



DECISION No 22-W-2
OF THE ADMINISTRATIVE BOARD
OF THE EUROPEAN FISHERIES CONTROL AGENCY
of 22/06/2022

relating to the adoption of the Final Annual Accounts for financial year 2021

THE ADMINISTRATIVE BOARD OF THE EUROPEAN FISHERIES CONTROL AGENCY,

Having regard to AB Decision No 19-W-5 of 29 August 2019 concerning the Financial Regulation of the European Fisheries Control Agency, and in particular Article 102 thereof,

Considering that, on receiving the Court of Auditors' observations on the provisional accounts of the Agency, the Accounting Officer shall draw up the final accounts of the Agency and the Executive Director shall send them to the Administrative Board, which shall give an opinion on these accounts,

Considering that the Executive Director shall send the final accounts, together with the opinion of the Administrative Board, to the Accounting Officer of the Commission, the Court of Auditors, the European Parliament and the Council, by 1 July of the following financial year,

HAS DECIDED AS FOLLOWS:

Article 1

The Final Annual accounts as attached in the Annex are adopted.

Article 2

The present Decision shall enter into force on the day of adoption by the Administrative Board.

Done in Vigo, on 22.06.2022

[e-Signed]
Fabrizio DONATELLA
Chair of the Administrative Board

ANNEX

FINAL ANNUAL ACCOUNTS FOR FINANCIAL YEAR 2021

**Final
ANNUAL ACCOUNTS
of the
European Fisheries Control Agency (EFCA)**

Financial Year 2021

**Financial Statements
Reports on the Implementation of the Budget**



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CERTIFICATE

I acknowledge my responsibility for the preparation and presentation of the annual accounts of the European Fisheries Control Agency (EFCA) in accordance with Article 102 of the Framework Financial Regulation ('FFR')¹, and I hereby certify that the annual accounts of the Agency for the year 2021 have been prepared in accordance with Title IX of the FFR and the accounting rules adopted by the Commission's Accounting Officer, as are to be applied by all the institutions and union bodies.

I have obtained from the Authorising Officer, who certified its reliability, all the information necessary for the production of the accounts that show the EFCA's assets and liabilities and the budgetary implementation.

Based on this information, and on such checks as I deemed necessary to sign off the accounts, I have a reasonable assurance that the accounts present fairly, in all material aspects, the financial position, the results of the operations and the cash-flow of the Agency.

Vigo, 27 May 2022

Digitally signed by:

MARCEL DEDIĆ (EUROPEAN FISHERIES CONTROL
AGENCY)

Date: 2022-05-27 09:11:33 UTC

Marcel Dedić
EFCA Accounting Officer

¹ COMMISSION DELEGATED REGULATION (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council.

INTRODUCTION

LEGAL BASIS

The Annual Accounts of European Fisheries Control Agency (herein also “EFCA” or “the Agency”) have been established in accordance with the following legislation:

- The Financial Regulation as adopted by its Administrative Board on 29 August 2019
- Regulation (EU, Euratom) n° 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union
- The "Framework Financial Regulation" for the bodies referred to in Article 70 of the above mentioned general financial regulation
- The EU Accounting rules, methods and guidelines as adopted and provided by the Accounting Officer of the European Commission.

The Final Annual Accounts shall be sent, together with the opinion of the Administrative Board to the Accounting Officer of the European Commission and the European Court of Auditors, the European Parliament and the Council by 1 July of the following financial year in accordance with Article 102 of the EFCA Financial Regulation.

BACKGROUND INFORMATION

EFCA was established by Council Regulation (EC) n° 768/2005 of 26 April 2005 creating a Community Fisheries Control Agency. In 2016, the regulation was amended by Regulation (EU) n° 2016/1626, extending the mission of the Agency to cooperate with the European Border and Coast Guard Agency (EBCGA/FRONTEX) and the European Maritime Safety Agency (EMSA) to support national authorities carrying out coastguard functions. In 2019, in the interests of clarity, the Founding Regulation was replaced by a codified text (Regulation (EU) 2019/473 of the European Parliament and of the Council of 19 March 2019 on the European Fisheries Control Agency) which entered into force on 14 April 2019, incorporating the initial Founding Regulation and subsequent amendments.

Mission

The objective of the Agency is to organise the operational coordination of fisheries control and inspection activities of the Member States (MS) and to assist them to cooperate in order to comply with the rules of the Common Fisheries Policy ensuring its effective and uniform application.

Tasks

- EFCA coordinates the fisheries control joint operations of the Member States through the pooling of data and intelligence, joint risk analysis, inspection means and training of inspectors;
- EFCA, in cooperation with EMSA and FRONTEX, also assists the Member States Authorities delivering missions falling under the European Cooperation Coast Guard;
- EFCA assists the European Commission by analysing catch certificates and processing statements received from third countries, in addition to background research on trade statistics, fleet composition, characteristics of the fishing industries, etc.;
- EFCA collaborates with the Regional Fora of the Member States and supports them in the implementation of the Control Regime applying to the Common Fisheries Policy (CFP);
- EFCA also assists Member States by providing training on the implementation of the Illegal, Unreported and Unregulated (IUU) fishing Regulation and develops a Core Curriculum for the training of Union inspectors, as well as for national fisheries inspectors;
- EFCA supports the Union in the international dimension of the CFP in the fight against IUU fishing and providing capacity building assistance to third countries.

The financial reporting year

The financial year 2021 continued to be impacted by COVID-19 pandemic, though to a lesser extent than 2020. EFCA's staff was in a position to telework throughout most of the year ensuring business continuity at all times while travelling, missions, meetings and external visits to the offices had to be largely avoided or cancelled like in 2020.

Despite the challenges, the Agency was able to implement 98.6% of the annual work programme in cooperation with the Member States and the Commission, including the Joint Deployment Plans. EFCA also received additional €4,0 million of subsidy from the Commission in the framework of the Trade and Cooperation Agreement with UK in 2021 through an amended budget (more detailed information on the Agency's operations and achievements during 2021 and under the continued COVID-19 influence and in the aftermath of the BREXIT will be disclosed in the Annual Report 2021). This allowed the Agency to maintain the sharing of its operational capacity with Offshore Patrol Vessel Lundy Sentinel and -since September 2021- an additional chartering of the OPV AEGIS from EMSA, both deployed in line with EFCA's health safeguarding protocol. Thus, despite the pandemic, the Agency was able to carry out its operations and implement its budget as planned, with an overall budget implementation above 95% in terms of commitments and 74% in terms of payments (for more details on the budget implementation please refer to PART II of this report).

Compared to 2020, the Agency's total assets increased significantly, mainly due to a higher cash balance at year end (+€2,5 million). Its total liabilities have increased due to higher accrued charges (+€0,4 million) while the open pre-financing balance for the PESCAO project², for which the Agency completed its fourth year of activities, started to decrease (-€0,1 million). Revenues increased significantly compared to 2020 (+€4,1 million) due to additional EU subsidy mentioned before, and operating expenses increased consequently by €1,9 million. Staff and Administrative expenses, too, increased by €0,2 million due to increased staff recruitment and costs as a result of the salary indexation and country coefficient adjustments for EU staff working in Spain. However, as not all of the additional funds could be implemented already during the year and were carried forward to a substantial part to the 2022 budget, the Agency finished 2021 with a much higher Economic Result than previous year (€2,6 million compared to €0,2 million in 2020).

More detailed information are disclosed in the following Financial Statements and Notes in PART I of this report.

Seat

The Agency is a body of the European Union as referred to in Article 70 of Regulation (EU, Euratom) n° 2018/1046 on the financial rules applicable to the general budget of the Union. It has legal personality and is represented by its Executive Director who is appointed by the Administrative Board of the Agency. The seat of the Agency is Vigo, Spain. The Protocol on the Privileges and Immunities of the European Communities applies to the Agency. On 1 July 2008, the Agency started operating from its current headquarters at Edificio Odriozola, Avenida García Barbón 4 – 36201 Vigo.

Governance

EFCA is governed by the Administrative Board which is composed of one representative per Member State and six representatives of the European Commission. The duration of office of each member shall be five years as from the date of appointment. The term of office may be renewed. The Administrative Board elects a Chairperson from the Commission representatives and elects a Deputy Chairperson from among its members. The terms of office of the Chairperson and Deputy Chairperson shall be three years, renewable once.

² PESCAO is a project for improved regional fisheries governance in western Africa managed by DG Development and Cooperation (DEVCO) and financed by the European Development Fund (EDF). EFCA had signed a delegation/grant agreement in March 2018 with the delegation of the EU in Senegal, assigning a maximum of €2.585.000 EU grant contribution over five years to the Agency. In November 2021 the project was extended until the end of 2023 and funded with additional €1.227.000.

The Administrative Board meets at least once a year. It has, among others, the powers:

- to appoint and dismiss the Executive Director;
- to appoint the Accounting Officer;
- to adopt the Annual Report of the Agency for the previous year;
- to adopt the Single Programming Document containing the Annual Work Programme and Multiannual Work Programme of the Agency for the coming years;
- to adopt the final Budget before the beginning of the financial year;
- to give an opinion on the Final Annual Accounts of the Agency for the previous financial year.

In line with article 48 of the founding regulation of the Agency, in 2021 the third Five Year Independent External Evaluation of EFCA was commissioned by the Administrative Board for the period 2017-2021. The Board endorsed the [Evaluation mandate](#) and adopted the Terms of Reference which were the basis for a procurement procedure to select an independent external evaluator. EFCA signed a contract with a new company and the evaluation was formally kicked-off on 26 November 2021 (<https://www.efca.europa.eu/en/content/pressroom/efca-five-year-independent-external-evaluation-kicks>).

Audit and Discharge

The audit of the Agency is performed by the European Court of Auditors on the legality and regularity of the underlying transactions of the annual accounts, and by an independent external auditor who verifies that the annual accounts properly present the income, expenditure and financial position of the Agency.

The discharge in respect of the implementation of the budget of the year is granted by the European Parliament, upon recommendation from the Council to the Executive Director of the Agency. The discharge decision shall cover the accounts of all the revenue and expenditure of the Agency, the budget result and the assets and liabilities of the Agency shown in the financial statement.

STRUCTURE OF THE REPORT

In accordance with Article 97 of the EFCA Financial Regulation, the accounts consist of the financial statements of the Agency (general accounts) and of the reports on the implementation of the budget (budgetary accounts), each following different accounting principles (please cf. Note 1 for more details). This report therefore consists of two parts:

Part I: Annual Financial Statements

The general accounts are accrual accounts, meaning that the effects of transactions and other events are recognised when those transactions or events take place. They are drawn up in accordance with the accounting rules adopted by the European Commission's Accounting Officer. These rules were initially adopted on 28 December 2004 and modified from time to time until the issuance of these Annual Accounts, and are accrual based accounting policies derived from the International Public Sector Accounting Standards (IPSAS) or by default, International Financial Reporting Standards (IFRS).

Part II: Annual Reports on the implementation of the budget

The budgetary accounts are modified cash accounts. As in any cash accounting system, payments made and revenue received are recorded in the period in which the cash transaction occurs. These accounts are termed 'modified' because payment appropriations carried over are also recorded. Their purpose is for drawing up the budget result and reports on budget implementation.

