3 appropriations are differentiated) were transferred from BL3300 to BL3100 in order to cover expected payments on legal obligations from both current and previous years.</p>	2200	1800	24 000	24 000
			2200	2300	4 361	4 361
			3300	3100		1 920 712,93

4 Budget implementation in 2022

Execution of C1 commitment appropriations remained high in all titles and budget lines, reaching a global 100% execution for core budget.

Where 2022 C1 payment appropriations were concerned, 73% were paid in 2022 and 27% were carried forward to 2023. Carry over rate incorporates the non-automatic carry forward of payment appropriations to the amount of 1 971 882,97 EUR adopted by the Administrative Board on 26 January 2023 in order to meet legal obligations arising from the operational contracts signed in 2021 and 2022.

Commitment appropriations

- 100% in Title 1 and 2
Administrative budget
- 100% in Title 3
Operational budget

Payment appropriations

- 73% paid in 2022
on all 3 titles
- 27% carried
forward

4.1 Execution of commitments in 2022

Table 4: Execution of C1 commitment appropriations 2022, in EUR

Budget line	Heading	COMMITMENT APPROPRIATIONS BUDGETED 2022	Commitment Appropriations (CAs)			
			EXECUTED IN 2022	%	UNCOMMITTED	%
Title 1 - Staff expenditure						
1100	Staff expenditure	27 219 173,88	27 219 173,88	100%	0	0%
1200	Recruitment costs	79 327,00	79 327,00	100%	0	0%
1210	Medical services	50 314,85	50 314,85	100%	0	0%
1300	Missions and travel	1 228 036,37	1 228 036,37	100%	0	0%
1400	Training expenditure	628 000,00	628 000,00	100%	0	0%
1500	Social measures	417 979,44	417 979,44	100%	0	0%
1600	Interims & Trainees	578 320,31	578 320,31	100%	0	0%
1700	Representation expenditure	233,56	233,56	100%	0	0%
1800	Tuition fees	2 364 566,07	2 364 566,07	100%	0	0%
	Total for title 1	32 565 951,48	32 565 951,48	100%	0	0%
Title 2 - Administrative expenditure						
2000	Rental of buildings	2 838 053,48	2 838 053,48	100%	0	0%
2100	Data processing	13 084 801,10	13 084 801,10	100%	0	0%
2200	Movable property	178 352,30	178 352,30	100%	0	0%
2300	Current administrative costs	3 101 895,38	3 101 895,38	100%	0	0%
2400	Postage and telecommunication costs	146 610,00	146 610,00	100%	0	0%
2500	Meetings	37 304,00	37 304,00	100%	0	0%
2600	SAB administrative expenditure	134 328,59	134 328,59	100%	0	0%
	Total for title 2	19 521 344,85	19 521 344,85	100%	0	0%
	Total for titles 1 and 2	52 087 296,33	52 087 296,33	100%	0	0%
Title 3 - Operational expenditure						
3100	Expenditure on studies	16 946 198,89	16 946 198,89	100%	0	0%
3300	SAB operational expenditure	998 996,55	998 996,55	100%	0	0%
	Total for title 3	17 945 195,44	17 945 195,44	100%	0	0%
	TOTAL T1+T2+T3	70 032 491,77	70 032 491,77	100%	0	0%

