

REPORT ON BUDGETARY AND FINANCIAL MANAGEMENT - FINANCIAL YEAR 2023

European Climate Infrastructure and Environment Executive Agency



Contents

INTRODUCTION	3
I. 2023 ADMINISTRATIVE BUDGET MAIN FIGURES	4
II. OVERVIEW OF THE IMPLEMENTATION OF THE ADMINISTRATIVE BUDGET	4
A. REVENUE	4
B. INITIAL BUDGET, AMENDING BUDGET AND FINAL BUDGET	5
1. Budget amendments	5
2. Budget transfers.....	7
3. Budget implementation	8
C. HIGHLIGHTS OF THE BUDGETARY EXECUTION UNDER TITLES 1, 2 AND 3 ...	11
TABLE 7: CINEA ADMINISTRATIVE BUDGET EXECUTION REPORT 2023 (EUR)	11
1. Title 1 'Staff expenditure'	12
2. Title 2 'Infrastructure and operating expenditure'	12
3. Title 3 'Programme Support expenditure'	12
CONCLUSION	13

Introduction

The European Commission established Executive Agencies in accordance with Council Regulation (EC) No 58/2003¹ with the aim to entrust certain tasks related to the management of EU programmes, including budget implementation.

The European Climate Infrastructure and Environment Executive Agency (CINEA), based in Brussels, is the successor of the Innovation and Networks Executive Agency² (INEA).

Under the 2021-2027 Multi-Annual Financial Framework (MFF)³, the new Agency CINEA was given responsibilities by the European Commission covering the management of several EU programmes.

The scope of delegated powers and definition of CINEA's tasks, as well as the regulations and procedures with which it must comply, are set out in its Delegation Act⁴.

CINEA's administrative budget is governed by a specific regulation for Executive Agencies, which closely follows the EU Financial Regulations while allowing specific requirements⁵. The Director of the Agency performs the duties of Authorising Officer for the administrative budget, and the accounting is the responsibility of the Agency's Accounting Officer.

This report presents the key elements and explanations related to the management of the administrative budget.

¹ [Council Regulation \(EC\) No 58/2003](#) laying down the statute for Executive Agencies to be entrusted with certain tasks in the management of Community programmes; Commission Regulation (EC) No 1653/2004 of 21 September 2004 on the Financial Regulation for the Executive Agencies pursuant to Council Regulation (EC) No 58/2003, as amended by (EC) No 651/2008 of 9 July 2008.

² Commission Decision 2013/801/EU of 23 December 2013 establishing the Innovation and Networks Executive Agency and repealing Decision 2007/60/EC, last amended by Commission Decision (EU) 2020/669 of 18 May 2020

³ [2021-2027 long-term EU budget & NextGenerationEU | European Commission \(europa.eu\)](#)

⁴ [Commission Implementing Decision \(EU\) 2021/173 of 12 February 2021](#) establishing the European Climate, Infrastructure and Environment Executive Agency, the European Health and Digital Executive Agency, the European Research Executive Agency, the European Innovation Council and SMEs Executive Agency, the European Research Council Executive Agency, and the European Education and Culture Executive Agency and repealing Implementing Decisions 2013/801/EU, 2013/771/EU, 2013/778/EU, 2013/779/EU, 2013/776/EU and 2013/770/EU

⁵ <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2004:297:0006:0016:EN:PDF> and <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32008R0651&from=EN>

I. 2023 Administrative Budget Main Figures

Final Administrative Budget after Amendments:	62.345.000 EUR
% Budget Execution in commitments:	99.23%
% Budget Execution in payments:	94.66%
% Budget Carry-Forward:	4.61%
Average Time To Pay (TTP):	15.47 days

II. Overview of the Implementation of the Administrative Budget

A. Revenue

The 2023 revenue consisted mainly of a subsidy from the general budget of the European Union as well as external assigned revenues.

The Agency receives its subsidy from the seven programmes it manages.

At the end of 2023, the total subsidy amounted to **EUR 62.345.000**.

A detailed overview of the sources and the corresponding amounts are outlined in **table 1**.

