

ANNUAL BUDGET FOR YEAR 2019

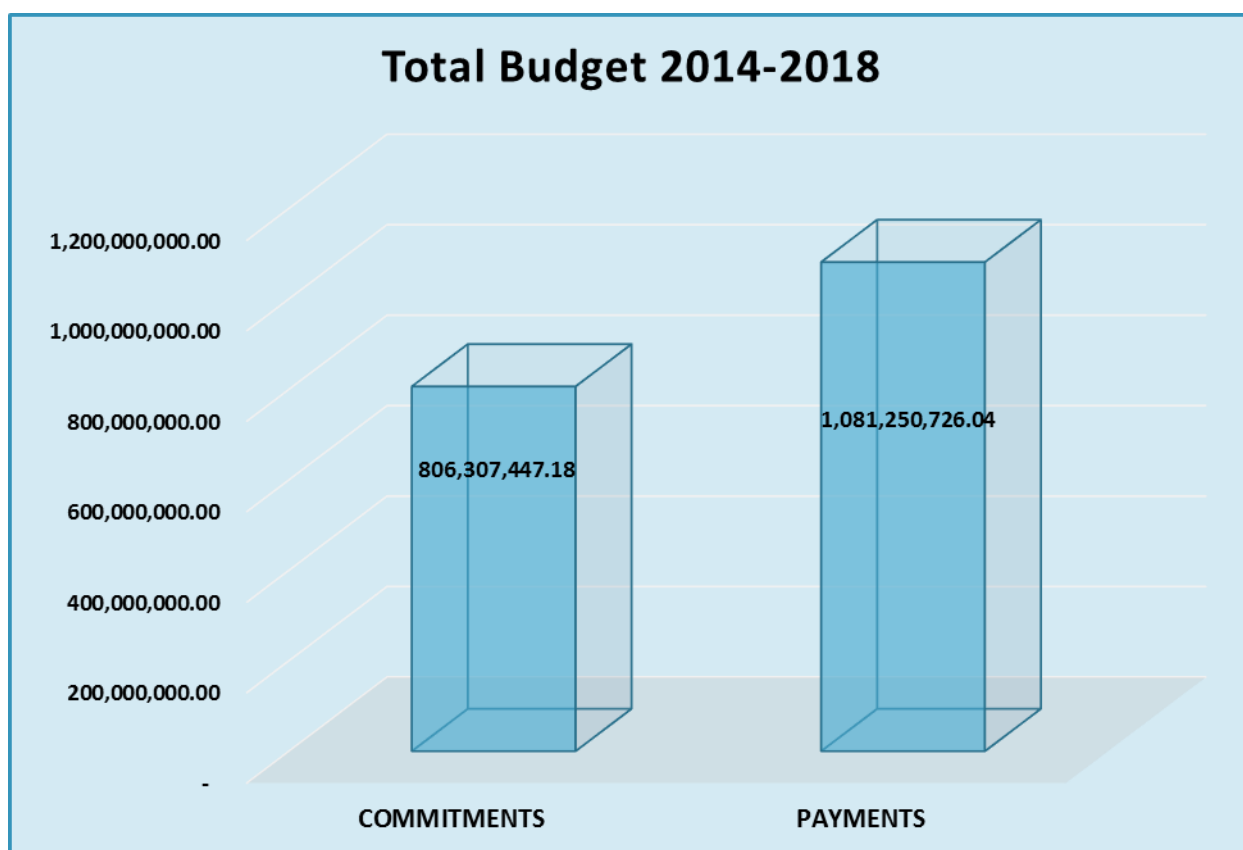
INTRODUCTION

The budget is established in accordance with the provisions of the Council Regulation (EC) No 561/2014 of 06 May 2014 setting up the ECSEL Joint Undertaking.

The ECSEL JU has been established in June 2014 for the implementation of H2020. So far, for the period 2014-2018*, the total budget (administration and operations) already approved by the Governing Board for implementation is of:

806,307,447.18 € for Commitments (Appropriations for Operations relate exclusively to H2020 projects)

1,081,250,726.04 € for Payments (Appropriations for Payments relate to both H2020 projects and FP7 legacy)