4.2 Execution of payments in 2022

Table 5: Execution of C1 payment appropriations 2022, in EUR

Budget line	Heading	PAYMENT APPROPRIATIONS BUDGETED 2022	Payment Appropriations (PAs)				TOTAL EXECUTED	%
			PAID IN 2022	%	CARRIED FORWARD	%		
Title 1 - Staff expenditure								
1100	Staff expenditure	27 219 173,88	27 219 173,88	100%	0,00	0%	27 219 173,88	100%
1200	Recruitment costs	79 327,00	38 597,00	49%	40 730,00	51%	79 327,00	100%
1210	Medical services	50 314,85	22 602,59	45%	27 712,26	55%	50 314,85	100%
1300	Missions and travel	1 228 036,37	1 000 185,22	81%	227 851,15	19%	1 228 036,37	100%
1400	Training expenditure	628 000,00	472 774,64	75%	155 225,36	25%	628 000,00	100%
1500	Social measures	417 979,44	209 860,73	50%	208 118,71	50%	417 979,44	100%
1600	Interims & Trainees	578 320,31	561 717,10	97%	16 603,21	3%	578 320,31	100%
1700	Representation expenditure	233,56	233,56	100%	0,00	0%	233,56	100%
1800	Tuition fees	2 364 566,07	2 279 086,34	96%	85 479,73	4%	2 364 566,07	100%
	Total for title 1	32 565 951,48	31 804 231,06	98%	761 720,42	2%	32 565 951,48	100%
Title 2 - Administrative expenditure								
2000	Rental of buildings	2 838 053,48	1 444 855,67	51%	1 393 197,81	49%	2 838 053,48	100%
2100	Data processing	13 084 801,10	1 897 791,56	15%	11 187 009,54	85%	13 084 801,10	100%
2200	Movable property	178 352,30	25 677,72	14%	152 674,58	86%	178 352,30	100%
2300	Current administrative costs	3 101 895,38	923 532,25	30%	2 178 363,13	70%	3 101 895,38	100%
2400	Postage and telecommunication costs	146 610,00	68 950,38	47%	77 659,62	53%	146 610,00	100%

2500	Meetings	37 304,00	32 795,66	88%	4 508,34	12%	37 304,00	100%
2600	SAB administrative expenditure	134 328,59	116 960,77	87%	17 367,82	13%	134 328,59	100%
	Total for title 2	19 521 344,85	4 510 564,01	23%	15 010 780,84	77%	19 521 344,85	100%
	Total for titles 1 and 2	52 087 296,33	36 314 795,07	70%	15 772 501,26	30%	52 087 296,33	100%
Title 3 - Operational expenditure								
3100	Expenditure on studies	12 212 874,71	10 515 991,74	86%	1 696 882,97	14%	12 212 874,71	100%
3300	SAB operational expenditure	1 092 320,73	817 320,73	75%	275 000,00	25%	1 092 320,73	100%
	Total for title 3	13 305 195,44	11 333 312,47	85%	1 971 882,97	15%	13 305 195,44	100%
	TOTAL T1+T2+T3	65 392 491,77	47 648 107,54	73%	17 744 384,23	27%	65 392 491,77	100%

4.3 Internal assigned revenues (C4, C5) – implementation

Fund source C4 – Internal assigned revenues of the year

Table 6: Execution of C4 commitment and payment appropriations 2022, in EUR

Budget line	Heading	Appropriation (1)	Committed (2)	% Committed (2/1)	Paid (3)	% Paid (3/1)	Uncommitted	Carried over
1300	Missions and travel	1 050,25	0,00	0%	0,00	0%	1 050,25	1 050,25
1800	Tuition fees	9 069,63	0,00	0%	0,00	0%	9 069,63	9 069,63
2000	Rental of buildings	279 550,60	0,00	0%	0,00	0%	279 550,60	279 550,60
2600	SAB admin. expenditure	3 441,51	0,00	0%	0,00	0%	3 441,51	3 441,51
	Total	293 111,99	0,00	0%	0,00	0%	293 111,99	293 111,99

Fund source C5 – Carried-over internal assigned revenues

Table 7: Execution of C5 commitment and payment appropriations 2022, in EUR

Budget line	Heading	Appropriation (1)	Committed (2)	% Committed (2/1)	Paid (3)	% Paid (3/1)	Uncommitted	Balance Payment (2-3)
1300	Missions and travel	9 378,53	9 378,53	100%	9 378,53	100%	0,00	0,00
1500	Social measures	6 820,85	6 820,85	100%	6 820,85	100%	0,00	0,00
1800	Tuition fees	5 521,23	5 521,23	100%	5 521,23	100%	0,00	0,00
2000	Rental of buildings	296 236,59	296 236,59	100%	296 236,59	100%	0,00	0,00
2300	Current admin. costs	156,64	156,64	100%	156,64	100%	0,00	0,00
2600	SAB admin. expenditure	2 499,36	2 499,36	100%	2 499,36	100%	0,00	0,00
	Total	320 613,20	320 613,20	100%	320 613,20	100%	0,00	0,00

4.4 Operational Expenditure – multi-annual overview

Table 8: C1 commitment appropriations under Title 3 in 2022, 2021 and 2020, in EUR