Table 1: Distribution of the subsidy by budget lines in 2023 (EUR)

Subsidy Budget Lines	General Budget	EEA/EFTA contributions	Other external assigned revenues	Total
CEF Transport	7.477.688	0	0	7.477.688
CEF Energy	3.041.291	0	0	3.041.291
CEF Transport (Cohesion Fund)	6.287.745	0	0	6.287.745
CEF Transport (Military Mobility)	935.932	0	0	935.932
HE	14.279.867	509.926	2.760.400	17.550.193
LIFE	14.429.395	22.843	0	14.452.238
EMFAF	4.342.608	0	0	4.342.608
IF	0	0	6.253.551	6.253.551
REFM	0	0	623.303	623.303
JTM	0	0	1.380.451	1.380.451
Total	50.794.526	532.769	11.017.705	62.345.000

B. Initial budget, amending budget and final budget

The European Climate, Infrastructure and Environment Executive Agency (CINEA) has as main mission to support its stakeholders in delivering the European Green Deal through high-quality programme management.

The Agency is in charge of managing seven programmes:

- the Connecting Europe Facility (CEF),
- Horizon Europe,
- the LIFE programme,
- the Innovation Fund (IF),
- the Just Transition Mechanism,
- the Renewable Energy Financing Mechanism
- and the European Maritime, Fisheries and Aquaculture Fund (EMFAF).

The 2023 initial administrative budget covered the expenses for the management of the programmes under the new mandate of the Agency in force since 1st April 2021.

The initial administrative budget for 2023 was EUR 63.345.000.

1. Budget amendments

The initial budget was amended twice. Table 2 below shows the details of the two amendments.

Table 2: Evolution of the 2023 budget (EUR)

2023 CINEA Administrative Budget	Initial Budget (EUR) 63,345,000	Amendment Nr 1 (EUR) 470,000	Amendment Nr 2 (EUR) -1,470,000
I - STAFF EXPENDITURE	53,190,000.00	470,000.00	-1,206,000.00
11 - Remuneration allowances and charges	49,680,000.00	470,000.00	-1,198,000.00
1111 - Temporary agents	19,430,000.00	0.00	-680,000.00
1121 - Contract Agents	29,440,000.00	470,000.00	-518,000.00
1131 - Interim and trainees	810,000.00	0.00	0.00
12 - Socio, medical and training expenditures	3,510,000.00	0.00	-8,000.00
1211 - Medical services	390,000.00	0.00	-96,000.00
1221 - Training	500,000.00	0.00	-23,000.00
1231 - Administration of staff	811,000.00	0.00	14,000.00
1241 - Recruitment	74,000.00	0.00	1,000.00
1251 - Representation and internal meetings	15,000.00	0.00	0.00
1261 - Other social expenditure	1,720,000.00	0.00	96,000.00
II - INFRASTRUCTURE AND OPERATING EXPENDITURE	6,955,000.00	0.00	174,000.00
21 - Building expenditure	4,050,000.00	0.00	-22,000.00
2111 - Rental of building	2,300,000.00	0.00	109,935.00
2121 - Charges of the building	1,750,000.00	0.00	-131,935.00
22 - ICT expenditure	2,585,000.00	0.00	169,000.00
2211 - Hardware and software	315,000.00	0.00	2,000.00
2221 - ICT Services	2,270,000.00	0.00	167,000.00
23 - Movable property and current operating expenditure	320,000.00	0.00	27,000.00
2311 - Furniture, technical installations, handling and removal services	105,000.00	0.00	-4,000.00
2321 - Office supplies, archive, subscription and correspondence	165,000.00	0.00	23,000.00
2331 - Other expenditure related to work environment	50,000.00	0.00	8,000.00
III - PROGRAMME SUPPORT EXPENDITURE	3,200,000.00	0.00	-438,000.00
31 - Programme Support Expenditure	3,200,000.00	0.00	-438,000.00
3111 - Missions and related expenditure	495,000.00	0.00	0.00
3121 - Audit	620,000.00	0.00	-135,000.00
3131 - Operational related IT expenditure	1,450,000.00	0.00	-100,000.00
3141 - Communication, events and other Programme support expenditure	635,000.00	0.00	-203,000.00

Amendments⁷ are approved by the Steering Committee.

1st Amendment (21/06/2023) – approved by written procedure

The initial approved budget of EUR 63.345.000 was increased by EUR 470.000 (+0.74%) to the amount of EUR 63.815.000 due to:

- Allocation of additional 10 FTEs⁸ in order to manage additional budget entrusted to CINEA for the Innovation Fund programme
- Allocation of additional 2 FTEs to reflect the implementation of a larger delegated budget, in line with the standardized method to determine the maximum additional staffing financed from contributions from third countries under Horizon Europe.

⁷ Amendments are changes to the global amount of the budget.