Part I: FINANCIAL STATEMENTS

(All amounts disclosed in EUR)



I.1 BALANCE SHEET (BS)

BS HEADING	Note	31.12.2021	31.12.2020	Variation
NON-CURRENT ASSETS		324.864,04	268.071,04	56.793,00
Intangible assets	2.1.	11.562,00	25.832,00	-14.270,00
Intangible assets		11.562,00	25.832,00	-14.270,00
Property, Plant and Equipment	2.2.	313.302,04	242.239,04	71.063,00
Plant and equipment		4.352,00	8.232,00	-3.880,00
Computer hardware		195.756,00	70.116,00	125.640,00
Furniture and vehicles		67.447,04	76.233,04	-8.786,00
Other fixtures and fittings		45.747,00	87.658,00	-41.911,00
Financial assets (non-current)	2.3.&7	0,00	0,00	0,00
Long-term receivables and recoverables		0,00	0,00	0,00
Pre-financing		0,00	0,00	0,00
CURRENT ASSETS		7.316.092,05	4.527.213,78	2.788.878,27
Financial assets (current)	2.3.&7	0,00	0,00	0,00
Receivables and recoverables	2.4.	562.360,36	530.994,05	31.366,31
Current receivables		380,00	1.889,59	-1.509,59
Sundry receivables		15.953,18	8.691,36	7.261,82
Deferred charges		546.027,18	520.413,10	25.614,08
Accrued income		0,00	0,00	0,00
Accounts receivable from consolidated EU entities		0,00	0,00	0,00
Pre-financing	2.5.	363.558,75	97.592,72	265.966,03
Cash and cash equivalents	2.6.	6.390.172,94	3.898.627,01	2.491.545,93
TOTAL ASSETS	A	7.640.956,09	4.795.284,82	2.845.671,27
NON-CURRENT LIABILITIES		0,00	0,00	
Provisions for risks and liabilities (long-term)		0,00	0,00	
Financial liabilities (non-current)	2.7.&7	0,00	0,00	
Long-term liabilities to consolidated entities		0,00	0,00	
Other long-term liabilities	2.7.	0,00	0,00	
CURRENT LIABILITIES		2.206.820,13	1.928.988,47	277.831,66
Provisions for risks and liabilities	2.7.	0,00	2.643,68	-2.643,68
Financial liabilities (current)	2.7.&7	528.298,53	599.688,51	-71.389,98
Payables		1.678.521,60	1.326.656,28	351.865,32
Current payables	2.8.	206,31	14,07	192,24
Sundry payables	2.8.	3.811,83	652,60	3.159,23
Accrued charges	2.9.	1.111.836,45	724.572,09	387.264,36
Accounts payable to consolidated EU entities	2.10.	562.667,01	601.417,52	-38.750,51
TOTAL LIABILITIES	L	2.206.820,13	1.928.988,47	277.831,66
NET ASSETS	A-L	5.434.135,96	2.866.296,35	2.567.839,61
Accumulated surplus/deficit	R	2.866.296,35	2.625.906,36	240.389,99
Economic result of the year	A-L-R	2.567.839,61	240.389,99	2.327.449,62

I.2 STATEMENT OF FINANCIAL PERFORMANCE (SFP)

	Note	2021	2020	<i>Variation</i>
OPERATING REVENUE		21.030.900,12	16.672.686,29	4.358.213,83
European Union Contribution	3.1.1.	20.437.332,64	16.298.870,36	4.138.462,28
Other non-exchange revenue	3.1.2.	593.567,48	373.815,93	219.751,55
Other exchange revenue	3.1.3.	0,00	0,00	0,00
OPERATING EXPENSES		-18.461.666,31	-16.431.420,61	-2.030.245,70
Operating expenses	3.2.1.	-7.536.356,64	-5.659.066,16	-1.877.290,48
Administrative expenses	3.2.2.	-10.925.309,67	-10.772.354,45	-152.955,22
SURPLUS/(DEFICIT) FROM OPERATING ACTIVITIES		2.569.233,81	241.265,68	2.327.968,13
Financial revenue	3.3.	98,58	136,85	-38,27
Financial expenses	3.3.	-1.492,78	-1.012,54	-480,24
SURPLUS/(DEFICIT) FROM ORDINARY ACTIVITIES		2.567.839,61	240.389,99	2.327.449,62
Extraordinary gains		0,00	0,00	0,00
Extraordinary losses		0,00	0,00	0,00
SURPLUS/(DEFICIT) FROM EXTRAORDINARY ITEMS		0,00	0,00	0,00
ECONOMIC RESULT OF THE YEAR		2.567.839,61	240.389,99	2.327.449,62

I.3 CASH FLOW STATEMENT

	Note	2021	2020
Economic result of the year		2.567.839,61	240.389,99
Operating activities			
Amortization (intangible fixed assets) +		14.270,00	18.157,62
Depreciation (tangible fixed assets) +		159.258,90	139.084,46
Increase/(decrease) in Provisions for risks and liabilities		-2.643,68	0,00
Increase/(decrease) in Value reduction for doubtful debts		0,00	0,00
(Increase)/decrease in Stock		0,00	0,00
(Increase)/decrease in Long term Pre-financing		0,00	0,00
(Increase)/decrease in Short term Pre-financing		-265.966,03	-17.592,72
(Increase)/decrease in Long term Receivables		0,00	0,00
(Increase)/decrease in Short term Receivables		-31.366,31	-160.950,60
(Increase)/decrease in Receivables related to consolidated EU entities		0,00	54,35
Increase/(decrease) in Other Long term liabilities		0,00	0,00
Increase/(decrease) in Other Short term liabilities		-71.389,98	419.209,57
Increase/(decrease) in Accounts payable		390.615,83	227.086,49
Increase/(decrease) in Liabilities related to consolidated EU entities		-38.750,51	342.460,87
Other non-cash movements		0,00	0,00
<i>Increase/(decrease) in Employee benefits</i>		0,00	0,00
Net cash-flow from operating activities	4.1.	2.721.867,83	1.207.900,03
Investing activities			
(Increase)/Decrease in intangible assets and property, plant and equipment		-230.321,90	-66.611,08
Proceeds from tangible and intangible fixed assets (+)		0,00	0,00
Net cash-flow from investing activities	4.2.	-230.321,90	-66.611,08
Net cash-flow from financing activities	4.3.	0,00	0,00
Net increase/(decrease) in cash and cash equivalents			
		2.491.545,93	1.141.288,95
Cash and cash equivalents at the beginning of the year		3.898.627,01	2.757.338,06
Cash and cash equivalents at year end		6.390.172,94	3.898.627,01

I.4 STATEMENT OF CHANGES IN NET ASSETS

	Note	Accumulated Surplus/Deficit	Economic result of the year	Net Assets (Total)
Balance as at 31 December 2020		2.625.906,36	240.389,99	2.866.296,35
Changes in accounting policies		0,00	0,00	0,00
Balance as at 1 January 2021		2.625.906,36	240.389,99	2.866.296,35
Allocation of the economic result of previous year		240.389,99	-240.389,99	0,00
Economic result of the year		0,00	2.567.839,61	2.567.839,61
Balance as at 31 December 2021		2.866.296,35	2.567.839,61	5.434.135,96

I.5 NOTES TO THE FINANCIAL STATEMENTS (1.1.2021 – 31.12.2021)

1. SIGNIFICANT ACCOUNTING POLICIES

1.1. Legal basis and Accounting rules

The following Annual Accounts together with the reports on implementation of the budget of EFCA have been drawn up in accordance with Article 98 of EFCA Financial Regulation.

These Financial Statements are prepared on the basis of the EU Accounting rules as adopted by the Commission's Accounting Officer which adapt the International Public Sector Accounting Standards (and in some cases the International Financial Reporting Standards) to the specific environment of the EU. The reports on implementation of the budget continue to be primarily based on movements of cash.

The accounting system of EFCA consists of general accounts and budget accounts. These accounts are kept in Euro based on the calendar year. The budget accounts give a detailed picture of the implementation of the budget. They are based on the modified cash accounting principle.³ The general accounts allow for the preparation of the Financial Statements as they show all charges and income for the financial year and are designed to establish the financial position in the form of a Balance Sheet as at 31 December.

1.2. Accounting principles

The objectives of the Financial Statements are to provide information about the financial position, the performance and the cash flows of an entity that is useful to a wide range of users. For a public sector entity such as EFCA, the objectives are more specifically to provide information useful for decision-making and to demonstrate the accountability of the entity for the resources entrusted to it.

Article 98 of EFCA Financial Regulation makes reference to accounting principles to be applied in drawing up the financial statements. The overall considerations (or accounting principles) to be followed when preparing the financial statements are laid down in EU Accounting Rule n° 1 and are the same as those described in IPSAS n° 1 "Presentation of Financial Statements":

Fair presentation

Financial statements shall present fairly the financial position, financial performance and cash flows of an entity. Fair presentation requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, revenue and expenses set out in the EU Accounting rules. The application of EU Accounting rules, with additional disclosures when necessary, is presumed to result in Financial Statements that achieve a fair presentation (EU Accounting Rule n° 1).

Accrual Basis

In order to meet their objectives, Financial Statements are prepared on the accrual basis of accounting. Under this basis, the effects of transactions and other events are recognised when they occur (and not when cash or its equivalent is received or paid) and they are recorded in the accounting records and reported in the Financial Statements of the period to which they relate (EU Accounting Rule n° 1).

³ This differs from cash-based accounting because of elements such as carry-forwards and carry-overs.

Going concern

When preparing Financial Statements, the entity's ability to continue as a going concern shall be assessed. The Financial Statements shall be prepared on a going concern basis unless there is an intention to liquidate the entity or to cease its operations, or if there is no realistic alternative but to do so. These Financial Statements have been prepared in accordance with the going concern principle, which means that EFCA is deemed to have been established for an indefinite duration (EU Accounting Rule n° 1).

Consistency of presentation

According to this principle, the presentation and classification of items in the Financial Statements shall be retained from one period to the next (EU Accounting Rule n° 1).

Aggregation

Each material class of similar items shall be presented separately in the Financial Statements. Items of a dissimilar nature or function shall be presented separately unless they are immaterial (EU Accounting Rule n° 1).

Offsetting

Assets and liabilities, and revenue and expenses, shall not be offset unless required or permitted by an EU Accounting rule (EU Accounting Rule n° 1).

Comparative Information

Except when an EU Accounting rule permits or requires otherwise, comparative information shall be disclosed in respect of the previous period for all amounts reported in the Financial Statements. When the presentation or classification of items in the Financial Statements is amended, comparative amounts shall be reclassified unless the reclassification is impracticable (EU Accounting Rule n° 1).

According to article 98 of EFCA Financial Regulation, the financial statements shall present information, including the information on accounting policies, in a manner that ensures it is relevant, reliable, comparable and understandable (as explained in EU Accounting Rule n° 1 and IPSAS n° 1).

1.3. Basis of preparation

Functional and reporting currency

The Financial Statements are presented in euros, which is the functional and reporting currency of the EU and of EFCA (article 18 of EFCA Financial Regulation).

Transactions and balances

Foreign currency transactions are recorded using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation of monetary items in foreign currency into euros at year end are recognised in the Statement of Financial Performance.

Chart of Accounts

The Chart of Accounts used by EFCA follows the structure of the Chart of Accounts of the European Commission (PCUE).

Use of estimates

Preparation of Financial Statements in conformity with Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the amounts presented and disclosed in the Financial Statements of EFCA. The significant estimates and assumptions in these Financial Statements require judgment and are used for, but not limited to, accrued income and charges, provisions, contingent assets and liabilities. Actual results reported in future periods may be different from these estimates. Changes in estimates are reflected in the period in which they become known.

1.4. Changes in accounting policies and prior period adjustments

In accordance with EU Accounting Rule n° 14, changes in Accounting Policies should be applied in such manner that the financial statements, including the comparative information for prior periods, are presented as if the new accounting policy had always been in use. Comparative information should be restated for each prior period presented unless it is impracticable to do so.



2. NOTES TO THE BALANCE SHEET

Assets are resources controlled by the Agency as a result of past events and from which future economic benefits or service potential are expected to flow.

2.1. Intangible assets

Intangible assets are identifiable non-monetary assets without physical substance. Acquired computer software licences are stated at historical cost less accumulated amortisation and impairment losses. The assets are amortised on a straight-line basis over their estimated useful lives. The estimated useful lives of intangible assets depend on their specific useful economic lifetime.

Amortisation is the systematic allocation of the depreciable amount of an intangible asset over its useful life (EU Accounting Rule n° 6).

Internally developed intangible assets are capitalised when the criteria of the relevant EU Accounting Rule n° 6 are met. The capitalisable costs include all directly attributable costs necessary to create, produce, and prepare the asset to be capable of operating in the manner intended by management. Costs associated with research activities, non-capitalisable development costs and maintenance costs are recognised as expenses when incurred.

During the year 2021, EFCA has incurred the following research and development costs related to IT Projects which have not met the capitalisation criteria:

Not capitalised costs	IT Research cost	IT Development cost
Financial year 2020	0.00	118.292,00
Financial year 2021	0.00	101.913,60

These costs were recognised in the category of Administrative expenses together with other IT operational costs (please see also Note 3.2.2. below).

As required by the EC Accounting Rule n° 6, the Internally Generated Software items are capitalised if their eligible development costs are above a locally established capitalisation threshold. The Agency decided to implement a local capitalisation threshold of €100.000 (recommended by the European Court of Auditors (ECA) as best practice for entities with an annual budget below €40 million).

2.2. Property, plant and equipment

All property, plant and equipment items are valued at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition or construction of the asset. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits or service potential associated with the item will flow to the Agency and its cost can be measured reliably. Repairs and maintenance costs are charged to the Statement of Financial Performance during the financial period in which they are incurred.

Assets under construction are not depreciated, as these assets are not yet available for use. Depreciation is the systematic allocation of the depreciable amount of an asset over its useful economic lifetime (EU Accounting Rule n° 7).

Gains or losses on disposals of assets are determined by comparing the proceeds less the selling expenses with the carrying amount of the disposed asset. They are included in the Statement of Financial Performance.

According to EC guidelines and automatically embedded in the electronic Asset Register (ABAC Assets), the assets are considered as such when their nominal value is equal or above €420.

The assets registration system, integrated in the Agency's accounting systems, is identical to the one used by the European Commission (ABAC Assets) and it is operational in EFCA since July 2008. The amortisation and depreciation are automatically calculated and posted in SAP on a monthly basis.