Budget line	Heading	Commitment Appropriations 2022	Commitment Appropriations 2021	Commitment Appropriations 2020
3100	GSMC operations	2 751 026	2 208 392,00	1 500 682,00
3100	Communication, market development and promotion activities	4 465 032,10	4 349 064,03	2 903 481,50
3100	Operational Security activities	9 730 140,79	12 104 036,40	0,00
3300	Security accreditation operational expenditure	998 996,55	792 706,84	965 811,66
	Total	17 945 195,44	19 454 199,27	5 369 975,16

4.5 Appropriations arising from earmarked revenue – Delegation agreements with the European Commission (EC)

The Agency continued to manage a large number of delegated appropriations by the European Commission during 2022. Earmarked appropriations are appropriations from external assigned revenue – fund source R0.

Table 9: Overview of external assigned revenue budget lines in 2022

Budget line	Heading	Summary of development
3917	FP7 3 rd call	All projects financed under this call were closed in 2016. The Agency shall proceed with closure of the budget line in 2023 pending finalisation of the last recovery order.
3918	PRS Delegation Agreement	The PRS Delegation Agreement covers the implementation of the following tasks: i) development of a standalone first generation PRS receiver within the framework of the PRS Pilot Project; ii) provision of technical assistance to the Commission for setting up the Galileo Security Monitoring Centre (GSMC). Payments in the value of 565 thousand EUR were made in 2022. No additional payment appropriations were requested in 2022.

3920	EGNOS Exploitation Delegation Agreement	<p>The EGNOS Exploitation Delegation Agreement was signed in April 2014. Total amount of 1,514 billion EUR is currently delegated under this agreement.</p> <p>It makes provision for the Agency to carry out the implementation of tasks related to (A) Programme Management and Engineering Activities; (B) Operational Activities and Service Provision; (C) Communication Activities and (D) Asset Management.</p> <p>A total amount of 210 million EUR was committed in 2022 with a total of 176 million EUR made in payments. 78,7 million EUR was inscribed under this budget line in 2022.</p>
3921	Horizon 2020 1 st call	<p>By the end of 2020, all 27 projects were technically concluded and the final payments were processed except for one project, for which the final payment is under assessment. One PRS contract is still ongoing.</p> <p>Under H2020 1st call the Agency has made a total of 369 thousand EUR in payments in 2022.</p>
3922	Galileo Exploitation Delegation Agreement	<p>The Galileo Exploitation Delegation Agreement was signed in October 2014 for a period of 7 years. Total amount of 2,94 billion EUR has been delegated under this agreement.</p> <p>The Delegation Agreement makes provision for the Agency to carry out the implementation of tasks related to (A) Operational Activities; (B) Management Activities; (C) Contribution to definition of mission, service and system evolutions; (D) Activities concerning fundamental elements; (E) Asset management and (F) Contribution to the management of the security activities.</p> <p>A total amount of 216 million EUR was made in payments in 2022.</p>
3923	Horizon 2020 2 nd call	<p>There were 13 grant agreements signed under 2nd call. All projects of the 2nd call were technically completed and final payments were processed by end of 2022.</p> <p>Under H2020 2nd call the Agency paid 357 thousand EUR in 2022.</p> <p>Payment appropriations for a total of 88 thousand EUR were inscribed in 2022.</p>
3924	Horizon 2020 3 rd call	<p>Out of 18 grant agreements concluded under 3rd call, all of them have successfully closed their technical activities. Several final payments are ongoing.</p> <p>Under H2020 3rd call the Agency made a total of 768 thousand EUR in payments in 2022.</p> <p>Payment appropriations for a total of 373 thousand EUR were inscribed in 2022.</p>
3925	Horizon 2020 4 th call	<p>The Agency signed 12 Grant agreements for the H2020 4th call in the amount of 19,9 million EUR in 2019 and 2020. Out of the 12 projects which were awarded for funding under this call, 9 of them closed technical activities and 3 of them are progressing well.</p> <p>Under H2020 4th call the Agency has paid a total of 946 thousand EUR in 2022. Payment appropriations for a total of 911 thousand EUR were inscribed in 2022.</p>
3926	GOVSATCOM Preparatory action	<p>GOVSATCOM preparatory action contribution agreement was signed on 7 April 2020 with a delegated budget of 4,5 million EUR.</p> <p>Overall amount of 54 thousand EUR was committed and payment appropriations for a total of 1,4 million EUR were inscribed in 2022.</p>