⁸ Full Time Equivalent

2nd Amendment (29/09/2023) – approved by written procedure

Following the mid-year review of the operating budget, the amended budget of EUR 63.815.000 was decreased by EUR 1.470.000 (-2.36%) to the amount of EUR 62.345.000 due to:

- Decreased expenditures for staff, mainly TA and CA, by EUR 1.206.000 (- 2.24%).
- Decreased expenditures for programme support by EUR 438.000 (-13.69%)
- Increased of infrastructure and operating expenditure by EUR 174.000 (+2.5%).

2. Budget transfers

Transfers⁹ of appropriations between budget lines within the same chapter are approved by the Director. All other types of transfers are approved by the Steering Committee.

Table 4: List of transfers adopted in 2023 (EUR)

2023 CINEA Administrative Budget	Initial Budget (EUR) 63,345,000	Transfer Nr1 (EUR) (12/06/2023)	Transfer Nr2 (EUR) (05/12/2023)	Transfer Nr3 (EUR) (06/12/2023)	Transfer Nr4 (EUR) (14/12/2023)
I - STAFF EXPENDITURE	53,190,000	0.00	0.00	0.00	0.00
11 - Remuneration allowances and charges	49,680,000	0.00	335,000.00	0.00	280,000.00
1111 - Temporary agents	19,430,000.00		175,000		94,000
1121 - Contract Agents	29,440,000.00		325,000		186,000
1131 - Interim and trainees	810,000.00		-165,000		
12 - Socio, medical and training expenditures	3,510,000	0.00	-335,000.00	0.00	0.00
1211 - Medical services	390,000.00		-40,000		
1221 - Training	500,000.00		-115,000		
1231 - Administration of staff	811,000.00		-23,000		
1241 - Recruitment	74,000.00				
1251 - Representation and internal meetings	15,000.00				
1261 - Other social expenditure	1,720,000.00		-157,000		
II - INFRASTRUCTURE AND OPERATING EXPENDITURE	6,955,000	0.00	0.00	0.00	0.00
21 - Building expenditure	4,050,000	0.00	0.00	0.00	0.00
2111 - Rental of building	2,300,000.00	110,000.00			
2121 - Charges of the building	1,750,000.00	-110,000.00			
22 - ICT expenditure	2,585,000	0.00	0.00	0.00	-280,000.00
2211 - Hardware and software	315,000.00				-280,000
2221 - ICT Services	2,270,000.00				
23 - Movable property and current operating expenditure	320,000	0.00	0.00	0.00	0.00
2311 - Furniture, technical installations, handling and removal services	105,000.00				
2321 - Office supplies, archive, subscription and correspondence	165,000.00				
2331 - Other expenditure related to work environment	50,000.00				
III - PROGRAMME SUPPORT EXPENDITURE	3,200,000	0.00	0.00	0.00	0.00
31 - Programme Support Expenditure	3,200,000	0.00	0.00	0.00	0.00
3111 - Missions and related expenditure	495,000.00			-70,000	
3121 - Audit	620,000.00			-23,000	
3131 - Operational related IT expenditure	1,450,000.00			-37,000	
3141 - Communication, events and other Programme support expenditure	635,000.00			130,000	

⁹ Transfers are appropriations moved between budget lines/chapters/titles

CINEA carried out four transfers of appropriations in 2023 to align them with the Agency's financial needs.

1st Transfer (Director's approval of 12/06/2023)

Budget line 2111 - Rental of building had to be reinforced by EUR 110.000, because the Belgian health index applicable to rent calculations for 2023 was slightly higher than expected.

The required amount was transferred from the Budget line 2121 - *Charges of the building*.

2nd Transfer (Director's approval of 05/12/2023)

Due to the 1% indexation applicable from July to December 2023, **Budget line 1111 - Temporary agents and Budget line 1121 - Contract agents** had to be reinforced by EUR 175.000 and EUR 325.000 respectively.

The total required amount was covered as follows.

- EUR 165.000 from *Budget line 1131 - Interim and trainees*,
- EUR 40.000 from *Budget line 1211 - Medical services*,
- EUR 115.000 000 from *Budget line 1221 - Training*,
- EUR 23.000 from *Budget line 1231 - Administration of staff*
- EUR 157.000 from *Budget line 1261 - Other social expenditure*.

3rd Transfer (Director's approval of 06/12/2023)

Budget line 3141 - Communication, events and other Programme support expenditure had to be reinforced by EUR 130.000 to cover needs related to contractual deliverables that could not be completed and paid by the end of 2023.