Intangible assets and Property, Plant and Equipment are both reflected in the Balance Sheet at their net book value.

The following amortisation/depreciation rates are used by the Agency (automatically applied in SAP based on the products selected from the catalogue of ABAC Assets):

Asset type	A	B
	Depreciation rate, consolidation manual	Depreciation rate used by reporting entity
Intangible assets		
Software for personal computers and servers	25%	25.0%
Tangible assets		
Land	0%	0.0%
Buildings	4%	4.0%
Plant and equipment		
Scientific and laboratory equipment	25%	25.0%
Tools for industry and workshops	12.5%	12.5%
Lifting and mechanical handling equipment for public works, prospecting and mining	12.5%	12.5%
Control and transmission devices, motors, compression, vacuum and pumping equipment	12.5%	12.5%
Equipment for the supply and treatment of electric power	12,5%, 25%	12,5%, 25%
Specific electric equipment	25%	25.0%
Furniture and vehicles		
Office, laboratory and workshop furniture	10%	10.0%
Electrical office equipment, printing and mailing equipment	25%	25.0%
Printshop and postroom equipment	12.5%	12.5%
Equipment and decorations for garden, kitchen, canteen, restaurant, crèche and school	12.5%	12.5%
Motorised outdoor equipment	25%	25.0%
Specific furniture and equipment for schools, crèches and childcare centres	25%	25.0%
Furniture for restaurant/cafeteria/bar area	10%, 12,5%	10%, 12,5%
Cash registers and card acceptor devices	25%	25.0%
Antiques, artistic works, collectors' items	0%	0.0%
Transport equipment (vehicles and accessories)	25%	25.0%
Computer hardware		
Computers, servers, accessories, data transfer equipment, printers, screens	25%	25.0%
Copying equipment, digitising and scanning equipment	25%	25.0%
Other fixtures and fittings		
Telecommunications equipment	25%	25.0%
Audiovisual equipment	25%	25.0%
Computer, scientific and general books, documentation		
Computer books, CDs, DVDs	33%	33.0%
Scientific books, general books, CDs, DVDs	25%	25.0%
Health, safety and protective equipment, medical equipment, fire-fighting equipment, equipment for surveillance and security services	12.5%	12.5%
Medical and nursing equipment	25%	25.0%
other	10%	10.0%
Tangible fixed assets under construction	0%	0.0%

The table 'MOVEMENTS IN FIXED ASSETS' on the following page shows the opening balances, acquisitions, disposals, transfers and closing balances of the main asset classes for 2021, split between gross carrying amounts and amortisations/depreciations.

Leases

EFCA does not have leases of tangible assets, where to have substantially all the risks and rewards of ownership and which would be classified as finance leases.

Leases where the lessor retains a significant portion of the risks and rewards inherent to ownership are classified as operating leases. Payments made under operating leases are recognised as an expense in the statement of financial performance on a straight-line basis over the period of the lease. Further disclosures on the operating leases of the Agency can be found under Note 5.3.2. further below.

MOVEMENTS IN FIXED ASSETS DURING 2021

ASSET CLASS	Gross Carrying Amounts						Accumulated Depreciation						Net Carrying Amounts 01.01.21	Net Carrying Amounts 31.12.21
	Opening Balance 01.01.21	Additions	Disposals	Transfers between headings	Post-capitalisation & Investment - support	Closing Balance 31.12.21	Opening Balance 01.01.21	Amortisation and depreciation charge of the year	Amort/Depr of disposals	Charge of transfers between headings	Depreciation Post-capitalisation & Write-ups	Closing Balance 31.12.21		
Computer Software	298.324,00	0,00	0,00	0,00	0,00	298.324,00	-280.647,00	-6.115,00	0,00	0,00	0,00	-286.762,00	17.677,00	11.562,00
Internally Generated Software (*)	865.254,00	0,00	0,00	0,00	0,00	865.254,00	-857.099,00	-8.155,00	0,00	0,00	0,00	-865.254,00	8.155,00	0,00
Intangibles under construction	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Intangible Fixed Assets	1.163.578,00	0,00	0,00	0,00	0,00	1.163.578,00	-1.137.746,00	-14.270,00	0,00	0,00	0,00	-1.152.016,00	25.832,00	11.562,00
Plant and Equipment	74.029,30	0,00	0,00	0,00	0,00	74.029,30	-65.797,30	-3.880,00	0,00	0,00	0,00	-69.677,30	8.232,00	4.352,00
Furniture	251.817,73	0,00	0,00	0,00	0,00	251.817,73	-175.584,69	-8.786,00	0,00	0,00	0,00	-184.370,69	76.233,04	67.447,04
Computer hardware	1.159.686,18	225.083,62	0,00	0,00	0,00	1.384.769,80	-1.089.570,18	-99.443,62	0,00	0,00	0,00	-1.189.013,80	70.116,00	195.756,00
Fixtures & Fittings	320.647,89	5.238,28	0,00	0,00	0,00	325.886,17	-232.989,89	-47.149,28	0,00	0,00	0,00	-280.139,17	87.658,00	45.747,00
Fixed assets under construction	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Tangible Fixed Assets	1.806.181,10	230.321,90	0,00	0,00	0,00	2.036.503,00	-1.563.942,06	-159.258,90	0,00	0,00	0,00	-1.723.200,96	242.239,04	313.302,04
TOTAL Fixed Assets (Net Book Value)	2.969.759,10	230.321,90	0,00	0,00	0,00	3.200.081,00	-2.701.688,06	-173.528,90	0,00	0,00	0,00	-2.875.216,96	268.071,04	324.864,04

Notes:

(*) please refer to Note 2.1. for details on the capitalisation policy for Internally Generated Software

2.3. Financial assets

Applying the EU Accounting Rule n° 11, the financial assets of the Agency consists in its receivables and current bank accounts. Receivables arise when the Agency provides money, goods or services directly to a debtor with no intention of trading the receivable. They are included in current assets, except for maturities more than 12 months of the balance sheet date. Receivables (including deferred charges and accrued income) are classified in the category of financial instruments of "Loans and receivables". Further disclosures are presented below in Note 7 "Financial Instruments".

2.4. Current receivables and recoverables

Receivables are carried at original amount less write-down for impairment. A write-down for impairment of receivables is established when there is objective evidence that the Agency will not be able to collect all amounts due according to the original terms of receivables. The amount of the write-down is the difference between the asset's carrying amount and the recoverable amount. The amount of the write-down is recognised in the Statement of Financial Performance.

Current customer receivables and recoverables	31.12.2021	31.12.2020
Current customer receivables	380,00	1.889,59
Amounts due from other consolidated entities	0,00	0,00
-exchange	0,00	0,00
-non-exchange	0,00	0,00
Sundry receivables	15.953,18	8.691,36
Staff	15.550,30	8.288,48
Others	402,88	402,88
Deferred charges	546.027,18	520.413,10
Accrued Income	0,00	0,00
TOTAL	562.360,36	530.994,05

The amounts above, unless specifically stated otherwise, have the nature of receivables and recoverable from **exchange** transactions.

Sundry receivables from staff are mainly advances and prepaid expenses for missions.

The **deferred charges** for 2021 include €318.559,72 of prepaid expenses for the EFCA chartered Vessel for January 2022. The remaining amount represents mostly prepaid expenses for software licenses and other maintenance, insurance and service contracts that are associated with deliveries of services for periods ending after the 31 December 2021.

2.5. Pre-Financing (Short-term receivable)

The amount of €363.558,75 represents open Pre-Financing paid to EMSA for continued services still to be provided in the framework of the Service Level Agreement between the two agencies (645.638,84 Gross Pre-Financing paid less 282.080,09 costs incurred).

2.6. Cash and cash equivalents

Applying the EU Accounting Rule n° 11, the cash and cash equivalents are classified in the category of financial instruments “Available for sale”. Further disclosures are presented below in Note 7 “Financial Instruments”.

Cash and Cash equivalents	31.12.2021	31.12.2020
Unrestricted cash	6.390.172,94	3.898.627,01
Treasury and Central Bank accounts	0,00	0,00
Current accounts (bank accounts)	6.388.544,10	3.896.998,17
Imprest accounts	0,00	0,00
Cash in hand (“Caisses”)	1.628,84	1.628,84
Transfers (Cash in transit *)	0,00	0,00
Short-term deposits and other cash equivalents < 3 months	0,00	0,00
Restricted cash	0,00	0,00
TOTAL	6.390.172,94	3.898.627,01

The Agency has bank accounts in Belgium with ING BANK NV Belgium and in Spain with Banco Bilbao Vizcaya Argentaria SA (BBVA).

The Cash Flow Statement presented under I.3 above provides the users of the financial statements with a basis to assess:

- (a) the ability of the entity to generate cash and cash equivalents, and
- (b) the needs of the entity to utilize those cash flows.

More details on the Cash Flow Statement can be found below in section 4 “Notes to the Cash Flow Statement”.

2.7. Non-current liabilities, Financial liabilities and provisions for risks and liabilities

Applying the provisions of the EU Accounting Rule n° 11, the financial liabilities of the Agency consists in its payables. They are classified as current liabilities, except for maturities more than 12 months after the balance sheet date. Payables (including accrued charges, deferred income and other liabilities) are classified in the category of financial instruments “Other financial liabilities”. Further disclosures are presented below in Note 7 “Financial Instruments”.

Provisions are recognised when the Agency has a present legal or constructive obligation towards third parties as a result of past events, when it is more likely than not that an outflow of resources will be required to settle the obligation and when the amount can be reliably estimated. The amount of the provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

A financial liability was recognised in 2018 following the receipt of the first Pre-Financing instalment of €517.000,00 from the PESCAO Grant (see background information under “The financial reporting year”, p.6). In 2021, €522.177,50 were received as a fourth Pre-Financing instalment. In accordance with EU Accounting Rule N° 5, Pre-financing is measured at the amount initially recognised on the balance sheet less eligible expenses, including estimated amounts where necessary, incurred during the period. Charges incurred and accrued for activities between 2018 and 2021 amount to a total of €1.826.636,47, leading to the disclosed net liability of €528.298,53. In principle, this open amount is not due until the payment of the

balance after the end of the project, i.e. in 2024, however, an annual clearing exercise is performed, which is why the Agency chose to disclose it as a short-term liability.

As for provisions for risks and liabilities, a provision from 2018 relating to a possible supplemental recovery of unused funds for ad-hoc grants by the Commission was ultimately reversed in 2021:

Short-Term Provisions	31.12.2021	31.12.2020
Opening Balance	2.643,68	2.643,68
Additional provisions	0,00	2.643,68
Unused Amounts reversed	-2.643,68	-2.643,68
Amounts Used	0,00	0,00
Transfers from Long-term provisions	0,00	0,00
Others	0,00	0,00
TOTAL Closing Balance	0,00	2.643,68

All the adjustments for the indexation and for the annual review of the country coefficient for Spain were calculated by the Office for the Administration and Payment of Individual Entitlements of the European Commission (PMO), and accounted for timely in the last payroll run of the year (December 2021) for the period 01.07.2021-31.12.2021, so no provisions were needed for this.

2.8. Current Payables

Payables arising from the purchase of goods and services are recognised at invoice reception for the original amount. The corresponding expenses are entered in the accounts when the supplies or services are delivered and accepted by the Agency.

The payables of the Agency are not related only to the purchase of goods or services. They are pending cost claims from governmental experts invited to meetings organised in the framework of Agency's operational activities or from own staff for missions. They are recorded as payables for the requested amount when the cost claim is received. Upon verification and acceptance of the eligible costs, the payables are valued at the accepted and eligible amount.

An overview of the major items of sundry payables is presented below:

Current payables	31.12.2021	31.12.2020
Amounts payable – suppliers, Member states, etc.	206,31	14,07
Sundry Payables	3.811,83	652,60
Staff	3.811,83	652,60
Assets - Goods received without invoice	0,00	0,00
Amounts payable to public bodies	0,00	0,00
Returned payments to be relaunched	0,00	0,00
TOTAL	4.018,14	666,67

2.9. Accrued charges

According to the EU Accounting rules, transactions and events are recognised in the financial statements in the period to which they relate. At the end of the accounting period, accrued expenses are recognised based on an estimated amount of the transfer obligation of the period. The calculation of accrued expenses is done in accordance with practical guidelines issued by the Agency (the Carry-forward procedure) which aim at ensuring that the financial statements reflect a true and fair view.

As a result, expenditure related to goods or services provided to the Agency during the financial year 2021, but neither invoiced nor paid at the end of the year, are estimated and recognised as accrued charges.

Moreover, some accrued amounts are also taking into account specific additional payment obligations stemming from 2021 activities on top of the carry-forward amounts (like for example untaken leave of staff).

Regarding consolidated EU entities, in 2021 EFCA accrued €4.698,00 with the Translation Centre for the bodies of the EU and €10.465,70 for administrative charges with the Commission.