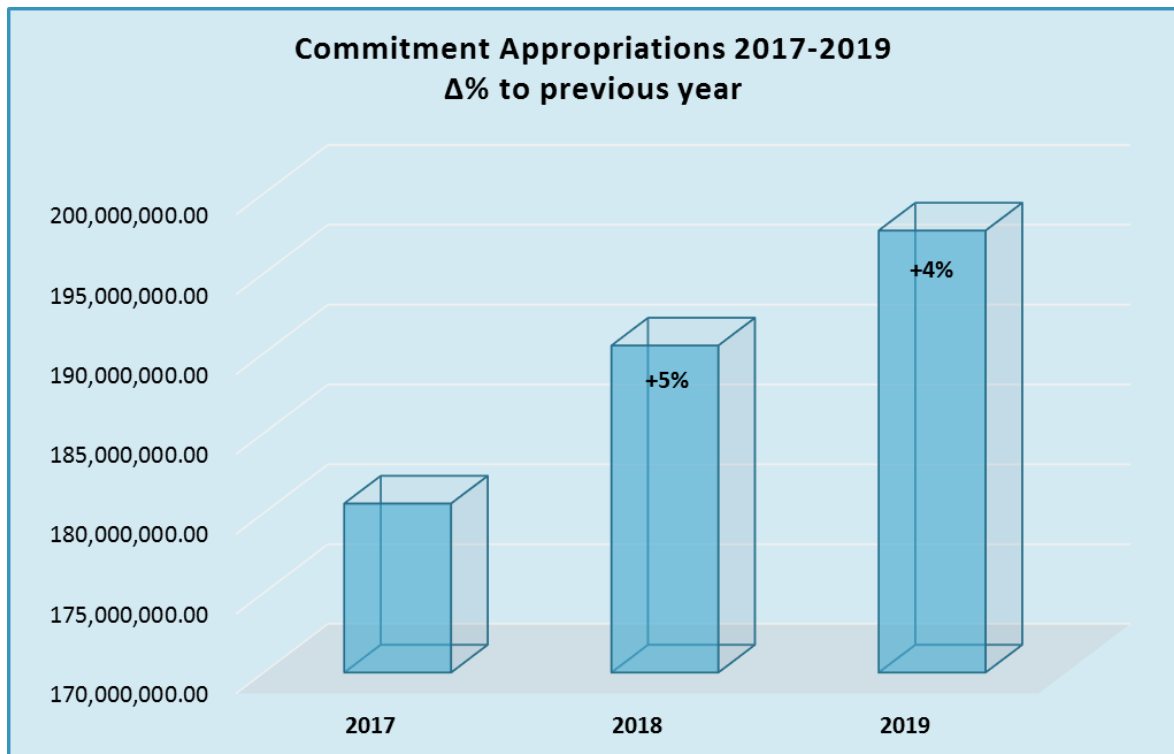


The budget includes the description of human and financial resources deployed by the ECSEL JU for the implementation of its programmes and plans in 2019. Budget execution is a key performance indicator on progress towards the ECSEL JU objectives.

* A second amendment of Budget 2018 including these figures is under preparation and will be proposed by the end of the year.

Commitment Appropriations, which form the basis for the new legal obligations of the ECSEL JU, are deemed to exhaust the maximum amount of the programme for operations, while amounts dedicated to running costs will be kept at the same level as in 2015, 2016, 2017 and 2018:

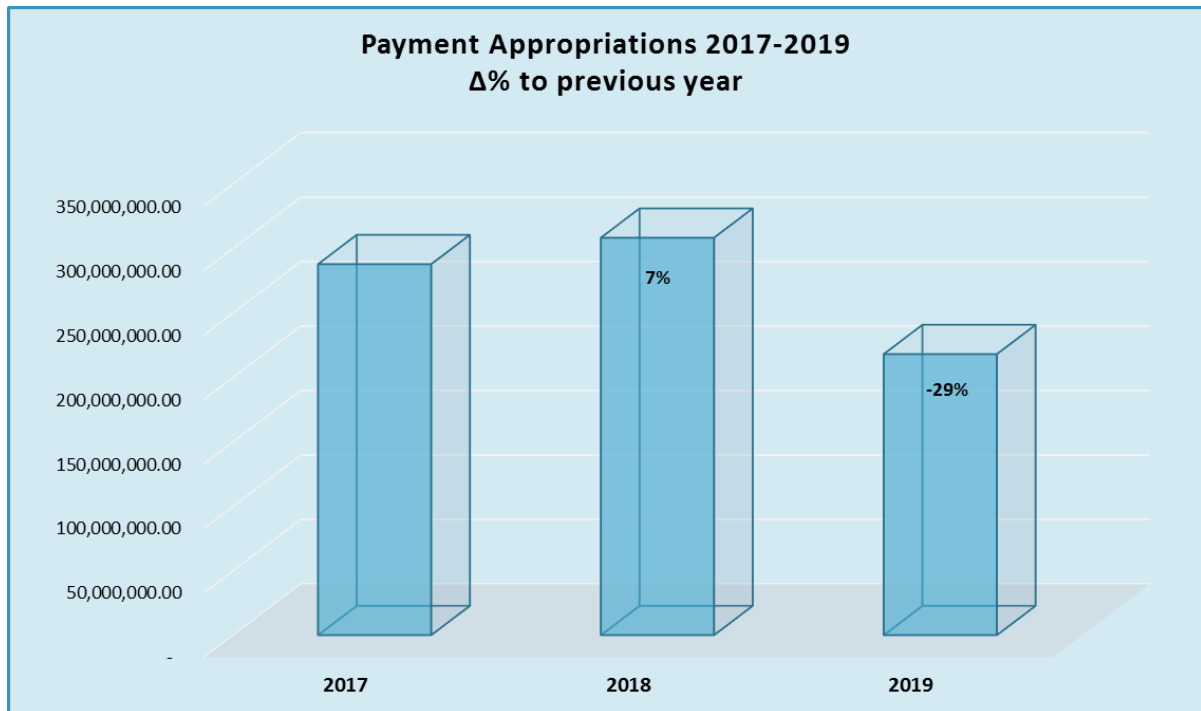
- **197,674,400.00 €** in 2019: +4% compared to 2018



*Δ= Difference

For **Payment Appropriations** where the main part is dedicated to payments of participants in the selected running projects, the amount will gradually decrease as the legacy of FP7 is phasing out; at the same time, the minor part dedicated to running costs will remain stable:

- **217,944,300.79 €** in 2019: -29 % compared to 2018



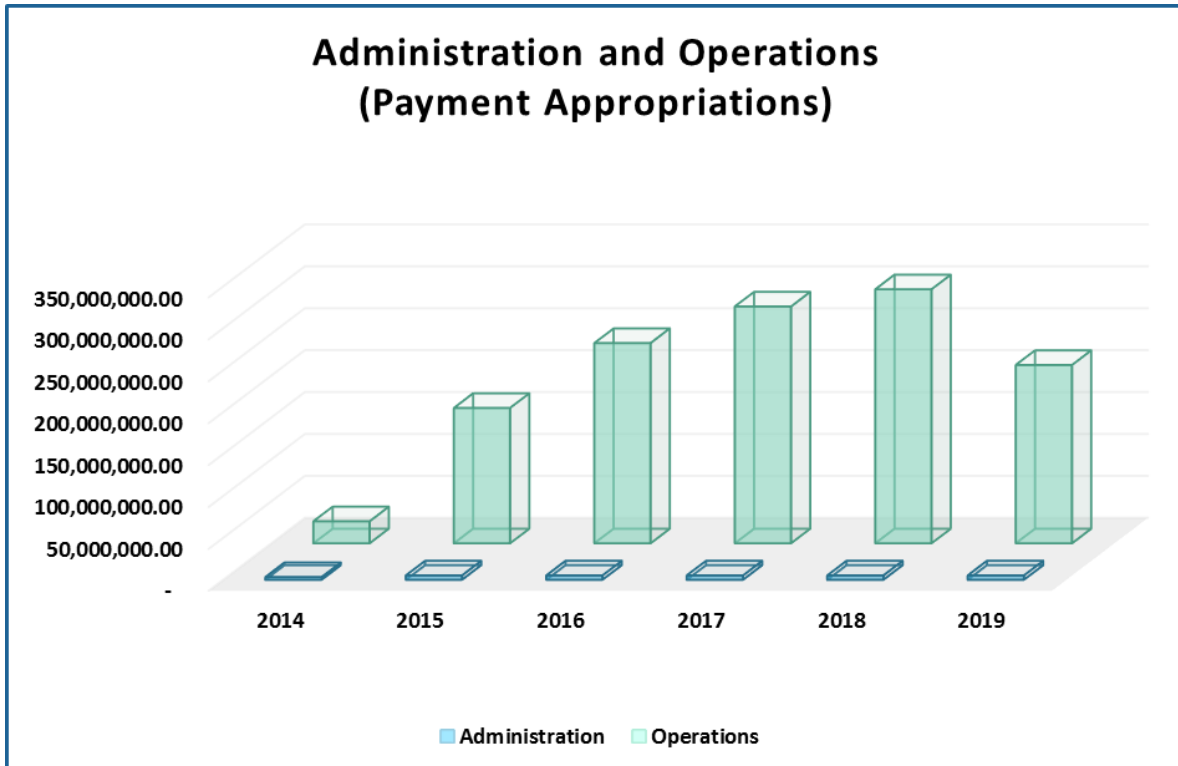
*Δ: Difference

The part of **administrative costs** in the total budget will be as follows:

- with regard to **Commitment Appropriations**: 2.63% in 2019



- with regard to **Payment Appropriations**: 2.39 % in 2019



Should there be later in 2019 a change in the work plan or a need not yet identified, the Governing Board will be invited to enter the necessary appropriation adjustments.

A. BUDGET INFORMATION

1. REVENUE

In accordance with the provisions of the legal framework applicable to ECSEL JU, there are two main contributors to the budget of the JU:

- The **EU budget** with a decision of the European Parliament and the Council upon proposal of the Commission. This contribution is intended to fund projects (operational costs) and part of the running costs.
- **Industry** represented by the Private Members (AENEAS, ARTEMIS-IA and EPOSS) contributing to a part of the running costs in accordance with the JU statutes.

Until now, none of the ECSEL Participating States has opted in favour of entrusting the ECSEL JU with the management of their financial contribution, as foreseen in the provisions of Article 17.1 of the Statutes of the ECSEL JU. One Participating State had notified its intention to opt in favour, but that intention is being reconsidered.

I. Budget Revenue

1.1 Commitment Appropriations

REVENUES (Commitment Appropriations)	2017 (ex)	2018 (a)	2018 (am2) ³	2019 (p)	Δ % 19/17
Revenues from EU Budget¹	174,143,725.00	184,010,000.00	184,155,241.00	194,532,238.00	11.71%
Administrative Budget	2,006,005.00	2,010,000.00	2,007,841.00	2,057,838.00	2.58%
Operational Budget H2020	172,137,720.00	182,000,000.00	182,147,400.00	192,474,400.00	11.81%
Operational Budget FP7					
Revenue from Industry	2,455,998.00	2,523,092.00	2,523,092.00	3,142,162.00	27.94%
Administrative Budget	2,455,998.00	2,523,092.00	2,523,092.00	3,142,162.00	27.94%
Unused appropriations from previous years²	3,981,663.00	666,908.00	3,796,023.96		
Administrative Budget Accounting Surplus	737,997.00	666,908.00	666,908.00		
Operational Budget H2020	3,243,666.00		3,129,115.96		
Operational Budget FP7					
Total Revenues	180,581,386.00	187,200,000.00	190,474,356.96	197,674,400.00	9.47%

(ex): Executed budget/ (a): Authorised budget/ (am2): Amendment 2/ (p): Proposed budget

Δ: Difference

¹ The EU contribution (including EFTA contribution whose factor for 2019 is of +2.38%) is based on the budget for the ECSEL JU in the general EU Budget.

² Unused appropriations from the previous budget exercises (Art.6.5 of the ECSEL Financial Rules: "Given the needs of the ECSEL JU, the unused appropriations may be entered in the estimate of revenue and expenditure of up to the following three financial years. These appropriations may be used first"). For the Administrative Budget Accounting Surplus, this amount was calculated as follows: Voted Administrative Budget N-2 - Economic Outturn Account N-2 (according to the Annual Accounts of year N-2). This amount is to be verified in early 2019 as per the communication of ECSEL Executive Director during the GB meeting on 13 December 2018.

³ A second amendment of Budget 2018 including these figures is under preparation and will be proposed by the end of the year.

1.2 Payment Appropriations

REVENUES (Payment Appropriations)	2017 (ex)	2018 (a)	2018 (am2) ⁴	2019 (p)	Δ % 19/17
Revenues from EU Budget¹	280,516,004.00	187,010,000.00	220,359,844.00	197,120,101.00	-29.73%
Administrative Budget	2,006,004.00	2,010,000.00	2,007,841.00	2,057,838.00	2.58%
Administrative Budget Frontloading ²			(320,000.00)		
Operational Budget H2020	178,510,000.00	185,000,000.00	205,032,003.00	163,080,078.20	-8.64%
Operational Budget FP7	100,000,000.00		13,000,000.00	31,982,184.80	-68.02%
Revenue from Industry	2,455,999.00	2,523,092.00	2,523,092.00	3,142,162.00	27.94%
Administrative Budget	2,455,999.00	2,523,092.00	2,523,092.00	3,142,162.00	27.94%
Unused appropriations from previous years³	4,737,997.00	85,666,908.00	85,666,908.00	17,682,037.79	273.20%
Administrative Budget Accounting Surplus	737,997.00	666,908.00	666,908.00		
Operational Budget H2020					
Operational Budget FP7	4,000,000.00	85,000,000.00	85,000,000.00	17,682,037.79	
Total Revenues	287,710,000.00	275,200,000.00	308,229,844.00	217,944,300.79	-24.25%