The total required amount was covered as follows.

- EUR 70.000 from *Budget line 3111 - Missions and related expenditure*,
- EUR 23.000 from *Budget line 3121 - Audit*,
- EUR 37.000 from *Budget line 3131 - Operational related IT expenditure*.

4th Transfer (Director's approval of 14/12/2023)

Budget line 1111 - Temporary agents had to be reinforced by EUR 94.000 and **Budget line 1121 - Contract agents** had to be reinforced by EUR 186.000 to fully cover the employer part of the social contributions for nine posts financed by Third Countries

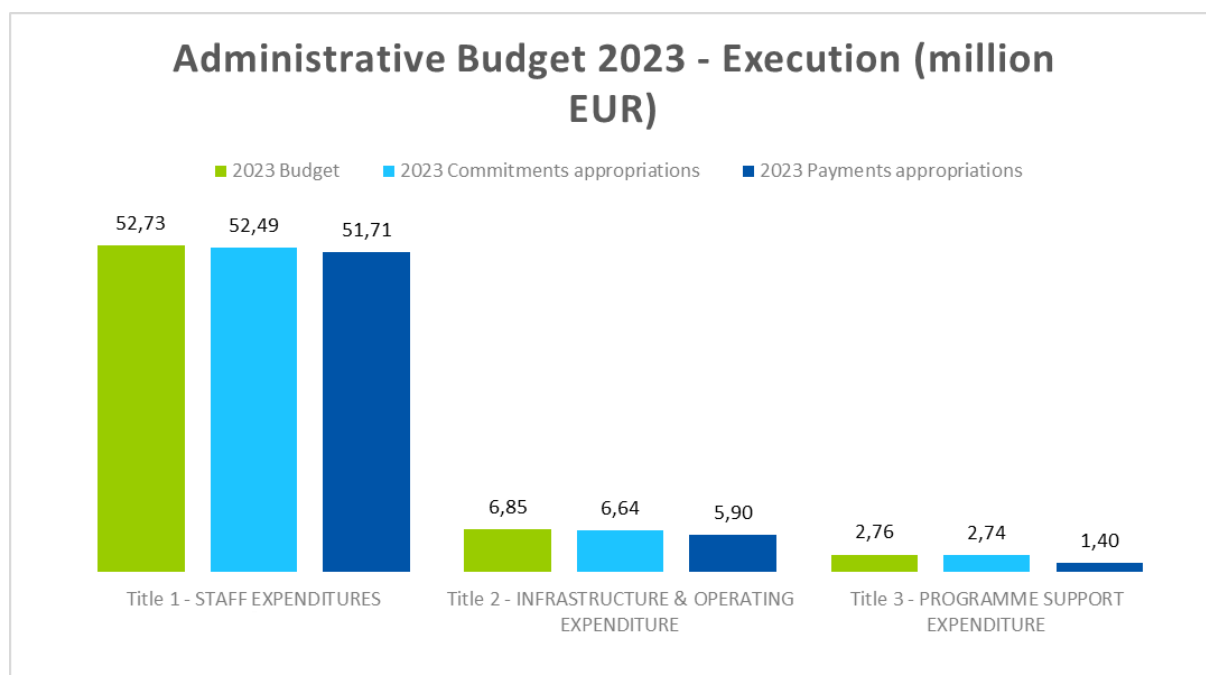
The required amount was transferred from Budget line 2211 - Hardware and software.

3. Budget implementation

Implementation 2023

By end of 2023, 99.23% of the commitment appropriations were implemented, higher than in 2022 (95,6%) and 94.66% of the payment appropriations, sensibly higher than in 2022 (88.9%).

Graph 1. Administrative budget implementation in 2023.



Carry Over 2023-2024

An amount of **EUR 2.851.771** was carried forward to 2024 to cover contracts signed in 2023 whose services:

- would be provided in 2024 or
- whose services were already provided in 2023 but were not yet invoiced to the Agency at the end of 2023.

This represented around 4.61% of the committed appropriations (compared to EUR 3.760.854 or 7% of the committed appropriations in 2022).

The split by title is presented in the table 5 below.

The carry over was unevenly spread over the three titles of the budget. The European Court of Auditors (ECA) recommends respectively a carry-forward rate below 10% for Title 1, below 20% for Title 2 and below 30% for Title 3.