Accrued Charges	31.12.2021	31.12.2020
Accrued charges for services related to OPVs	551.970,80	0,00
Untaken annual leave	245.156,32	192.679,27
Other accrued charges	299.545,63	359.398,15
Accrued Charges with consolidated EU entities	15.163,70	172.494,67
TOTAL	1.111.836,45	724.572,09

2.10. Accounts payable to consolidated EU entities

At the end of 2021, there is a surplus of the EU subsidy of €562.667,01 that has to be returned to the European Commission in the coming year (cf. II.2 in Part II of this report).

During 2021, the surplus of the 2020 subsidy (€601.129,62) has been repaid to the European Commission. Since 1 January 2014, the bank interest from funds representing EU subsidy is not repayable anymore to the European Commission (for more details on the accounting treatment of interest, please see Note 3.3. "Financial result").

Accounts payable to consolidated EU entities	31.12.2021	31.12.2020
Repayable positive budget outturn (EU subsidy) to Commission	562.667,01	601.129,62
Payables to other consolidated EU entities	0,00	287,90
TOTAL	562.667,01	601.417,52

3. NOTES TO THE STATEMENT OF FINANCIAL PERFORMANCE

3.1. Revenue

Non-exchange revenue makes up the vast majority of the Agency's revenue and represents mainly the EU subsidy.

3.1.1. European Union contribution (non-exchange)

European Union contribution (EU consolidated)	2021	2020
European Union subsidy	20.437.332,64	16.298.870,36
Income from EU consolidated Grants/Contribution Agreements.	0,00	0,00
TOTAL	20.437.332,64	16.298.870,36

3.1.2. Other non-exchange revenue

In relation to the EDF-Grant for the PESCAO project (see background information under “The financial reporting year”, p.6), the part matching the costs incurred during 2021 was recognised as income for 2021 for €593.567,48. The below table summarises the commitments and payments implemented (cash/budget accounting) and income recognised in function of the charges incurred (accrual accounting):

PESCAO GRANT	Expenses Ref.	Voted Budget 2018-2021	Budget commitments 2018-2021 (Cash Acc.)	Budget payments 2018-2021 (Cash Acc.)	CHARGES 2018 (Accrual Acc.)	CHARGES 2019 (Accrual Acc.)	CHARGES 2020 (Accrual Acc.)	CHARGES 2021 (Accrual Acc.)	CUMUL. CHARGES 2018-2021 (Accrual Acc.)
Contract staff	Staff	544.480,00	431.200,90	430.507,90	88.480,00	118.648,84	176.388,38	93.990,28	477.507,50
Seconded National Experts (SNEs)	Staff	377.520,00	344.311,98	343.767,98	102.787,07	70.255,43	111.246,78	60.096,70	344.385,98
Operational Expenditure	Operational	1.474.848,75	1.060.069,36	978.966,49	254.007,56	225.074,16	86.180,77	439.480,50	1.004.742,99
TOTAL		2.396.848,75	1.835.582,24	1.753.242,37	445.274,63	413.978,43	373.815,93	593.567,48	1.826.636,47

3.1.3. Other exchange revenue

Exchange revenue is the revenue from exchange transactions which are defined as those transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange. The typical exchange revenue for the Agency is related to procurement of goods and services.

There was no such income for 2021.

3.2. Expenses

According to the principle of accrual based accounting, the Financial Statements take account of expenses relating to the reporting period, without taking into consideration the payment date, i.e. when the goods or services are used or consumed.

The Agency incurs mostly exchange expenses arising from the purchase of goods and services. The costs are recognised when the supplies are delivered and accepted by the Agency. When an invoice, debit note, request for payment or cost claim is received and meets the eligibility criteria, it is recognised as an expense for the eligible amount.

3.2.1. Operational Expenses

The operational expenses include the expenditure with main operational activities carried out in the frame of the mission and tasks of the Agency as shown in the following table:

Exchange Operational Expenses	2021	2020
Chartering Off-Shore Patrol Vessel (OPV) and related operational expenses	4.800.131,77	4.232.360,23
Services related to second Patrol Vessel (SLA EMSA + external service provider)	1.657.875,92	0,00
Aerial Surveillance Flights	387.000,00	393.999,11
Integrated Maritime Surveillance Service (IMS V2)	28.320,05	87.407,28
Staff missions	50.765,33	139.519,53

External Experts	255.852,81	234.237,40
Other operational expenses	356.410,76	571.542,61
TOTAL	7.536.356,64	5.659.066,16

The expenses related to the operation of the EFCA chartered Off-shore Patrol Vessels (OPV) increased compared to 2020 (+€0,6 million), mainly due to higher chartering and fuel charges. In addition, since September 2021 EFCA operated via the SLA with EMSA a second OPV in view of bridging the time until the signature of the new framework contract for OPV chartering services (+€1,7 million).

Staff missions related to operational tasks decreased again for the continuing effects of the COVID-19 travel restrictions and lockdowns (-€0,1 million).

The 2021 expenses related to operational costs of the PESCAO project amounted to €439.480,50 (compared to €86,180.77 in 2020, cf. Note 3.1.2. above) and consisted mainly of the €387.000,00 of Aerial Surveillance Flights shown above. Other costs are included in the above headings for Staff missions, External Experts and Other operational expenses, suffering the same COVID-19 negative effects on travel and meetings restrictions.

3.2.2. Administrative Expenses

Administrative Expenses	31.12.2021	31.12.2020
Staff expenses	8.587.152,66	8.334.388,16
Amortisation/depreciation and Fixed assets-related expenses	173.528,90	157.242,08
Other administrative expenses	2.164.628,11	2.280.724,21
Maintenance, security, insurance and other costs related to the office premises	427.355,25	486.018,14
Training and recruitment	37.725,94	77.829,73
Missions, experts	10.696,46	4.613,09
IT related expenditure including research and development costs	1.039.222,80	1.181.851,50
Expenses with other internal/external services providers (non-IT)	353.025,36	310.560,20
Office supplies, communications, legal expenses and insurance	292.548,72	219.490,40
Net loss/(gain) from foreign exchange	4.053,58	361,15
TOTAL	10.925.309,67	10.772.354,45

The main administrative expenses are as follows:

- staff expenses consisting mainly of salaries and allowances of the staff working in the Operations and Administration units of the Agency;
- tangible and intangible assets: the amortisation/depreciation charge of the year⁴;
- other administrative expenses for which the main headings are detailed above.

Herein are also included all IT operational costs of the year, including 2021 costs for IT projects for research and development not eligible for capitalisation as Internally Generated Intangible Assets (please see disclosures under “Intangible Assets” in Note 2.1. above).

Compared to 2020, staff expenses increased by €0,3 million following additional recruitment foreseen in the amended budget, plus the annual salary indexation (1,9%) and the new country coefficient correctors (from 94,2% on 01/07/2020 to 96,3% on 01/07/2021)⁵, in line with the provisions of the staff regulations and with a fully filled establishment plan during most of 2021 (see also Annex 2 in Part II.7 of this report).

⁴ Impairment tests were performed for Cash-generating assets, Non-cash generating assets and internally-generated Intangible Assets. No permanent impairment of the net book value is expected or could be identified and consequently no impairment losses were recognised for the year 2021.

⁵ The two indicators combined resulted in a 4,1% increase retroactively since 01/07/2021.

Fixed-assets related expenses increased moderately following the amortisation and depreciation of asset-purchases of the past as foreseen, and new acquisitions during the year (see also Note 2.2. above).

Other administrative expenses decreased slightly (-€0,1 million) but remained overall on a comparable level to 2020: decreases due to the continuing effects of the COVID-19 crisis (maintenance & security of the premises, office-communication, training expenses,...) or specific IT developments & services were partly compensated by the increase of other expenses (e.g. office works/equipment, legal fees, external services).

Transactions with the European Commission and other EU agencies included in Administrative Expenses are related mainly to services provided under various Service Level Agreements (translation, publication, training, IT systems, personnel administration, etc.). Joint procurements with other EU agencies and the use of the Commission's framework contracts contributed to an efficient use of resources and savings in administrative expenses.

3.3. Financial result

Financial result	2021	2020
Financial revenues	98,58	136,85
Financial expenses	-1.492,78	-1.012,54
TOTAL	1.394,20	875,69

Interests are not due to the Commission, but owned by the Agency (Art. 61 of the EFCA Financial Regulation).

Financial expenses consist in bank charges and negative interests. No interest for late payments (incurred according the provisions of Financial Regulation) was paid in 2021.

4. NOTES TO THE CASH-FLOW STATEMENT

Cashflow information is used to provide a basis for assessing the ability of the Agency to generate cash and cash equivalents, and its needs to utilise those cashflows.

The cashflow statement is prepared using the indirect method. This means that the economic result of the financial year is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of revenue or expense associated with investing cashflows.

Cashflows arising from transactions in a foreign currency are recorded in the EU's reporting currency (Euro), by applying to the foreign currency amount the exchange rate between the euro and the respective foreign currency at the date of the cashflow.

4.1. Operating activities

Operating activities are the activities of the EU that are not investing activities. These are the majority of the activities performed.

4.2. Investing activities

Investing activities are the acquisition and disposal of intangible assets and property, plant and equipment and of other investments which are not included in cash equivalents. The objective is to show the real investments made by EFCA.

4.3. Financing activities.

The Agency does not have this type of activities.

5. CONTINGENT ASSETS AND LIABILITIES AND OTHER SIGNIFICANT DISCLOSURES

5.1. Contingent assets

A contingent asset is a possible asset that arises from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not entirely within the control of the Agency. It is not recognised in the Balance Sheet because the amount of the asset cannot be measured with sufficient reliability. A contingent asset is disclosed when an inflow of economic benefits or service potential is probable.

5.2. Contingent liabilities

A contingent liability is a possible obligation that arises from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not entirely within the control of the Agency. It can also be a present obligation that arises from past events, but it is not recognised because:

- it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation or,
- the amount of the obligation cannot be measured with sufficient reliability.

5.2.1. Outstanding commitments not yet expensed (Carry-overs)

RAL	31.12.2021	31.12.2020
Automatic carry-forward (C1 and C4 only)	5.163.183,20	2.719.304,84
Adjustments for cut-off impact and open Vendors	-1.046.677,64	-882.670,81
Outstanding commitments not yet expensed	4.116.505,56	1.836.634,03

The amount disclosed above is the budgetary RAL ("Reste à Liquider") less the amounts carried-forward that have been included either as expenses in the 2021 Statement of Financial Performance or recognised as acquisitions of assets. The budgetary RAL is an amount representing the open commitments for which payments and/or de-commitments have not yet been made.

5.2.2. Legal cases

	31.12.2021	31.12.2020
Number of legal cases outside of Court pending	0	0
Number of Court cases pending	1	0
Total	1	0

No provisions for legal expenses have been raised for the pending case(s).

5.3. Other significant disclosures

5.3.1. Services in kind (EU Accounting Rule n° 17)

The Agency receives services in kind under the form of free use of the office building as part of the Seat Agreement with the Host Member State (Spain) and free services granted within the synergies with other EU bodies (EMSA, FRONTEX).

Services in kind	Estimated amount for the year 2021	Estimated amount for the year 2020
Free use of the office Building offered by the Host Member State (SPAIN)	793.650,00	772.005,00
Free Integrated Maritime services from EMSA	487.500,00	487.500,00
Free Maritime Aerial surveillance services (use of FRONTEX Services, Assets and Experts)	1.382.934,00	2.581.680,00
TOTAL	2.664.084,00	3.841.185,00

Concerning the Seat of the Agency, Spanish Authorities informed the Agency and the Administrative Board in 2017 that the lease for the current office building had been extended for a period of 5 years until the end of 2022. The new lease comprises also the first floor of the building. The amount of services in kind disclosed above is an estimation of the rent based on the last information available to the Agency (July 2011), updated to include the additional floor. In order to reflect the consumer price developments since 2011, for 2021 the value was adjusted for the assumed increase of the rent since then⁶.

Promoting the EU coastguard initiative, specifically towards an integrated maritime surveillance, EFCA cooperates with other agencies and bodies active in the maritime domain. The EFCA IMS Service (formerly MARSURV) is the result of a long standing cooperation with EMSA. The IMS Service, developed and hosted by EMSA, provides for a real time integrated maritime picture, that integrates and fuses VMS data, AIS, Sat-AIS and LRIT data. In close cooperation between the two agencies, this application has been further refined to become a very specific fisheries control coordination tool, in support of EFCA, DG MARE and MS authorities. The improvements include the provision of worldwide nautical charts, specific reference information (fishing areas and maritime boundaries), fisheries specific information (gear types, licenses) and remote sensing information, amongst other. In accordance with the existing SLA between EMSA and EFCA signed on 26 June 2015, as amended, EMSA does not charge EFCA for the provision, management, maintenance and user defined upgrades of the EFCA IMS Service. The above figure for these services in kind is an indicative estimation of the proportionate amount EFCA would presumably have to pay on the market otherwise. The calculation is based on the maximum value of the framework contracts ceiling concluded by EMSA for the provision of Sat-AIS over four years and based on EFCA's IMS user share (the value is the same as for 2020).