3927	H2020 - 5th call	<p>The Agency signed 11 Grant agreements for the H2020 5th call in the amount of 24,4 million EUR in 2020 and 2021. Out of the 11 projects which are progressing well, 1 of them closed its technical activities. Under H2020 5th call the Agency has committed 27 thousand EUR and a total of 3,3 million EUR was paid in 2022.</p> <p>Payment appropriations for a total of 6,9 million EUR were inscribed in 2022.</p>
3928	GOVSATCOM Entrusted	<p>The Agency has entered into an agreement with the European Commission represented by the Research Executive Agency for coordinating a H2020 research grant ENTRUSTED, complementing GOVSATCOM activities.</p> <p>The grant agreement was signed in August 2020 for a maximum grant amount of 2 999 940 EUR. ENTRUSTED will be implemented by almost 20 institutions representing EU Member States and EU agencies.</p> <p>Overall amount of 281 thousand EUR was paid in 2022.</p>
3929	Galileo activities	<p>Contribution agreement between the European Commission and the Agency under the Financial Framework Partnership Agreement was signed in 2021 entrusting the Agency with the role of Galileo exploitation manager for total amount of 7,1 billion EUR.</p> <p>During 2022 250 million EUR was committed and 793 million EUR was paid in the same year. Payment appropriations for a total of 1 billion EUR were inscribed in 2022.</p>
3930	EGNOS activities	<p>Contribution agreement between the European Commission and the Agency under the Financial Framework Partnership Agreement was signed in 2021 entrusting the Agency with tasks for the role of EGNOS exploitation manager for the total amount of 1,4 billion EUR.</p> <p>A total of 74 million EUR was committed in 2022 and 56,7 million EUR was paid.</p>
3931	GOVSATCOM activities	<p>Contribution agreement between the European Commission and the Agency under the Financial Framework Partnership Agreement was signed in 2021 entrusting the Agency with tasks for the GOVSATCOM activities for the 165 million EUR.</p> <p>A total of 3,6 million EUR was committed, 32 thousand EUR paid and 1 million EUR of payment appropriations were inscribed in 2022.</p>
3932	SSA activities	<p>Contribution agreement between the European Commission and the Agency under the Financial Framework Partnership Agreement was signed in 2021 entrusting the Agency with support tasks, activities related to security and activities related to user uptake of data, information and services for the SSA in the amount of 1,6 million EUR.</p> <p>Overall amount of 202 thousand EUR was paid and 670 thousand EUR was committed in 2022. Payment appropriations for a total of 700 thousand EUR were inscribed in 2022.</p>
3933	Horizon Europe – Downstream activities	<p>Contribution agreement between the European Commission and the Agency under the Financial Framework Partnership Agreement was signed in 2021 entrusting the Agency with tasks for the Downstream activities – Horizon Europe in the amount of 304,9 million EUR. Overall amount of 14 million EUR was paid and 34,8 million EUR was committed in 2022. Payment appropriations for a total of 308 thousand EUR were inscribed in 2022.</p>

3934	Copernicus – Downstream activities	<p>Contribution agreement between the European Commission and the Agency under the Financial Framework Partnership Agreement was signed in 2021 entrusting the Agency tasks for the Downstream activities – Space Programme Copernicus in the amount of 30 million EUR.</p> <p>A total of 422 thousand EUR was committed during 2022 and 677 thousand EUR was paid.</p>
3935	Galileo application	<p>The Agency has entered into a contribution agreement with the European Commission’s DG MOVE (MOVE/DDG2.C/SUB/2021-543/SI2.864105) on 21 December 2021 to finance the implementation of the action “Enhanced Galileo Green Lanes”.</p> <p>The agreement was signed for the amount of 500 thousand EUR.</p> <p>The Agency made commitments in overall amount of 96 thousand EUR and inscribed payment appropriations in the amount of 400 thousand EUR in 2022.</p>