(ex): Executed budget/ (a): Authorised budget/ (am2): Amendment 2/ (p): Proposed budget

Δ: Difference

¹ The EU contribution (including EFTA contribution whose factor for 2019 is of +2.38%) is based on the budget for the ECSEL JU in the general EU Budget.

² The EU contribution for administrative costs refers to a cash frontloading of 320,000.00 € from the EU Budget 2020 and shall be regularised in ECSEL Budget 2020. This frontloading does not increase the administrative budget for year 2018.

³ Unused appropriations from the previous budget exercises (Art.6.5 of the ECSEL Financial Rules: "Given the needs of the ECSEL JU, the unused appropriations may be entered in the estimate of revenue and expenditure of up to the following three financial years. These appropriations may be used first"). For the Administrative Budget Accounting Surplus, this amount was calculated as follows: Voted Administrative Budget N-2 - Economic Outturn Account N-2 (according to the Annual Accounts of year N-2). This amount is to be verified in early 2019 as per the communication of ECSEL Executive Director during the GB meeting on 13 December 2018.

⁴ A second amendment of Budget 2018 including these figures is under preparation and will be proposed by the end of the year.

2. EXPENDITURE

II. Budget expenditure

2.1 Commitment Appropriations

€	2017 (ex)	2018 (a)	2018 (am2) ¹	2019 (p)	Δ % 19/17
Title1: Staff	3,257,000.00	3,160,000.00	3,223,000.00	3,382,000.00	3.84%
Title2: Running costs	1,943,000.00	2,040,000.00	1,974,841.00	1,818,000.00	-6.43%
Title 1 + 2: Administrative costs	5,200,000.00	5,200,000.00	5,197,841.00	5,200,000.00	0.00%
Title 3: Selected projects	172,137,720.00	182,000,000.00	185,276,515.96	192,474,400.00	11.81%
Titles 1 + 2 + 3: Total budget	177,337,720.00	187,200,000.00	190,474,356.96	197,674,400.00	11.47%

(ex): Executed budget/ (a): Authorised budget/ (am2): Amendment 2/ (p): Proposed budget

Δ: Difference

¹ A second amendment of Budget 2018 including these figures is under preparation and will be proposed by the end of the year.

2.2 Payment Appropriations

€	2017 (ex)	2018 (a)	2018 (am2) ¹	2019 (p)	Δ % 19/17
Title1: Staff	3,185,660.91	3,160,000.00	3,223,000.00	3,382,000.00	6.16%
Title2: Running costs	1,503,438.69	2,040,000.00	1,974,841.00	1,818,000.00	20.92%
Title 1 + 2: Administrative costs	4,689,099.60	5,200,000.00	5,197,841.00	5,200,000.00	10.90%
Title 3: Selected projects	235,211,311.74	270,000,000.00	303,032,003.00	212,744,300.79	-9.55%
Titles 1 + 2 + 3: Total budget	239,900,411.34	275,200,000.00	308,229,844.00	217,944,300.79	-9.15%

(ex): Executed budget/ (a): Authorised budget/ (am2): Amendment 2/ (p): Proposed budget

Δ: Difference

¹ A second amendment of Budget 2018 including these figures is under preparation and will be proposed by the end of the year.