Similarly, EFCA has been receiving since 2016 data and information free of charge from FRONTEX Maritime Aerial Surveillance Operations dedicated to border control. In order to estimate the services in kind, the approximate number of flights for which information at EFCA was received (assuming one flight per day). Compared to 2020, the estimated cost of flight increased but the number of flights decreased by more than 50%. It should be noted that only a small number of flights was operated exclusively for EFCA purposes, while the value of the service shown above assumes the full costs of all flights as if operated for EFCA purposes exclusively.

Other services in kind, with regards to Capacity sharing through the cooperation with EMSA, include a Remotely Piloted Aircraft System (RPAS) and SatCom services (since September 2019) enabling boarding assessments, surveillance during boarding and post boarding analysis to be carried out remotely and thereby benefiting fisheries inspections and control, and a pollution response equipment (since May 2019), both provided by EMSA on board of the chartered Off-shore Patrol Vessel for multipurpose capacity. As EFCA was not in a position to estimate these services reliably, and in line with EU Accounting Rule n° 17, only the nature and type for these services are disclosed here.

⁶ On the basis of the Spanish Consumer Price Index (IPC) of the National Statistics Institute (INE), a 10.0% increase would have applied to a rent between July 2011 and July 2021.

5.3.2. Operating leases

Assets subject to an operating lease are generating rental expenditure.

EFCA entered into an operating lease contract for the renting of the 7th floor space of the premises where the seat of the Agency is located. The contractual terms and conditions are valid as long as the Agency maintains its premises in this building.

The corresponding rental expenses are recognised as part of the building related expenses (cf. Note 3.2.2. above)

Operating Lease	2021	2020
Rent expenses 7 th floor of premises	34.680,00	34.680,00

Operating Lease	Charges paid in 2021	Charges to be paid next year	Charges to be paid later than one year	Total charges to be paid
34,680.00	34.680,00	34.680,00	0,00	34.680,00

5.3.3. Significant legal commitments

Legal commitments	2021	2020
Chartering of EFCA Offshore Fisheries Patrol Vessel (OPV) Jan-June 2022	2.319.501,71	1.163.750,00
Services related to OPV from EMSA 2022	802.257,45	0,00
General building maintenance	20.496,96	20.497,40
Utilities consumption	45.148,56	49.233,68
Security/parking	18.000,00	18.000,00
External Audit Services	17.098,00	25.647,00
TOTAL	3.222.502,68	1.277.128,08

In December 2017 EFCA concluded a framework contract (FWC) for the chartering of an Offshore Fisheries Patrol Vessel following a public tender, with a budget ceiling of €20 million over max. 4 years. The amount disclosed above relates to the specific contract signed in December 2021 for the chartering from January to June 2022 and represents the only binding commitment entered into already in relation with this FWC for 2022 at reporting date.

Services related to the second OPV (provided by EMSA under the SLA of both agencies) were contracted in 2021 for January and February 2022.

There are some commitments originated because the Agency entered into long-term legal commitments in respect of amounts that were not yet covered by commitment appropriations in the budget of the year 2021. This relates to amounts the Agency is committed to pay in future under administrative contracts existing at the balance sheet date. In addition to the rental contract presented above, there is also the contract for the general maintenance of the building, electricity and security/parking. The amounts above are estimations at the level of a yearly consumption (please see also 5.3.1. above for the office building). Furthermore, already in 2020 the Agency entered into a two-year contract for External Audit Services as required by the Financial Regulation.

5.3.4. COVID-19

To summarise and complement the comments made in the Introduction and Notes to the Financial Statements, the following can be noted about the effects of COVID-19 with regards to the 2021 Annual Accounts:

- There was no amendment of the budget or a reduction of the EU subsidy paid to the Agency as Pre-Financing;
- Reduced operating and administrative expenses as a result of inability to implement planned activities to the extent foreseen have been fully or partly compensated by alternative measures or anticipated commitments for the following year (see also Notes 3.2.1.-3.2.2. and Part II of this report);
- There were no changes in the spending pattern (e.g. transfer of expenses between categories) due to new ways in which the transactions are conducted;
- There was no reduction of external revenue due to changes in the payment terms and other components triggering income;
- There were no reductions of the asset values (e.g. decrease of fair value, increase of impairment),
- There was no reduction of staff in connection with the pandemic outbreak;
- There are no subsequent events requiring adjustments of the 2021 Accounts in relation to COVID-19 (cf. Note 10).

6. PROTECTION OF THE AGENCY'S BUDGET

6.1. Recoveries

Under direct management, and in accordance with the Financial Regulation, the Authorising Officer should establish recovery orders for amounts unduly paid. Recoveries are then implemented by direct bank transfer from the debtor (e.g. a supplier) or by offsetting from other amounts that the Agency owes to the debtor. The Financial Regulation foresees additional procedures to ensure the collection of Recovery Orders overdue, which are the object of a specific follow up by the Accounting Officer of the Agency.

6.2. Preventive mechanisms

In addition to the corrective mechanisms mentioned above, EFCA uses a number of preventive mechanisms to protect the budget. Preventive actions include checks made on eligibility of expenditure being claimed by beneficiaries. These ex-ante controls are intended to provide reasonable assurance on the legality and regularity of expenditure being paid.

7. FINANCIAL INSTRUMENTS

Financial instruments consist of cash, current receivables and recoverables, current payables, amounts due to and from consolidated entities including accruals and deferrals.

• Valuation of Financial Instruments

All the financial assets and liabilities of EFCA are valued at Fair value or Amortised cost. An overview of their classification, measurement and treatment of changes in carrying amount is presented below:

Financial Instrument	Category	Measurement	Change in carrying amount
Cash and cash equivalents	Available for sale	Fair value (FV)	FV reserve in Net Assets
Receivables	Loans and receivables	Amortised cost	Economic Outturn Acc.
Deferred charges and accrued income	Loans and receivables	Amortised cost	Economic Outturn Acc.
Payables	Other financial liabilities	Amortised cost	Economic Outturn Acc.
Accrued charges and deferred income	Other financial liabilities	Amortised cost	Economic Outturn Acc.
Other liabilities	Other financial liabilities	Amortised cost	Economic Outturn Acc.

- **Disclosure requirements**

Financial instruments give rise to liquidity, credit, interest rate and foreign currency risks. The information on how those risks are managed is set out below.

The carrying amounts of financial instruments are as follows:

Carrying amounts	31.12.2021	31.12.2020
Financial assets		
Current receivables	380,00	1.889,59
Other receivables	15.953,18	8.691,36
Deferred charges and accrued income	546.027,18	520.413,10
Pre-financing	363.558,75	97.592,72
Cash and deposits	6.390.172,94	3.898.627,01
TOTAL financial assets	7.316.092,05	4.527.213,78
Financial liabilities		
Current payables	562.873,32	601.431,59
Other liabilities	532.110,36	600.341,11
Accrued charges and deferred income	1.111.836,45	724.572,09
Total financial liabilities	2.206.820,13	1.926.344,79
TOTAL net financial instruments	5.109.271,92	2.600.868,99

- **Liquidity risk**

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

The Agency manages its liquidity risk by continually monitoring its actual cash positions and by launching its funding request based on forecast of its expected outflows.

Details of contractual maturities for assets and liabilities form an important source of information for managing the liquidity risk.

Liquidity risk on the financial assets and liabilities is not managed on the basis of contractual maturity because they are not held for settlement according to such maturity and will be settled before contractual maturity at fair value.

Therefore, according to disclosure requirements of liquidity risks, a maturity analysis of non-derivative financial liabilities (except accruals and deferrals) showing the remaining contractual maturities is presented below:

Remaining contractual maturities	<1 year	1-5 years	>5 years	Total
<u>As at 31 December 2021</u>				
Payables with third parties	532.316,67	0,00	0,00	532.316,67
Payable with consolidated entities	562.667,01	0,00	0,00	562.667,01
TOTAL Financial liabilities	1.094.983,68	0,00	0,00	1.094.983,68
<u>As at 31 December 2020</u>				
Payables with third parties	600.355,18	0,00	0,00	600.355,18

Payable with consolidated entities	601.417,52	0,00	0,00	601.417,52
TOTAL Financial liabilities	1.201.772,70	0,00	0,00	1.201.772,70

The following measures are in place to manage liquidity risk:

- Bank accounts opened in the name of EFCA may not be overdrawn.
- The treasury and payment operations are highly automated and rely on modern information systems. Specific procedures are applied to guarantee system security and to ensure segregation of duties in line with the Financial Regulation, the internal control standards, and audit principles.
- EU budget principles ensure that overall cash resources for a given year are always sufficient for the execution of all payments.

- **Credit risk**

Credit risk is the risk of loss due to a debtor/borrower non-payment of a loan or other line of credit (either the principal or interest or both) or other failure to meet a contractual obligation. The default events include a delay in repayments, restructuring of borrower repayments and bankruptcy. With the most important financial asset being the cash held at banks, the following measures are in place to manage the credit risk:

- Treasury resources are kept with commercial banks.
- Specific guidelines are applied for the selection of these commercial banks in order to further minimise counterparty risk to which the Agency is exposed:
- All commercial banks are selected by call for tenders or negotiated procedures. The minimum short-term credit rating required for admission to the tendering procedures is Moody's P-1 or equivalent (S&P A-1 or Fitch F1). A lower level may be accepted in specific and duly justified circumstances.
- The EU contribution is requested up to four times a year based on cash forecasts. The level of cash held at banks, proportional to the average amount of quarterly payments executed from available funds, should be higher €0.5 million, which was agreed as buffer and with alarm levels close to €1.0 million when a new cash request is triggered.

The other receivables are constantly monitored for prompt recovery.

At year end, the maximum exposure to credit risk is as follows:

CREDIT QUALITY DISCLOSURES	31.12.2021	31.12.2020
Counterparties with external credit rating	6.390.172,94	3.898.627,01
Prime and higher rate	6.390.172,94	3.898.627,01
Upper medium grade	0,00	0,00
Lower medium grade	0,00	0,00
Non-investment grade	0,00	0,00
Counterparties without external credit rating	925.919,11	628.586,77
European Commission and consolidated entities	363.558,75	97.592,72
Other debtors who did not default	562.360,36	530.994,05
TOTAL financial assets	7.316.092,05	4.527.213,78

The maximum exposure to credit risk for amounts due from consolidated entities and other receivables is equal to the carrying amount.

The current (customer) receivables/open recoveries disclosed above are non-impaired as they are neither past due nor there are reasons to believe that the full recoverability of the debt is doubtful.

- **Interest rate risk**

As the Agency is not allowed to borrow any money, the interest rate risk at EFCA could arise only in relation with the cash held at bank and therefore is limited. The interest rate for cash held in current bank accounts is governed by the terms and conditions of the framework contracts signed with the banks. For the main bank account the interest rate granted by ING BANK Belgium is linked to the market interest rate with the related possible daily fluctuation.

- **Foreign currency risk**

Currency risk is the risk that the EU's operations or its investments' value will be affected by changes in exchange rates. This risk arises from the change in price of one currency against another. As all the EFCA's financial assets and liabilities are in Euro, the Agency is not impacted by the foreign currency risk.

- **Interest rate sensitivity analysis**

Considering the limited impact that EFCA could experience from interest rate risk, an interest rate sensitivity analysis is not relevant.

8. CHANGES IN ACCOUNTING POLICIES

- **Revised EAR effective for periods beginning on or after 1 January 2021**

On 17 December 2020 the Accounting Officer of the Commission adopted the updated EU Accounting Rule 11 Financial Instruments (EAR 11), which is applicable as from 1 January 2021 and replaces the previous EAR 11 adopted in 2011. The revised EAR 11 aligns the EU Accounting Rules on financial instruments to the recent changes of the underlying International Public Sector Accounting Standards (IPSAS), mainly the replacement of IPSAS 29 Financial Instruments: Recognition and Measurement with IPSAS 41 Financial Instruments.

The main changes are as follows:

- New classification principles for financial assets;
- New impairment model for financial assets;
- Introduction of amended guidance on liabilities from financial guarantees issued in non-exchange transactions (i.e. at a price below fair value).

Based on the Agency's analysis, there was no material impact on the annual accounts 2021 and no re-measurements in the context of the revision of EAR 11 at 01/01/2021 for EFCA were necessary.

- **Other changes in Accounting Policies**

There have been no other changes in accounting policies for the financial year 2021.