Cash flow of delegated budget

Table 10: Overview of earmarked revenue (RO) during 2022, in EUR

Budget line	Activity	Commitments in 2022	Payment appropriations 1/1/2022	2022 payment appropriations received (+) /returned (-)	Payments made during 2022	Remaining payment app. 31/12/2022
3917	FP7 3rd call	0,00	0,00	0,00	0,00	0,00
3918	PRS DA	0,00	565 005,50	0,00	565 005,50	0,00
3920	EGNOS DA	210 188 781,48	302 747 653,62	78 681 215,01	175 644 487,03	205 784 381,60
3921	H2020 1st call	0,00	1 414 828,31	0,00	368 539,74	1 046 288,57
3922	Galileo DA	0,00	354 124 473,65	0,00	215 618 994,32	138 505 479,33
3923	H2020 2nd call	0,00	1 108 706,90	88 119,60	356 837,85	839 988,65
3924	H2020 3rd call	0,00	1 725 269,53	373 086,57	768 316,21	1 330 039,89
3925	H2020 4th call	11 450,00	2 196 441,17	911 278,64	945 871,35	2 161 848,46
3926	GOVSATCOM Prep	53 890,00	1 109 145,80	1 364 999,00	891,00	2 473 253,80
3927	H2020 – 5th call	26 620,00	2 754 798,45	6 876 938,09	3 254 481,32	6 377 255,22
3928	GOVSATCOM Entrusted	0,00	0,00	281 244,00	281 244,00	0,00
3929	Galileo activities	250 411 492,75	171 344 515,06	1 000 537 698,72	793 398 610,10	378 483 603,68
3930	EGNOS activities	74 253 597,24	173 000 000,00	0,00	56 670 405,96	116 329 594,04
3931	GOVSATCOM activities	3 551 950,00	1 500 000,00	1 074 462,00	31 972,50	2 542 489,50
3932	SSA activities	670 723,87	0,00	700 000,00	202 398,89	497 601,11
3933	Horizon Europe - Downstream activities	34 792 374,88	23 000 000,00	307 898	13 998 377,67	9 309 520,33
3934	Copernicus - Downstream activities	421 868,00	4 000 000,00	0,00	676 555,47	3 323 444,53
3935	GALILEO application	95 970,00	0,00	400 000,00	0,00	400 000,00
	Total	574 478 718,22	1 040 590 837,99	1 091 596 939,63	1 262 782 988,91	869 404 788,71

Table 11: Overview of earmarked revenue (R0) – cumulative appropriations, in EUR

Budget line	Activity	Cumulative Commit. Appropriations (1)	Cumulative Executed Commitment amount (2)	% Committed (2/1)	Cumulative Credit Not Used (1-2)	Cumulative Payment Appropriations (3)	2022 Executed Payment amount (4)	% Paid (4/3)	R A L (2-4)
3917	FP7 3rd call	1 419 030,18	0,00	0%	1 419 030,18	0,00	0,00	%	0,00
3918	PRS DA	669 492,88	565 005,50	84%	104 487,38	565 005,50	565 005,50	100%	0,00
3920	EGNOS DA	561 269 067,38	561 265 491,11	100%	3 576,27	381 428 868,63	175 644 487,03	46%	385 621 004,08
3921	H2020 1st call	2 206 268,01	1 676 002,11	76%	530 265,90	1 414 828,31	368 539,74	26%	1 307 462,37
3922	Galileo DA	491 451 849,28	489 786 248,97	100%	1 665 600,31	354 124 473,65	215 618 994,32	61%	274 167 254,65
3923	H2020 2nd call	3 107 167,44	356 837,85	11%	2 750 329,59	1 196 826,50	356 837,85	30%	0,00
3924	H2020 3rd call	3 877 945,45	2 305 029,56	59%	1 572 915,89	2 098 356,10	768 316,21	37%	1 536 713,35
3925	H2020 4th call	3 636 134,93	3 408 175,66	94%	227 959,27	3 107 719,81	945 871,35	30%	2 462 304,31
3926	H2020 - 5th call	4 114 145,80	286 147,80	7%	3 827 998,00	2 474 144,80	891,00	0%	285 256,80
3927	GOVSATCOM Prep	12 178 872,36	12 178 127,10	100%	745,26	9 631 736,54	3 254 481,32	34%	8 923 645,78
3928	GOVSATCOM Entrusted	890 610,00	703 110,00	79%	187 500,00	281 244,00	281 244,00	100%	421 866,00
3929	Galileo activities	6 153 344 515,06	4 321 695 248,41	70%	1 831 649 266,65	1 171 882 213,78	793 398 610,10	68%	3 528 296 638,31
3930	EGNOS activities	1 327 000 000,00	476 506 003,54	36%	850 493 996,46	173 000 000,00	56 670 405,96	33%	419 835 597,58
3931	GOVSATCOM activities	165 000 000,00	3 551 950,00	2%	161 448 050,00	2 574 462,00	31 972,50	1%	3 519 977,50
3932	SSA activities	1 600 000,00	670 723,87	42%	929 276,13	700 000,00	202 398,89	29%	468 324,98
3933	Horizon Europe - Downstream activities	304 900 000,00	34 792 374,88	11%	270 107 625,12	23 307 898,00	13 998 377,67	60%	20 793 997,21
3934	Copernicus - Downstream activities	30 000 000,00	1 021 868,00	3%	28 978 132,00	4 000 000,00	676 555,47	17%	345 312,53
3935	GALILEO application	500 000,00	95 970,00	19%	404 030,00	400 000,00	0,00	0%	95 970,00
Total		9 067 165 098,77	5 910 864 314,36	65%	3 156 300 784,41	2 132 187 777,62	1 262 782 988,91	59%	4 648 081 325,45