2.3 Details by Title and Chapter

COMMITMENTS

Budget Line	Heading	Budget 2017 (executed)	Budget 2018 (approved)	Budget 2018 (amendment 2) ¹	Budget 2019 (proposed)	Δ% 19/17
TITLE 1	STAFF	3,257,000.00	3,160,000.00	3,223,000.00	3,382,000.00	3.84%
A-1100	SALARIES & ALLOWANCES	3,042,500.00	3,000,000.00	3,045,000.00	3,200,000.00	5.18%
A-1200	RECRUITMENT & TRANSFER	2,000.00	30,000.00	13,000.00	10,000.00	400.00%
A-1300	MISSIONS EXPENSES	147,000.00	100,000.00	105,000.00	105,000.00	-28.57%
A-1400	SOCIO-MEDICAL INFRASTRUCTURE & TRAINING	65,500.00	30,000.00	60,000.00	67,000.00	2.29%
TITLE 2	RUNNING COSTS	1,943,000.00	2,040,000.00	1,974,841.00	1,818,000.00	-6.43%
A-2000	RENTAL OF BUILDINGS AND ASSOCIATED COSTS	620,000.00	560,000.00	502,841.00	495,000.00	-20.16%
A-2100	INFORMATION AND COMMUNICATION TECHNOLOGY	255,000.00	220,000.00	220,000.00	220,000.00	-13.73%
A-2200	MOVABLE PROPERTY AND ASSOCIATED COSTS	10,000.00	10,000.00	10,000.00	1,000.00	-90.00%
A-2300	CURRENT ADMINISTRATIVE EXPENDITURE	13,500.00	10,000.00	17,000.00	82,000.00	507.41%
A-2400	POSTAGE/TELECOMMUNICATIONS	15,000.00	20,000.00	20,000.00	15,000.00	0.00%
A-2500	MEETINGS AND REPRESENTATION	-	110,000.00	99,000.00	60,000.00	0.00%
A-2600	EVALUATIONS	278,000.00	380,000.00	316,000.00	240,000.00	-13.67%
A-2602	REVIEWS	245,000.00	190,000.00	250,000.00	240,000.00	-2.04%
A-2700	INNOVATION	-	-	-	-	-
A-2800	COMMUNICATION	460,000.00	460,000.00	460,000.00	425,000.00	-7.61%
A-2900	AUDITS	46,500.00	80,000.00	80,000.00	40,000.00	-13.98%
TITLE 3	SELECTED PROJECTS AFTER ANNUAL CALLS	172,137,720.00	182,000,000.00	185,276,515.96	192,474,400.00	11.81%
B-3100	FP7 Projects	-	-	-	-	0.00%
B-3200	H2020 Projects	172,137,720.00	182,000,000.00	185,276,515.96	192,474,400.00	11.81%
TOTAL		177,337,720.00	187,200,000.00	190,474,356.96	197,674,400.00	11.47%

Δ: Difference

¹ A second amendment of Budget 2018 including these figures is under preparation and will be proposed by the end of the year.

PAYMENTS

Budget Line	Heading	Budget 2017 (executed) ¹	Budget 2018 (approved)	Budget 2018 (amendment 2) ²	Budget 2019 (proposed)	Δ% 19/17
TITLE 1	STAFF	3,209,074.09	3,160,000.00	3,223,000.00	3,382,000.00	5%
A-1100	SALARIES & ALLOWANCES	3,042,067.69	3,000,000.00	3,045,000.00	3,200,000.00	5.19%
A-1200	RECRUITMENT & TRANSFER	1,889.81	30,000.00	13,000.00	10,000.00	429.15%
A-1300	MISSIONS EXPENSES	125,908.13	100,000.00	105,000.00	105,000.00	-16.61%
A-1400	SOCIO-MEDICAL INFRASTRUCTURE & TRAINING	39,208.46	30,000.00	60,000.00	67,000.00	70.88%
TITLE 2	RUNNING COSTS	1,836,545.41	2,040,000.00	1,974,841.00	1,818,000.00	-1.01%
A-2000	RENTAL OF BUILDINGS AND ASSOCIATED COSTS	623,021.54	560,000.00	502,841.00	495,000.00	-20.55%
A-2100	INFORMATION AND COMMUNICATION TECHNOLOGY	194,861.77	220,000.00	220,000.00	220,000.00	12.90%
A-2200	MOVABLE PROPERTY AND ASSOCIATED COSTS	3,304.27	10,000.00	10,000.00	1,000.00	-
A-2300	CURRENT ADMINISTRATIVE EXPENDITURE	13,276.86	10,000.00	17,000.00	82,000.00	517.62%
A-2400	POSTAGE/TELECOMMUNICATIONS	10,559.08	20,000.00	20,000.00	15,000.00	42.06%
A-2500	MEETINGS AND REPRESENTATION	-	110,000.00	99,000.00	60,000.00	-
A-2600	EVALUATIONS	263,155.88	380,000.00	316,000.00	240,000.00	-8.80%
A-2602	REVIEWS	275,197.90	190,000.00	250,000.00	240,000.00	-12.79%
A-2700	INNOVATION	2,820.00	-	-	-	-
A-2800	COMMUNICATION	416,936.99	460,000.00	460,000.00	425,000.00	1.93%
A-2900	AUDITS	33,411.12	80,000.00	80,000.00	40,000.00	0.00%
TITLE 3	SELECTED PROJECTS AFTER ANNUAL CALLS	235,595,068.98	270,000,000.00	303,032,003.00	212,744,300.79	-9.70%
B-3100	FP7 Projects	76,553,807.88	85,000,000.00	98,000,000.00	49,664,222.59	-35.13%
B-3200	H2020 Projects	159,041,261.10	185,000,000.00	205,032,003.00	163,080,078.20	2.54%
TOTAL		240,640,688.48	275,200,000.00	308,229,844.00	217,944,300.79	-9.43%