9. RELATED PARTY DISCLOSURE

The related parties of EFCA are the key management personnel who hold positions of responsibility within the Agency. They are responsible for the strategic direction and operational management of the entity and are entrusted with significant authority to execute their mandate.

Highest grade description	Grade	Number of persons of this grade
Executive Director	AD14_2	1

The transactions of the Agency with the key management personnel during financial year 2021 consist only of the remuneration, allowances and other entitlements as determined for grade AD14 by the Staff Regulations of the Officials of the European Communities. There are no loans or other amounts outside provisions of the Staff Regulation being granted to management or staff.

Therefore, no other specific disclosure requirements are necessary for these transactions in accordance with the EU Accounting rules.

10. EVENTS AFTER THE REPORTING DATE

All of the events after balance sheet date requiring adjustment and with a material impact have been recorded in these 2021 Final Annual Accounts and their related notes. The most available information was reflected in all the figures and disclosures presented above. The following events after balance sheet date do not require adjustment of the 2021 Accounts:

1. On 1 February 2020 the United Kingdom ceased to be a Member State of the European Union. Following the conclusion of the Agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community (the 'Withdrawal Agreement') between the two parties, the United Kingdom committed to pay all its obligations under the current MFF and previous financial perspectives following from its membership of the Union. At the date of transmission of these accounts, and based on the Withdrawal Agreement concluded and already in operation, there is no financial impact to be reported in these accounts. For further information on the impact of the Withdrawal Agreement on the EU, please see the 2021 consolidated EU annual accounts.
2. During 2021, the COVID-19 outbreak continued to have a global impact and continues to do so in 2022. The financial effects on EFCA have been included and disclosed in these Final Accounts for 2021 to the extent feasible, and no other subsequent events need to be considered. For subsequent reporting periods, COVID-19 may continue to affect the recognition and measurement of some assets and liabilities on the balance sheet and also of some revenue and expenses recognised in the statement of financial performance, similar to the ones reported for 2021.
3. The war in Ukraine, that began in February 2022 is a non-adjusting event, thus not requiring any adjustments to the figures reported in these Final Accounts for 2021. For subsequent reporting periods, the war may affect the recognition and measurement of some assets and liabilities on the balance sheet and also of some revenue and expenses recognised in the statement of financial performance. Based on the facts and circumstances at the time of preparation of these financial statements, in particular the evolving situation, the financial effect of the war in Ukraine on the accounts cannot be reliably estimated.

At the date of issue of the accounts, no other material issues came to the attention of the Accounting Officer of the Agency or were reported to him that would require separate disclosure under this section.

Part II: REPORTS ON IMPLEMENTATION OF THE BUDGET

(All amounts disclosed in EUR)



II.1 BUDGETARY STRUCTURE, PRINCIPLES AND MAIN EVENTS

The budget accounts (Part II) are modified cash accounts. As in any cash accounting system, payments made and revenue received are recorded in the period in which the cash transaction occurs. These accounts are termed 'modified' because payment appropriations carried over are also recorded. Their purpose is for drawing up the budget result and reports on budget implementation.

DESCRIPTION OF THE BUDGETARY ACCOUNTS

In accordance with the Financial Regulation and Implementing Rules of the Agency, the budget accounts shall provide a detailed record of budget implementation and shall record all budget revenue and expenditure operations (voted appropriations, commitments and payments of the financial year, entitlements established, etc.).

The budget is adopted annually by the Members of the Administrative Board, taking into account the general budgetary nomenclature and the Agency Implementing Rules on the structure and presentation of the statement of expenditure.

Title I budget lines are related to staff expenditure like salaries and allowances of the staff members working for the Agency and recruitment costs such as removal expenditure, installation costs, daily subsistence allowance, etc. In addition, this title comprises also expenditure for seconded national experts (SNEs), interim staff services, trainings, medical expenses and administrative missions.

Title II budget lines comprise all buildings- and infrastructure expenditures and related services like maintenance and security, utilities, ICT equipment and services. Also incorporated in this title are all expenditure generated by the various Service Level Agreements (SLAs) signed with the Commission and other consolidated EU entities.

Title III budget lines provide the implementation of all the activities carried out in the frame of the missions and tasks assigned to the Agency by its establishing Council Regulation (EC) n° 768/2005 of 26 April 2005 and as amended in 2016. There are seven chapters under Title III which are organised around the main operational activities carried out by the Agency as follows:

- B3-000 – ICT Support and Infrastructure
- B3-101 - Implementation of JDPs and assistance to the Member States and the Commission in EU Waters and North Atlantic
- B3-102 - Implementation of JDPs and assistance to the Member States and the Commission in Mediterranean and the Black Sea
- B3-203 - Promotion of a risk management based approach and compliance evaluation
- B3-304 - Support the EU in the implementation of the external dimension of the CFP
- B3-406 - Improve capacities to implement fisheries control and support other coastguard functions
- B3-600 - PESCAO - Operational Expenditure.

BUDGETARY PRINCIPLES

As provided for in EFCA's Financial Regulation, the establishment and implementation of the Agency's budget shall comply with the principles of unity and budget accuracy, annuality, equilibrium, unit of account, universality, specification, sound financial management and transparency, each of which is briefly described hereunder:

1. Principle of unity and budget accuracy

- The budget is the instrument which, for each financial year, forecasts and authorises the revenue and expenditure considered necessary for the Agency's activities.

- No revenue shall be collected and no expenditure effected unless booked to a line in the budget.
- An appropriation must not be entered in the budget if it is not for an item of expenditure considered necessary.
- No expenditure may be committed or authorised in excess of the appropriations authorised by the budget.

2. Principle of annuality

- The appropriations entered in the budget shall be authorised for one financial year which shall run from 1 January to 31 December, inclusive.
- Commitments shall be entered in the accounts on the basis of the legal commitments entered into up to 31 December.
- Payments shall be entered in the accounts for a financial year on the basis of the payments effected by the accounting officer by 31 December of that year at the latest.

3. Principle of equilibrium

- The Agency's budget revenue and payment appropriations must be in balance.
- Commitment appropriations may not exceed the amount of the voted budget, plus own revenue and any other revenue. The Agency may not raise loans.

4. Principle of unit of account

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

5. Principle of universality

- Total revenue shall cover all expenditure. All revenue and expenditure shall be entered in full without any adjustment against each other.

6. Principle of specification

- The appropriations in their entirety shall be earmarked for specific purposes by title and chapter; the chapters shall be further subdivided into articles and items.
- The Executive Director may authorise transfers from one article to another within each chapter.

7. Principle of sound financial management

- Budget appropriations shall be used in accordance with the principle of sound financial management, that is to say, in accordance with the principles of economy, efficiency and effectiveness.
- The principle of economy requires that the resources used by the Agency for the pursuit of its activities shall be made available in due time, in appropriate quantity and quality and at the best price.
- The principle of efficiency is concerned with the best relationship between resources employed and results achieved.
- The principle of effectiveness is concerned with attaining the specific objectives set and achieving the intended results.

8. Principle of transparency

- The budget shall be drawn up and implemented and the accounts presented in compliance with the principle of transparency.



- The budget, as finally adopted, shall be published in the Official Journal of the European Communities and amending budgets shall be published in an appropriate way within two months of their adoption.

TYPES OF APPROPRIATIONS USED BY EFCA

The Agency makes use of non-differentiated appropriations, i.e. appropriations of annual nature, for its administrative expenditure (Titles I and II) as well as for operational expenditure (Title III).

MAIN EVENTS WITH INFLUENCE ON THE 2021 BUDGET AND ITS IMPLEMENTATION

EFCA received during 2021 €21,0 million from the Commission as regular subsidy from the General EU Budget, representing an increase of 24% in respect of 2020 - explained by the amended budget granting additional €4,0 million to EFCA in the framework of the Trade and Cooperation Agreement with UK. In addition, EFCA engaged in its fourth year of activities related to the PESCAO project⁷, for which €0,5 million were received as a fourth Pre-Financing instalment in April 2021 as external assigned revenue, contributing to a total of €21,5 million of total budget revenues received during 2021.

As described in the Introduction and the Notes to the Financial Statements in Part I of this report, EFCA was still affected by the COVID-19 pandemic during 2021 and the resulting restrictions above all for travelling. However, the impact was considerably less compared to 2020, as the Agency managed to anticipate and mitigate largely the negative effects and finished the financial year with budget implementation rates comparable to in pre-COVID years (e.g. unused budget intended for staff and for the organisation of events and travel was transferred for the chartering of the second Off-shore Patrol Vessel from EMSA from September 2020 to the first months of 2022).

To this end, the implementation for commitments remained throughout all budget titles and fund sources high (99.1% for “C1”-Commitment appropriations of the year and 96.4% in total including commitments from assigned revenues, compared to 97.3% and 94.5% in 2020 respectively).

Regarding payments, the overall implementation (including assigned revenue and carry-overs from 2019) was 74.0%, compared to 80.7% in 2020, and all commitments carried-forward are in principle scheduled to be implemented during 2022 (‘planned carry-forwards’). The overall cancellation rate for payment appropriations was slightly lower than previous year, with 2.65% of total payment appropriations. The cancellation rate for “C8”-commitments carried-forward from 2020 was with 17.1% of the appropriations carried forward considerably higher than previous year, mainly due to the delays of two IT development projects that were extended in time for 2022 and therefore cancelled from the C8 payment appropriations of 2021 budget.

For the budget from assigned revenues, stemming exclusively from the above-mentioned PESCAO project, the total implementation rates in 2021 (including carry-overs from 2020) were 47.8% for commitments and 45.7% for payments (compared to 41.8% and 38.9% in 2020 respectively). The unused credit of this assigned revenue will continue to be implemented in 2022.

The following tables provide details for all Budget titles and items. For further information on the financial management and budget execution during 2021 please refer also to the ‘Report on the Budgetary and Financial Management (RBFM)’ in Annex I and EFCA’s Annual Report 2021.

⁷ The PESCAO project for capacity building and additional training and assistance missions in particular Western Africa countries is managed by DG Development and Cooperation (DEVCO) and financed by the European Development Fund (EDF). EFCA has signed a delegation agreement in March 2018 assigning a maximum of €2,6 million EU contribution over five years to the Agency. In November 2021 the project was extended until the end of 2023 and funded with additional €1,2 million.

II.2 BUDGET RESULT 2021 (1.1.2021 – 31.12.2021)

REVENUES		2021	2020
Balancing Commission subsidy	+	20.999.999,65	16.900.000,00
Other subsidy from Commission (Delegation agreement,...)	+	522.177,50	793.025,50
Fee income	+	0,00	0,00
Other Income	+	8.360,79	3.685,21
TOTAL REVENUE (a)		21.530.537,94	17.696.710,71
EXPENDITURE			
Title I: Staff			
Payments	-	8.640.470,01	8.365.704,62
Appropriations carried over	-	337.874,67	47.611,57
Title II: Administrative Expenses			
Payments	-	1.119.666,58	1.268.681,85
Appropriations carried over	-	587.652,66	538.260,39
Title III: Operating Expenditure			
Payments	-	6.423.065,63	4.444.912,62
Appropriations carried over	-	4.881.262,50	2.697.696,89
TOTAL EXPENDITURE (b)		21.989.992,05	17.362.867,94
OUTTURN FOR THE FINANCIAL YEAR (a-b)		-459.454,11	333.842,77
Cancellation of unused payment appropriations carried over from previous year	+	464.705,15	154.634,74
Adjustment for carry-over from the previous year of appropriations available at 31.12 arising from assigned revenue	+	564.264,01	113.013,28
Exchange differences for the year (gain +/-loss -)	+	-6.848,04	-361,15
BALANCE OF THE OUTTURN ACCOUNT FOR THE FINANCIAL YEAR		562.667,01	601.129,64
Balance year N-1	+	601.129,64	258.956,65
Positive balance from year N-1 reimbursed in year N to the Commission	-	-601.129,64	-258.956,65
Result used for determining amounts in general accounting		562.667,01	601.129,64
Commission subsidy - Agency registers accrued revenue and Commission accrued expense		20.437.332,64	16.298.870,36
Adjustment for 2018 recovery of budget result		0,00	-0,02
Pre-financing remaining open to be reimbursed by Agency to Commission in year N+1		562.667,01	601.129,62