4.6 Payment appropriations carried over

Table 12: Automatic carry over, in EUR

	Automatic carry over from 2022 to 2023			Automatic carry over from 2021 to 2022		
	Total C1 commitments 2022	Payment appropriations carried over to 2023	%	Total C1 commitments 2021	Payment appropriations carried over to 2022	%
Title 1 Staff	32 565 951,48	761 720,42	2%	26 818 731,62	1 416 179,75	5%
Title 2 Administrative expenditure	19 521 344,85	15 010 780,84	77%	10 857 284,28	7 402 986,04	68%
Title 3 Operational expenditure	17 945 195,44	0,00	0%	19 454 199,27	0,00	0%
Total	70 032 491,77	15 772 501,26	23%	57 130 215,17	8 819 165,79	15%

Table 13: Non-automatic carry over, in EUR

	Non-automatic carry over 2022 to 2023			Non-automatic carry over 2021 to 2022		
	Total C1 commitments 2022	Payment appropriations carried over to 2023	%	Total C1 commitments 2021	Payment appropriations carried over to 2022	%
Title 1 Staff	32 565 951,48	0,00	0%	26 818 731,62	0,00	0%
Title 2 Administrative expenditure	19 521 344,85	0,00	0%	10 857 284,28	0,00	0%
Title 3 Operational expenditure	17 945 195,44	1 971 882,97	11%	19 454 199,27	2 313 328,29	12%
Total	70 032 491,77	1 971 882,97	3%	57 130 215,17	2 313 328,29	4%

4.7 Analysis on outstanding commitments

This chapter summarises the evolution of outstanding commitment balances during 2022 by budget line and title.

The cancellation rate of payment appropriations carried over from 2021 to 2022 was 4% (482 627,81 EUR).

Table 14: Overview of outstanding balances at the end of 2022, in EUR

Budget line	Description	Outstanding balances as of 01/01/2022 C8	De-commitments	Payments on outstanding balances in 2022	New 2022 commitments C1,C4, C5	Payments on new 2022 commitments C1,C2,C4,C5	Payment appropriations cancellations in 2022	Outstanding balances as of 31/12/2022 RAL
		(a)	(b)	(c)	(d)	(e)	(f)	(g)=(a)-(b)-(c)+(d)-(e)
1100	Staff costs	0,00	0,00	0,00	27 219 173,88	27 219 173,88	0,00	0,00
1200	Recruitment	13 500,00	657,4	12 842,60	79 327,00	38 597,00	657,40	40 730,00
1210	Medical expenses	62 641,40	20 300,79	42 340,61	50 314,85	22 602,59	20 300,79	27 712,26
1300	Missions	79 540,29	5 945,71	73 594,58	1 237 414,90	1 009 563,75	5 945,71	227 851,15
1400	Training	462 101,77	27 797,96	434 303,81	628 000,00	472 774,64	27 797,96	155 225,36
1500	Social measures	62 746,02	0,00	62 746,02	424 800,29	216 681,58	0,00	208 118,71
1600	Interims & Trainees	470 759,06	16 888,54	453 870,52	578 320,31	561 717,10	16 888,54	16 603,21
1700	Representation	0,00	0,00	0,00	233,56	233,56	0,00	0,00
1800	Tuition fees	264 891,21	0,00	264 891,21	2 370 087,30	2 284 607,57	0,00	85 479,73
	Total title 1	1 416 179,75	71 590,40	1 344 589,35	32 587 672,09	31 825 951,67	71 590,40	761 720,42