The figures of 1.47% for Title 1, 11.13% for Title 2 and 48.97% for Title 3 for the carryover from 2023 to 2024 were lower for Title 1 and Title 3 compared to 2022 (3% and 57%) while for Title 2 the percentage of carryover is similar 11.13% vs 11.2%.

The carry forward for Title 3 was still higher than the recommended threshold of the ECA mainly due to IT consultants' contracts to be carried forward for a few months in 2024 and to some contracts for outsourced audits not finalized by the end of the year.

The detailed analysis of the carry over to 2024 shows that 52% or EUR 1.474.124 corresponded to services provided to CINEA in 2023 but not yet invoiced and that 48% or EUR 1.377.647 corresponded to services to be delivered in 2024 on the basis of contracts signed in 2023.

Table 5: Amounts carried forward from 2023 to 2024 (EUR)

2023 INEA administrative budget	Amount committed in 2023	Amounts carried forward from 2023 to 2024			
		A (total amount of carry forward)	B (services provided in 2023, but still not invoiced)	C (services to be delivered in 2024)	
	61.866.014 99%	2.851.771 4.6%	1.473.639 B/A = 52%	1.378.132 C/A = 48%	
I - STAFF EXPENDITURE	52.487.351	772.692	Carry-forward = 1.5% (Benchmark ≤ 10%) 395.116 B/A = 51%	377.576 C/A = 49%	
II - INFRASTRUCTURE AND OPERATING EXPENDITURE	6.643.292	739.536	Carry-forward = 11% (Benchmark ≤ 20%) 476.492 B/A = 64%	263.044 C/A = 36%	
III - PROGRAMME SUPPORT EXPENDITURE	2.735.370	1.339.543	Carry-forward = 49% (Benchmark ≤ 30%) 602.032 B/A = 45%	737.511 C/A = 55%	

Time to Pay

The time to pay slightly increased compared to 2022 (15,47 days vs 11,8 days in 2022). However, the percentage of payments made on time was higher compared to 2022 (96,5% vs 90,9%)
The following table compares 2023 administrative budget data with those of 2022.

Table 6: Time to Pay and number of payments performed in 2023 vs 2022

	2023		2022	
Administrative budget	All payments		All payments	
	Number of payments	577	Number of payments	904
	Time to pay (days)	15,47	Time to pay (days)	11,8
	% of payments on time	96,5%	% of payments ≤30 calendar days	90,9%

C. HIGHLIGHTS OF THE BUDGETARY EXECUTION UNDER TITLES 1, 2 AND 3

Table 7: CINEA Administrative Budget Execution Report 2023 (EUR)

BUDGET EXECUTION OVERVIEW

			2023 Budget	Execution in Commitments	% of execution	Execution in Payments	% of execution
			62.345.000,00	61.866.014,40	99,23%	59.014.243,28	94,66%
Title	1	STAFF EXPENDITURES	52.734.000,00	52.487.351,59	99,53%	51.714.659,97	98,07%
Chapter	11	Remuneration allowances charges	49.567.000,00	49.354.643,53	99,57%	49.142.904,14	99,14%
Chapter	12	Socio medical & training expenditure	3.167.000,00	3.132.708,06	98,92%	2.571.755,83	81,20%
Title	2	INFRASTRUCTURE & OPERATING EXPENDITURE	6.849.000,00	6.643.292,70	97,00%	5.903.756,72	86,20%
Chapter	21	Building expenditure	4.028.000,00	3.992.934,49	99,13%	3.540.029,16	87,89%
Chapter	22	ICT expenditure	2.474.000,00	2.326.596,93	94,04%	2.206.596,93	89,19%
Chapter	23	Movable property & current operating expenditure	347.000,00	323.761,28	93,30%	157.130,63	45,28%
Title	3	PROGRAMME SUPPORT EXPENDITURE	2.762.000,00	2.735.370,11	99,04%	1.395.826,59	50,54%
Chapter	31	Programme Support Expenditure	2.762.000,00	2.735.370,11	99,04%	1.395.826,59	50,54%