II.3 RECONCILIATION OF ECONOMIC RESULT WITH BUDGET RESULT

all figures in EUR	2021
ECONOMIC RESULT OF THE YEAR (SPF)	2.567.839,61
<u>1. Adjustment for items not included in the budgetary result but included in the economic result</u>	
Increase/(Decrease) of unpaid invoices at year end but booked in charges	-72.216,85
Increase/(Decrease) of cumulative Depreciation of intangible and tangible fixed assets	173.528,90
Increase/(Decrease) of Provisions and Liabilities	388.966,78
Decrease/(Increase) of Recovery orders issued during year not cashed in by year end	-6.207,89
Increase/(Decrease) of Debts towards EU-Institutions	-38.462,61
Subtotal 1	445.608,33
<u>2. Adjustment for items included in the budgetary result but not included in the economic result</u>	
Increase/(Decrease) of Asset acquisitions	-230.321,90
Decrease/(Increase) of Pre-financing	-265.966,03
Decrease/(Increase) of Deferred charges (Prepaid expenses of next year)	-25.614,08
Subtotal 2	-521.902,01
<u>3. Reconciliation items between Budget and General Accounts (Payments)</u>	
<i>Cash outs in banks but not in Budgetary reports (+)</i>	602.622,42
<i>Cash ins in Budgetary reports but not in Banks (+)</i>	-98,58
<i>Cash ins in banks but not in Budgetary reports (-)</i>	0,00
<i>Cash outs in Budgetary reports but not in Banks (-)</i>	0,00
<i>Remaining reconciliation items not identified</i>	-1.333,74
Subtotal 3	601.190,10
Payment appropriations carried over from previous year (Automatic Carry-Over)	2.719.304,84
Carry-over from the previous year arising from assigned revenue	564.264,01
Payment appropriations carried over to next year (RAL)	-5.806.789,83
Exchange differences for the year (gain +/-loss -)	-6.848,04
BALANCE OF THE BUDGET OUTTURN ACCOUNT FOR THE FINANCIAL YEAR	562.667,01

II.4 BUDGET REVENUE

Ref.	Budget Line description	Income appropriations		Entitlements established			Revenue received				
		Initial budget adopted	Final budget adopted	Current year	Carried Forward from previous years	Total	Current year	Carried Forward from previous years	Total	%	Outstanding
		1	2	3	4	5=3+4	6	7	8=6+7	9=8/2	10=5-8
10	Contribution from the General EU Budget	17.000.000	21.000.000	21.000.000	0	21.000.000	21.000.000	0	21.000.000	100,0%	0
20	Services rendered by the Agency	0	0	0	0	0	0	0	0		0
30	Revenue from Grants	680.000	680.000	522.178	0	522.178	522.178	0	522.178	76,8%	0
300	Pilot Project European Coast Guard (EUCG)	0	0	0	0	0	0	0	0		0
310	Pilot Project MARSURV	0	0	0	0	0	0	0	0		0
320	PESCAO - Improved regional fisheries	680.000	680.000	522.178	0	522.178	522.178	0	522.178	76,8%	0
90	Miscellaneous Revenue	0	0	6.851	1.890	8.741	6.471	1.890	8.361		380
900	Recovery of pre-financing	0	0	0	0	0	0	0	0		0
920	Recovery of expenses	0	0	6.851	1.890	8.741	6.471	1.890	8.361		380
	BUDGET REVENUE TOTAL	17.680.000	21.680.000	21.529.028	1.890	21.530.918	21.528.648	1.890	21.530.538	99,3%	380

II.5 BUDGET EXPENDITURE COMMITMENTS OF THE YEAR

Ref.	Budget Line description	Commitment appropriations of the year				Additional Commitment appropriations		Total Commitment appropriations available	Commitments made							
		Initial budget adopted	Amending budget	Transfers	Final budget adopted	Carry-overs	Assigned revenue		from final budget adopted	%	from Carry-overs	%	from Assigned revenue	%	Total made	%
		1	2	3	4=1+2+3	5	6		7=4+5+6	8	9=8/4	10	11=10/5	12	13=12/6	14=8+10+12
A-1100	Salaries and Allowances Officials and Temporary	7,390,000	226,000	-141,200	7,474,800	0	0	7,474,800	7,474,794	100.0%	0	0	0	0	7,474,794	100.0%
A-1111	Salaries and Allowances Contract Staff	523,000	55,000	0	578,000	0	0	578,000	578,000	100.0%	0	0	0	578,000	100.0%	
A-1112	Interim Staff	70,000	0	35,200	105,200	0	0	105,200	105,130	99.9%	0	0	0	105,130	99.9%	
A-1113	PESCO - Contract staff	0	0	0	0	0	179,838	179,838	0	0	0	47,684	26.5%	47,684	26.5%	
A-1116	Seconded national experts	340,000	0	-34,000	306,000	0	0	306,000	286,115	93.5%	0	0	0	286,115	93.5%	
A-1117	PESCO - Seconded National Experts	0	0	0	0	0	87,915	87,915	0	0	0	60,023	68.3%	60,023	68.3%	
A-1200	Candidates recruitment and other related costs	30,000	30,000	-40,000	20,000	0	0	20,000	8,322	41.6%	0	0	0	8,322	41.6%	
A-1210	Installation costs TA and CA (removal DSA and	80,000	80,000	-52,000	108,000	0	0	108,000	92,393	85.5%	0	0	0	92,393	85.5%	
A-1300	Administrative Missions	70,000	0	-7,000	63,000	0	0	63,000	5,628	8.9%	0	0	0	5,628	8.9%	
A-1410	Social Welfare of staff and Medical service	28,000	3,000	13,900	44,900	0	0	44,900	42,224	94.0%	0	0	0	42,224	94.0%	
A-1420	Training of staff	110,000	6,000	16,400	132,400	0	0	132,400	117,988	89.1%	0	0	0	117,988	89.1%	
A-1700	Representation expenses	2,000	0	-200	1,800	0	0	1,800	0	0.0%	0	0	0	0	0.0%	
	TITLE I TOTAL	8,643,000	400,000	-208,900	8,834,100	0	267,753	9,101,853	8,710,592	98.6%	0	107,706	40.2%	8,818,299	96.9%	
A-2000	Rental of building	53,000	0	0	53,000	0	0	53,000	52,680	99.4%	0	0	0	52,680	99.4%	
A-2010	Utilities and Services	139,000	6,000	-22,500	122,500	0	0	122,500	121,441	99.1%	0	0	0	121,441	99.1%	
A-2050	Security and Surveillance	135,000	0	-20,500	114,500	0	0	114,500	113,566	99.2%	0	0	0	113,566	99.2%	
A-2051	Other Building Expenditure	80,000	0	-8,000	72,000	0	0	72,000	70,566	98.0%	0	0	0	70,566	98.0%	
A-2100	ICT hardware and software	255,000	110,000	46,000	411,000	0	0	411,000	410,851	100.0%	0	0	0	410,851	100.0%	
A-2101	ICT External Services	300,000	0	40,600	340,600	0	0	340,600	340,515	100.0%	0	0	0	340,515	100.0%	
A-2110	Telecommunication charges and equipment	55,000	3,300	-1,300	57,000	0	0	57,000	56,470	99.1%	0	0	0	56,470	99.1%	
A-2200	Technical installations and electronic office equi	33,000	0	-12,100	20,900	0	0	20,900	19,483	93.2%	0	0	0	19,483	93.2%	
A-2210	Furniture and workplace improvements	20,000	55,000	-36,500	38,500	0	0	38,500	37,358	97.0%	0	0	0	37,358	97.0%	
A-2301	Current Administrative Expenditure (stationary f	40,000	5,700	-8,400	37,300	0	0	37,300	35,795	96.0%	0	0	0	35,795	96.0%	
A-2500	Meetings of Administrative nature (AB Adv, B et	72,000	0	-60,500	11,500	0	0	11,500	11,408	99.2%	0	0	0	11,408	99.2%	
A-2600	Translation and interpretation services	15,000	0	-6,800	8,200	0	0	8,200	8,183	99.8%	0	0	0	8,183	99.8%	
A-2620	External Services	365,000	0	-34,900	330,100	0	0	330,100	328,347	99.5%	0	0	0	328,347	99.5%	
A-2700	Communication expenses	55,000	0	46,000	101,000	0	0	101,000	100,655	99.7%	0	0	0	100,655	99.7%	
	TITLE II TOTAL	1,617,000	180,000	-78,900	1,718,100	0	0	1,718,100	1,707,319	99.4%	0	0	0	1,707,319	99.4%	
B3-000	ICT Support and Infrastructure	550,000	0	-228,600	321,400	0	0	321,400	314,278	97.8%	0	0	0	314,278	97.8%	
B3-101	JDPs and assistance to the MS and the Commi	250,000	0	-64,500	185,500	0	0	185,500	157,556	84.9%	0	0	0	157,556	84.9%	
B3-102	JDPs and assistance to the MS and the Commi	270,000	0	-201,600	68,400	0	0	68,400	67,043	98.0%	0	0	0	67,043	98.0%	
B3-203	Promotion of a risk management based approac	550,000	0	26,000	576,000	0	0	576,000	571,832	99.3%	0	0	0	571,832	99.3%	
B3-304	Support the EU in the implementation of the ext	110,000	0	-103,500	6,500	0	0	6,500	6,251	96.2%	0	0	0	6,251	96.2%	
B3-406	Improve capacities to implement fisheries contr	5,010,000	3,420,000	860,000	9,290,000	0	0	9,290,000	9,269,857	99.8%	0	0	0	9,269,857	99.8%	
B3-600	PESCO - Operational Expenditure	0	0	0	0	0	869,028	869,028	0	0	0	435,361	50.1%	435,361	50.1%	
	TITLE III TOTAL	6,740,000	3,420,000	287,800	10,447,800	0	869,028	11,316,828	10,386,817	99.4%	0	435,361	50.1%	10,822,177	95.6%	
	TOTAL BUDGET	17,000,000	4,000,000	0	21,000,000	0	1,136,780	22,136,780	20,804,728	99.1%	0	543,067	47.8%	21,347,795	96.4%	

COMMITMENT APPROPRIATIONS CARRIED OVER AND LAPSING

Ref.	Budget Line description	Total Commitment appropriations available	Commitment appropriations carried over to 2022				Commitment appropriations lapsing				
			Assigned revenue	by decision	Total carried-over	%	from final budget adopted	from Carry-overs	from Assigned revenue	Total lapsing	%
			1	2	3	4=2+3	5=4/1	6	7	8	9=6+7+8
A-1100	Salaries and Allowances Officials and Temporar	7,474.800	0	0	0	0,0%	6	0	0	6	0,0%
A-1111	Salaries and Allowances Contract Staff	578.000	0	0	0	0,0%	0	0	0	0	0,0%
A-1112	Interim Staff	105.200	0	0	0	0,0%	70	0	0	70	0,1%
A-1113	PESCOAO - Contract staff	179.838	132.154	0	132.154	73,5%	0	0	0	0	0,0%
A-1116	Seconded national experts	306.000	0	0	0	0,0%	19.885	0	0	19.885	6,5%
A-1117	PESCOAO - Seconded National Experts	87.915	27.892	0	27.892	31,7%	0	0	0	0	0,0%
A-1200	Candidates recruitment and other related costs	20.000	0	0	0	0,0%	11.678	0	0	11.678	58,4%
A-1210	Installation costs TA and CA (removal DSA and	108.000	0	0	0	0,0%	15.607	0	0	15.607	14,5%
A-1300	Administrative Missions	63.000	0	0	0	0,0%	57.372	0	0	57.372	91,1%
A-1410	Social Welfare of staff and Medical service	44.900	0	0	0	0,0%	2.676	0	0	2.676	6,0%
A-1420	Training of staff	132.400	0	0	0	0,0%	14.412	0	0	14.412	10,9%
A-1700	Representation expenses	1.800	0	0	0	0,0%	1.800	0	0	1.800	100,0%
	TITLE I TOTAL	9.101,853	160,046	0	160,046	1,8%	123,508	0	0	123,508	1,4%
A-2000	Rental of building	53.000	0	0	0	0,0%	320	0	0	320	0,6%
A-2010	Utilities and Services	122.500	0	0	0	0,0%	1.059	0	0	1.059	0,9%
A-2050	Security and Surveillance	114.500	0	0	0	0,0%	934	0	0	934	0,8%
A-2051	Other Building Expenditure	72.000	0	0	0	0,0%	1.434	0	0	1.434	2,0%
A-2100	ICT hardware and software	411.000	0	0	0	0,0%	149	0	0	149	0,0%
A-2101	ICT External Services	340.600	0	0	0	0,0%	85	0	0	85	0,0%
A-2110	Telecommunication charges and equipment	57.000	0	0	0	0,0%	530	0	0	530	0,9%
A-2200	Technical installations and electronic office equi	20.900	0	0	0	0,0%	1.417	0	0	1.417	6,8%
A-2210	Furniture and workplace improvements	38.500	0	0	0	0,0%	1.142	0	0	1.142	3,0%
A-2301	Current Administrative Expenditure (stationary f	37.300	0	0	0	0,0%	1.505	0	0	1.505	4,0%
A-2500	Meetings of Administrative nature (AB Adv.B etc	11.500	0	0	0	0,0%	92	0	0	92	0,8%
A-2600	Translation and interpretation services	8.200	0	0	0	0,0%	18	0	0	18	0,2%
A-2620	External Services	330.100	0	0	0	0,0%	1.753	0	0	1.753	0,5%
A-2700	Communication expenses	101.000	0	0	0	0,0%	345	0	0	345	0,3%
	TITLE II TOTAL	1.718,100	0	0	0	0,0%	10,781	0	0	10,781	0,6%
B3-000	ICT Support and Infrastructure	321.400	0	0	0	0,0%	7.122	0	0	7.122	2,2%
B3-101	JDPs and assistance to the MS and the Commi	185.500	0	0	0	0,0%	27.944	0	0	27.944	15,1%
B3-102	JDPs and assistance to the MS and the Commi	68.400	0	0	0	0,0%	1.357	0	0	1.357	2,0%
B3-203	Promotion of a risk management based approac	576.000	0	0	0	0,0%	4.168	0	0	4.168	0,7%
B3-304	Support the EU in the implementation of the ext	6.500	0	0	0	0,0%	249	0	0	249	3,8%
B3-406	Improve capacities to implement fisheries contr	9.290.000	0	0	0	0,0%	20.143	0	0	20.143	0,2%
B3-600	PESCOAO - Operational Expenditure	869.028	433.667	0	433.667	49,9%	0	0	0	0	0,0%
	TITLE III TOTAL	11.316,828	433,667	0	433,667	3,8%	60,983	0	0	60,983	0,5%
	TOTAL BUDGET	22,136,780	593,713	0	593,713	2,7%	195,272	0	0	195,272	0,9%