Budget line	Description	Outstanding balances as of 01/01/2022 C8	De-commitments C8,C9	Payments on outstanding balances in 2022	New 2022 commitments C1,C4, C5	Payments on new 2022 commitments C1,C2,C4,C5	Payment appropriations cancellations in 2022	Outstanding balances as of 31/12/2022 RAL
2000	Rent	1 747 191,81	165 862,39	1 581 329,42	3 134 290,07	1 741 092,26	165 862,39	1 393 197,81
2100	Data processing	3 919 620,41	188 244,65	3 731 375,76	13 084 801,10	1 897 791,56	188 244,65	11 187 009,54
2200	Movable property	395 198,54	3 716,76	391 481,78	178 352,30	25 677,72	3 716,76	152 674,58
2300	Current admin costs	1 195 457,29	44 510,39	1 150 946,90	3 102 052,02	923 688,89	44 510,39	2 178 363,13
2400	Postage and telecommunication costs	55 480,80	550,17	54 930,63	146 610,00	68 950,38	550,17	77 659,62
2500	Meetings	2 000,17	2 000,17	0,00	37 304,00	32 795,66	2 000,17	4 508,34
2600	SAB administrative expenditure	88 037,02	6 152,88	81 884,14	136 827,95	119 460,13	6 152,88	17 367,82
	Total title 2	7 402 986,04	411 037,41	6 991 948,63	19 820 237,44	4 809 456,60	411 037,41	15 010 780,84
3100	Expenditure on studies	18 155 401,69	55 047,12	11 736 137,31	16 946 198,89	783 027,72	0,00	22 527 388,43
3300	SAB operational expenditure	581 154,49	3 236,70	577 917,79	998 996,55	549 557,94	0,00	449 438,61
	Total title 3	18 736 556,18	58 283,82	12 314 055,10	17 945 195,44	1 332 585,66	0,00	22 976 827,04
	Totals	27 555 721,97	540 911,63	20 650 593,08	70 353 104,97	37 967 993,93	482 627,81	38 749 328,30

5 Revenue

5.1 Nature of Revenue

Table 15: Overview of revenue in 2022, in EUR

Budget Item	Type of revenue	Revenue Budget	Entitlements established	Revenue received	Outstanding at the end of the year
2000	Operating subsidy from European Commission	65 392 491,77	65 392 491,77	65 392 491,77	0,00
2008	Other subsidy from European Commission (Delegation/Contribution Agreements)	0,00	1 091 372 655,32	1 091 372 655,32	0,00
9000	Other income (Recovery orders issued in 2022)	0,00	969 182,32	517 396,30	451 786,02
	TOTAL	65 392 491,77	1 157 734 329,41	1 157 282 543,39	451 786,02

6 Staff and establishment plan for 2022

Table 16: Establishment plan in 2022

	2022			
	Authorised under the EU Budget		Filled as of 31/12/2022	
	Permanent posts	Temporary Posts	Permanent posts	Temporary Posts
AD 16				
AD 15				
AD 14		1		1
AD 13		6		2
AD 12		10		0
AD 11		17		9
AD 10		26		16
AD 9		45		24
AD 8		62		41
AD 7		44		60
AD 6		10		43
AD 5		8		23
AD total		229		219
AST 11				
AST 10				
AST 9				
AST 8				
AST 7		1		
AST 6		1		2
AST 5				1
AST 4				7
AST 3				2
AST 2				
AST 1				
AST total		2		12
GRAND TOTAL		231		231

7 Financial management

7.1 Financial and accounting systems

Since September 2012, and given the multi-location environment under which the Agency is operating (offices and staff spread out in four EU countries), Paperless, an electronic workflow validation system has been used. The Agency uses the system in order to carry out all financial transactions. Paperless is used together with the standard EU financial tools ABAC Workflow (budgetary management), ABAC Accounting (SAP), ABAC Assets (management of fixed assets) and ABAC Data Warehouse (financial reporting tool).