Δ: Difference

¹ Execution in all Fund Sources.² A second amendment of Budget 2018 including these figures is under preparation and will be proposed by the end of the year.

2.4 Details on the use of financial resources

2.4.1 TITLE 1 - STAFF

A-1100 – Salaries and allowances

This appropriation is intended to cover the cost of remuneration of temporary and contract staff in accordance with the Staff Regulations. This chapter also covers the costs of the employer's social security contributions in accordance with the applicable Staff Regulations. It covers as well the cost of non statutory staff like interim and trainees who are contracted for a short period. The increase is for the one part justified by the new contribution agreement signed with DG HR concerning the financing by ECSEL JU of the schooling fees of its staff's children attending European Schools and for the other part by the need for interim/external staff.

A-1200 – Recruitment & transfer

This chapter covers the recruitment costs for new staff as well as expenditure foreseen in the relevant provisions of the Staff Regulations, e.g. installation allowances for staff changing residence after taking up duties or when they cease definitively their duties and settle elsewhere and the daily subsistence allowances due to staff able to prove that they were obliged to change their place of residence after taking up duties.

A-1300 – Mission expenses

The missions' appropriation is intended to cover expenditure on transport, payment of daily mission allowances and ancillary or exceptional expenses incurred by staff in interest of the service, in accordance with the Staff Regulations. Staff missions for 2018 are estimated to be in the same level as in 2018.

A-1400 – Socio-medical infrastructure & training

This appropriation relates to costs of the annual medical check-up of staff members and the complementary health insurance. Under this chapter are also covered the costs for the staff training under the SLA with DG HR. The increase proposed for 2019 is mainly due to the amended SLA with DG HR which will include the HR portal "SYSPER" (the Human Resource Management Information System) of the European Commission.

2.4.2 TITLE 2 - RUNNING COSTS

A-2000 – Buildings and associated costs

The JU is operating since 2011 in its premises located in the White Atrium building, 60 Avenue de la Toison d'Or in Brussels. This office location is shared with five other JUs in order to minimise maintenance costs and share a number of expenses, such as security and safety of staff and installations, cleaning and maintenance. Common space shared by JUs in that location has been augmented from the end of year 2014 to offer more possibilities for meetings. The arrival of the new JUs led to a readjustment of the cost allocation of the common areas, leading to further savings in the rent and in the common charges.

A-2100 – Information and communication technology

This chapter covers the cost for IT infrastructure and equipment of ECSEL JU. In 2019 the consolidation of networks and tools will be continued and necessary upgrades of both software and hardware in use in the JU office and remotely will be implemented.

A-2200 – Movable property and associated costs

This chapter relates to purchase of furniture, office equipment and archiving facilities. ECSEL JU, having for the main part covered its needs in furniture and office equipment and eliminating in the same time its physical archives due to the paperless policy, plans very limited expenses under this appropriation.

A-2300 – Current administrative expenditure

Under this appropriation are covered the costs related to office supplies and translations and as of 2019, the costs for Accounting Services under the SLA signed in 2018 with DG BUDG will be included as well. ECSEL JU also intends to conclude an MoU with DIGIT for the provision of the HAN IT tools suite services (document management, registration and workflows).

A-2400 – Postage / Telecommunications

This chapter relates to the costs for internet connections and telecommunications services (including for replacement and upgrade).

A-2500 – Meetings and representation

The chapter has been included in the budget structure from year 2018 in order to cover the costs of meetings that are taking place inside or outside of the JU premises. Under this chapter are also covered the costs of the Governing Board and the Public Authorities Board meetings. In 2019, the number of meetings is expected to remain at the same level as in 2018.