			2022 Budget	Committed 2022	Paid 2022	Carried forward to 2023	Paid in 2023	Decommitted 2023	RAL	Outturn
			56.050.000,00	53.569.614,40	49.808.760,02	3.760.854,38	2.826.357,00	934.497,38	0,00	93,91%
Title	1	STAFF EXPENDITURE	47.550.000,00	46.143.797,85	44.575.861,27	1.567.936,58	1.138.873,00	429.063,58	0,00	96,14%
Chapter	11	Remuneration allowances charges	44.220.000,00	43.643.611,30	43.359.347,31	284.263,99	244.267,00	39.996,99	0,00	98,61%
Chapter	12	Socio medical & training expenditure	3.330.000,00	2.500.186,55	1.216.513,96	1.283.672,59	894.606,00	389.066,59	0,00	63,40%
Title	2	INFRASTRUCTURE AND OPERATING EXPENDITURE	5.377.000,00	4.467.340,84	3.967.279,10	500.061,74	305.483,00	194.578,74	0,00	79,46%
Chapter	21	Building expenditure	3.604.000,00	3.604.000,00	3.270.521,76	333.478,24	252.232,00	81.246,24	0,00	97,75%
Chapter	22	ICT expenditure	1.423.000,00	619.883,30	534.101,72	85.781,58	15.307,00	70.474,58	0,00	38,61%
Chapter	23	Movable property & current operating expenditure	350.000,00	243.457,54	162.655,62	80.801,92	37.944,00	42.857,92	0,00	57,31%
Title	3	TECHNICAL AND ADMINISTRATIVE SUPPORT EXPENDITURE	3.123.000,00	2.958.475,71	1.265.619,65	1.692.856,06	1.382.001,00	310.855,06	0,00	84,78%
Chapter	31	Programme Support Expenditure	3.123.000,00	2.958.475,71	1.265.619,65	1.692.856,06	1.382.001,00	310.855,06	0,00	84,78%

1. Title 1 'Staff expenditure'¹⁰

Budgetary execution under **Title 1** stood at EUR 52.487.352 and included:

- the remuneration, allowances and charges of temporary (EUR 18.942.411) and contract agents (EUR 29.776.862)
- interims and trainees (EUR 635.371)
- social, medical and training expenditure (EUR 3.132.708), which included
 - training for EUR 352.588 and which covered the needs for general, IT and language trainings, as well as specific training on several subjects;
 - medical expenses related to Staff annual check-ups and check-ups before recruitment, amounting to EUR 254.000;
 - administration of staff expenditure related to the services provided by Pay MasterOffice of the European Commission to determine the on-entry and on-exit rights of staff, insurance and management of entitlements as well as the cost derived using SYSPER2, support with appraisals, promotions/reclassification modules provided by DG HR, amounting to EUR 802.000;
 - the main part of social expenditures was related to the “Centre de la Petite Enfance” (CPE) and school transport costs for staff’s children for an amount of EUR 1.649.753.

2. Title 2 'Infrastructure and operating expenditure'¹¹

Budgetary execution under **Title 2** stood at EUR 6.643.293.

- under Chapter 21 “Building expenditure”, costs included the rent related to the building leased by the Agency for an amount of EUR 2.409.934, as well as all associated charges for the building for an amount of EUR 1.583.000.
- under Chapter 22 “ICT expenditures”, costs related to the provision of the basic IT infrastructure, network and telecommunication services provided by DG DIGIT amounted to EUR 2.326.597 and included the purchase of hardware and software for an amount of EUR 30.325 and ICT services for EUR 2.296.271.
- under Chapter 23 “Movable property and current operating expenditure” costs were covering the usual logistical needs of the Agency for an amount of EUR 323.761.

3. Title 3 'Programme Support expenditure'¹²

Budgetary execution under **Title 3** stood at EUR 2.735.370 and included communication activities, missions, operational related IT expenditure and outsourced audits.

Under Chapter 31 “Programmes’ Support Expenditures”:

- communication activities, events and other programme's support expenditure mainly covered organisational costs for the Info-days related to calls for proposals, conferences and seminars, financial contributions to professional fairs and well as costs for producing promotional videos for an amount of EUR 536.396

¹⁰ Commitment Appropriations

¹¹ Ibidem

¹² Ibidem

- following the end of the COVID-19 pandemic travel restrictions, the expenditure for missions increased back to its pre-COVID level and amounted to EUR 425.000.
- operational related IT expenditure covered contracts of IT consultants dealing with software development related to the LIFE and CEF programmes for an amount of EUR 1.312.113
- the cost for outsourced audits was EUR 461.861.

Conclusion

In 2023 the Agency implemented its administrative budget in an optimal and cost- effective manner. The budget implementation reached 99.23% in commitment appropriations and 94.66% in payment appropriations. Late payments decreased to 3.5%.

The Agency will continue to pursue efforts for a timely and efficient implementation of its operating budget.