EUSPA uses the ABAC system, hosted by the Commission, for its budget accounts and for the purposes of its budgetary management i.e. commitment and payment transactions. From this system, and together with the use of ABAC Data Warehouse reporting tool, reports on financial management and budget execution are produced. EUSPA uses the ABAC Assets system to manage and account for its fixed assets. H2020 projects and external experts are processed in the EC IT tools (Compass/Syigma, EMI).

The general accounts are maintained by the SAP system which is managed and hosted by the Commission.

Since November 2015, the European Commission's Accounting Officer has provided accounting services for EUSPA on the basis of a Service Level Agreement.

The Administrative Board adopted on 16 August 2019 Agency's Financial Regulation 2019 based on 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.

7.2 Financial management

Overall, 6 049 financial transactions were processed by the Agency in 2022. This corresponds to an increase of 49 % in comparison to the previous year (4 067 transactions processed in 2021). The overall amount includes transactions such as commitments, de-commitments and modification of commitments, payment requests, mission orders, recovery orders, guarantees, forecasts of revenue and budget transfers.

The Agency succeeded in maintaining very good payment time statistics with 98,13 % of all payments within the prescribed time limit. An average payment time was 20,3 days in 2022, well below the 30 days EC benchmark (18,1 days in 2021).

Annex 1

List of Acronyms and Abbreviations

Abbreviation	Definition
AD	Administrator
AST	Assistant
AO	Authorising officer
DA	Delegation agreement
CA	Contract agent
C1	Appropriations of the current year, approved by the budgetary authority and entered in the budget at the start of the financial year.
C2	Appropriations carried-over non-automatically
C4	Appropriations from internal assigned revenue of the year
C5	Appropriations from internal assigned revenue carried over
C8	Carry-forward of commitments (differentiated and non-differentiated) and corresponding payment appropriations (non-differentiated)
C9	Carry-forward of commitments without the corresponding payment (non-differentiated) appropriations
R0	Appropriations from external assigned revenue of the year and carried over
EC	European Commission
EGNOS	EGNOS European Geostationary Navigation Overlay System
FKC	Flight Key Cell
FP-7	Seventh Framework Programme for Research and Development
H2020	Horizon 2020
PRS	Public Regulated Service
SAB	Security Accreditation Board

Glossary

Term	Definition
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.
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 it is 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, for agricultural market support and direct payments 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 is revenue from third parties in respect of goods, services or work supplied at their request; (c) revenue arising from the repayment of amounts wrongly paid and revenue from the sale of publications and films, including those on an electronic medium.
Authorising Officer (AO)	The AO is responsible in each institution 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.
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. 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: the European Parliament and the Council of Ministers
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. Art. 7 FR: <i>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.</i>
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. Art. 7 FR: <i>Differentiated appropriations are entered for multiannual operations. They consist of commitment appropriations and payment appropriations.</i>
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.
Funds Source	Type of appropriations (e.g.: C1, C2, etc.)
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 TFEU. The term can be used to describe any collaborative structure proposed for the " <i>efficient execution of Union research, technological development and demonstration programmes</i> ".
Lapsing appropriations	Unused appropriations to be cancelled at the end of the financial year. <i>Lapsing</i> means the cancellation of all or part of the authorisation to make expenditures and/or incur liabilities which is represented by an appropriation.
Legal base (basic act)	The legal base or basis is, as a general rule, a law based on an article in the Treaty giving competence to the Community for a specific policy area and setting out the conditions for fulfilling that competence including budget implementation. Certain Treaty articles 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. (Art. 9 FR). 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	Legal commitments having not fully given rise to liquidation by payments. Cf. RAL.
Outturn	Cf. Budget result
Payment	A payment is a cash 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 (Art. 7 FR).
RAL	Sum of outstanding commitments. Outstanding commitments (or RAL, from the French ' <i>reste à liquider</i> ') are defined as the amount of appropriations committed that have not yet been paid. They stem directly from the existence of multiannual programmes and the dissociation between commitment and payment appropriations. (Cf. <i>Outstanding commitments</i>)
Recovery	The recovery order is the procedure by which the Authorising officer (AO) 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. Outturn
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 (see 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. They are, however, expressly authorised by the Treaty on the Functioning of the European Union under the conditions laid down in the Financial Regulation. The FR identifies different types of transfers depending on whether they are between or within budget titles, chapters, articles or headings and require different levels of authorization.

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