A-2600 – Evaluations

Under this appropriation are covered all the costs related to the selection and evaluation of projects, as well as the costs for the remuneration of evaluation experts for the calls launched under H2020 programme.

A-2602 – Reviews

This chapter covers the costs of reviews for the projects selected under both H2020 and FP7 programmes.

A-2700 – Innovation

As of 2018, activities related to innovation are now included in the chapter 28.

A- 2800 – Communication

Like in previous years, communication activities will be organised under five headings:

- Conferences, info days and workshops, events
- Internal communication
- Publication and acquisition of information (DB)
- Website developments and consolidation
- General public relations (PR) and publicity

Actions will be implemented in accordance with the JU's communication plan and in coordination with Industry Associations members of ECSEL.

A-2900 – Audits

This appropriation covers external and internal audits needs, legal assistance and related costs for actions initiated under FP7 as well as under H2020.

2.4.3 Title 3 SELECTED PROJECTS AFTER ANNUAL CALLS**B-3100 – FP7 Projects**

This shall exclusively cover costs related to payments of FP7 projects.

B-3100 – H2020 Projects

This shall exclusively cover costs related to payments for H2020 projects.

As far as the Calls 2019 are concerned, the appropriations will be allocated as follows:

Action	Estimated EU Expenditure (in M€)*
Call 2019-1 IA	95
Call 2019-2 RIA	68.3
Call 2019-2 RIA Special topic 1	5
Call 2019-2 RIA Special topic 2	5
Call 2019-3 CSA for LI Health.E	0.5
Public Procurement	0.4
Total	174.2

(*) This budget is to be supported from the 2019 and 2020 budgets. The EU contribution is based on the budget foreseen for JTIs in the general Union budget. The amount deriving from the 2019 and 2020 estimated general Union budget is subject to its adoption by the budgetary authority and may be updated accordingly.

Schedule of payments (in Million Euro):

Call	Y2015	Y2016	Y2017	Y2018	Y2019	Y2020	Y2021	Y2022
FP7	92	118	77	41	50			
H2020								
Call 2014	56	40	30	12	7			
Call 2015		59	38	26	15	4		
Call 2016			91	21	24	23	5	
Call 2017				88	34	27	17	6
Call 2018					83	68	20	15
Total H2020	56	99	159	147	163	122	42	21
Payments H2020+FP7	148	217	236	188	213	122	42	21

B. STAFF ESTABLISHMENT PLAN

Human resources

Staff category	2018 authorised	2018 filled	2019 proposed
Temporary agents	14	14	14
Contract agents	16	16	16
Seconded National Experts	1	0	1
Total staff	31	30	31

Establishment plan posts for temporary agents

Grade	2018		2018		2019	
	Authorised		Filled		Proposed	
	Permanent posts	Temporary posts	Permanent posts	Temporary posts	Permanent posts	Temporary posts
AD 16						
AD 15						
AD 14		1		1		1
AD 13						
AD 12		2		2		3
AD 11		2		2		1
AD 10						1
AD 9		5		5		6
AD 8		4		4		2
AD 7						
AD 6						
AD 5						
AD total		14		14		14
AST 11						
AST 10						
AST 9						
AST 8						
AST 7						
AST 6						
AST 5						
AST 4						
AST 3						
AST 2						
AST 1						
AST total						
AST/SC 6						
AST/SC 5						
AST/SC 4						
AST/SC 3						
AST/SC 2						
AST/SC 1						
AST/SC total						
TOTAL		14		14		14

Contract agents

Group	2018 authorised	2018 filled	2019 (*) proposed
Function Group IV	4	2	2
Function Group III	8	9	9
Function Group II	4	5	5
Function Group I			
Total	16	16	16

(*) Estimated full time equivalent units (FTE) on the basis of average costs

Seconded national experts

Seconded National Experts	2018 authorised	2018 filled	2019 (*) proposed
Total	1	0	1

(*) Estimated full time equivalent units (FTE) on the basis of average costs - proposed to be replaced with CA in case of unsuccessful recruitment.

The estimation of the cost of human resources is based on the actual staff costs at ECSEL JU. The budget appropriations covering staff expenditure for year 2019 are based on the estimate of 14 temporary agents, 16 contract agents and 1 seconded national expert (average Full Time Equivalents on a yearly basis). Remuneration and social costs are estimated in accordance with the EU staff regulations and applicable rules.