PAYMENTS OF THE YEAR

Ref.	Budget Line description	Payment appropriations of the year				Additional Payment appropriations		Total Payment appropriations available	Payments made							
		Initial budget adopted	Amending budget	Transfers	Final budget adopted	Carry-overs	Assigned revenue		from final budget adopted	%	from Carry-overs	%	from Assigned revenue	%	Total made	%
		1	2	3	4=1+2+3	5	6		7=4+5+6	8	9=8/4	10	11=10/5	12	13=12/6	14=8+10+12
A-1100	Salaries and Allowances Officials and Temporary	7,390,000	226,000	-141,200	7,474,800	10,262	0	7,485,062	7,467,787	99.9%	7,234	70.5%	0		7,475,020	99.9%
A-1111	Salaries and Allowances Contract Staff	523,000	55,000	0	578,000	0	0	578,000	578,000	100.0%	0	0	0		578,000	100.0%
A-1112	Interim Staff	70,000	0	35,200	105,200	9,388	0	114,588	41,406	39.4%	9,388	100.0%	0		50,794	44.3%
A-1113	PESCAO - Contract staff	0	0	0	0	0	179,838	179,838	0	0	0	47,066	26.2%	0	47,066	26.2%
A-1116	Seconded national experts	340,000	0	-34,000	306,000	0	0	306,000	286,115	93.5%	0	0	0		286,115	93.5%
A-1117	PESCAO - Seconded National Experts	0	0	0	0	0	87,915	87,915	0	0	0	59,963	68.2%	0	59,963	68.2%
A-1200	Candidates recruitment and other related costs	30,000	30,000	-40,000	20,000	0	0	20,000	6,372	31.9%	0	0	0		6,372	31.9%
A-1210	Installation costs TA and CA (removal DSA and	80,000	80,000	-52,000	108,000	0	0	108,000	92,393	85.5%	0	0	0		92,393	85.5%
A-1300	Administrative Missions	70,000	0	-7,000	63,000	90	0	63,090	3,187	5.1%	0	0	0		3,187	5.1%
A-1410	Social Welfare of staff and Medical service	28,000	3,000	13,900	44,900	8,748	0	53,648	31,759	70.7%	7,309	83.5%	0		39,067	72.8%
A-1420	Training of staff	110,000	6,000	16,400	132,400	16,372	0	148,772	26,424	20.0%	11,709	71.5%	0		38,133	25.6%
A-1700	Representation expenses	2,000	0	-200	1,800	0	0	1,800	0	0.0%	0	0	0		0	0.0%
	TITLE I TOTAL	8,643,000	400,000	-208,900	8,834,100	44,859	267,753	9,146,712	8,533,442	96.6%	35,639	79.4%	107,028	40.0%	8,676,109	94.9%
A-2000	Rental of building	53,000	0	0	53,000	0	0	53,000	52,680	99.4%	0	0	0		52,680	99.4%
A-2010	Utilities and Services	139,000	6,000	-22,500	122,500	7,877	0	130,377	113,621	92.8%	7,655	97.2%	0		121,276	93.0%
A-2050	Security and Surveillance	135,000	0	-20,500	114,500	19,324	0	133,824	94,403	82.4%	17,361	89.8%	0		111,764	83.5%
A-2051	Other Building Expenditure	80,000	0	-8,000	72,000	10,313	0	82,313	59,884	83.2%	10,027	97.2%	0		69,911	84.9%
A-2100	ICT hardware and software	255,000	110,000	46,000	411,000	288,558	0	679,558	214,491	52.2%	268,159	99.9%	0		482,650	71.0%
A-2101	ICT External Services	300,000	0	40,600	340,600	66,595	0	407,195	240,133	70.5%	66,595	100.0%	0		306,728	75.3%
A-2110	Telecommunication charges and equipment	55,000	3,300	-1,300	57,000	12,399	0	69,399	47,594	83.5%	12,399	100.0%	0		59,993	86.4%
A-2200	Technical installations and electronic office equi	33,000	0	-12,100	20,900	2,952	0	23,852	18,185	87.0%	2,952	100.0%	0		21,137	88.6%
A-2210	Furniture and workplace improvements	20,000	55,000	-36,500	38,500	41,772	0	80,272	0	0.0%	41,772	100.0%	0		41,772	52.0%
A-2301	Current Administrative Expenditure (stationary f	40,000	5,700	-8,400	37,300	11,066	0	48,366	19,116	51.3%	10,877	98.3%	0		29,994	62.0%
A-2500	Meetings of Administrative nature (AB Adv,B etc	72,000	0	-60,500	11,500	0	0	11,500	11,408	99.2%	0	0	0		11,408	99.2%
A-2600	Translation and interpretation services	15,000	0	-6,800	8,200	0	0	8,200	8,183	99.8%	0	0	0		8,183	99.8%
A-2620	External Services	365,000	0	-34,900	330,100	57,547	0	387,647	202,133	61.2%	51,247	89.1%	0		253,380	65.4%
A-2700	Communication expenses	55,000	0	46,000	101,000	39,857	0	140,857	37,834	37.5%	38,906	97.6%	0		76,740	54.5%
	TITLE II TOTAL	1,617,000	180,000	-78,900	1,718,100	538,260	0	2,256,360	1,119,667	65.2%	527,949	98.1%	0		1,647,616	73.0%
B3-000	ICT Support and Infrastructure	550,000	0	-228,600	321,400	134,902	0	456,302	191,008	59.4%	123,960	91.9%	0		314,969	69.0%
B3-101	JDPs and assistance to the MS and the Commi	250,000	0	-84,500	165,500	65,597	0	251,097	95,971	51.7%	58,301	88.9%	0		154,272	61.4%
B3-102	JDPs and assistance to the MS and the Commi	270,000	0	-201,600	68,400	13,981	0	82,381	48,750	71.3%	13,981	100.0%	0		62,730	76.1%
B3-203	Promotion of a risk management based approac	550,000	0	26,000	576,000	538,692	0	1,114,692	91,240	15.8%	192,203	35.7%	0		283,443	25.4%
B3-304	Support the EU in the implementation of the ext	110,000	0	-103,500	6,500	0	0	6,500	4,944	76.1%	0	0	0		4,944	76.1%
B3-406	Improve capacities to implement fisheries contr	5,010,000	3,420,000	860,000	9,290,000	1,383,013	0	10,673,013	5,556,524	59.8%	1,302,567	94.2%	0		6,859,091	64.3%
B3-600	PESCAO - Operational Expenditure	0	0	0	0	0	917,512	917,512	0	0	0	434,629	47.4%	0	434,629	47.4%
	TITLE III TOTAL	6,740,000	3,420,000	287,800	10,447,800	2,136,185	917,512	13,501,497	5,988,437	57.3%	1,691,012	79.2%	434,629	47.4%	8,114,077	60.1%
	TOTAL BUDGET	17,000,000	4,000,000	0	21,000,000	2,719,305	1,185,264	24,904,569	15,641,545	74.5%	2,254,600	82.9%	541,657	45.7%	18,437,802	74.0%

PAYMENT APPROPRIATIONS CARRIED OVER AND LAPSING

Ref.	Budget Line description	Total Payment appropriations available	Payment appropriations carried over to 2022					Payment appropriations lapsing				
			Automatic Carry-overs	by decision	Assigned revenue	Total carried-over	%	from final budget adopted	from autom. Carry-overs	from Assigned revenue	Total lapsing	%
			1	2	3	4	5=2+3+4	6=5/1	7	8	9	10=7+8+9
A-1100	Salaries and Allowances Officials and Temporary	7.485.062	7.007	0	0	7.007	0,1%	6	3.028	0	3.034	0,0%
A-1111	Salaries and Allowances Contract Staff	578.000	0	0	0	0	0,0%	0	0	0	0	0,0%
A-1112	Interim Staff	114.588	63.723	0	0	63.723	55,6%	70	0	0	71	0,1%
A-1113	PESCAO - Contract staff	179.838	0	0	132.772	132.772	73,8%	0	0	0	0	0,0%
A-1116	Seconded national experts	306.000	0	0	0	0	0,0%	19.885	0	0	19.885	6,5%
A-1117	PESCAO - Seconded National Experts	87.915	0	0	27.952	27.952	31,8%	0	0	0	0	0,0%
A-1200	Candidates recruitment and other related costs	20.000	1.950	0	0	1.950	9,8%	11.678	0	0	11.678	58,4%
A-1210	Installation costs TA and CA (removal DSA and	108.000	0	0	0	0	0,0%	15.607	0	0	15.607	14,5%
A-1300	Administrative Missions	63.090	2.441	0	0	2.441	3,9%	57.372	90	0	57.462	91,1%
A-1410	Social Welfare of staff and Medical service	53.648	10.465	0	0	10.465	19,5%	2.676	1.439	0	4.116	7,7%
A-1420	Training of staff	148.772	91.564	0	0	91.564	61,5%	14.412	4.663	0	19.074	12,8%
A-1700	Representation expenses	1.800	0	0	0	0	0,0%	1.800	0	0	1.800	100,0%
	TITLE I TOTAL	9.146.712	177.151	0	160.724	337.875	3,7%	123.508	9.220	0	132.728	1,5%
A-2000	Rental of building	53.000	0	0	0	0	0,0%	320	0	0	320	0,6%
A-2010	Utilities and Services	130.377	7.820	0	0	7.820	6,0%	1.059	222	0	1.281	1,0%
A-2050	Security and Surveillance	133.824	19.164	0	0	19.164	14,3%	934	1.963	0	2.897	2,2%
A-2051	Other Building Expenditure	82.313	10.682	0	0	10.682	13,0%	1.434	286	0	1.720	2,1%
A-2100	ICT hardware and software	679.558	196.360	0	0	196.360	28,9%	149	399	0	548	0,1%
A-2101	ICT External Services	407.195	100.382	0	0	100.382	24,7%	85	0	0	85	0,0%
A-2110	Telecommunication charges and equipment	69.399	8.876	0	0	8.876	12,8%	530	0	0	530	0,8%
A-2200	Technical installations and electronic office equi	23.852	1.298	0	0	1.298	5,4%	1.417	0	0	1.417	5,9%
A-2210	Furniture and workplace improvements	80.272	37.358	0	0	37.358	46,5%	1.142	0	0	1.142	1,4%
A-2301	Current Administrative Expenditure (stationary fi	48.366	16.679	0	0	16.679	34,5%	1.505	189	0	1.694	3,5%
A-2500	Meetings of Administrative nature (AB Adv.B etc	11.500	0	0	0	0	0,0%	92	0	0	92	0,8%
A-2600	Translation and interpretation services	8.200	0	0	0	0	0,0%	18	0	0	18	0,2%
A-2620	External Services	387.647	126.214	0	0	126.214	32,6%	1.753	6.300	0	8.053	2,1%
A-2700	Communication expenses	140.857	62.821	0	0	62.821	44,6%	345	951	0	1.296	0,9%
	TITLE II TOTAL	2.256.360	587.653	0	0	587.653	26,0%	10.781	10.311	0	21.092	0,9%
B3-000	ICT Support and Infrastructure	456.302	123.270	0	0	123.270	27,0%	7.122	10.942	0	18.064	4,0%
B3-101	JDPs and assistance to the MS and the Commi	251.097	61.585	0	0	61.585	24,5%	27.944	7.296	0	35.240	14,0%
B3-102	JDPs and assistance to the MS and the Commi	82.381	18.294	0	0	18.294	22,2%	1.357	0	0	1.357	1,6%
B3-203	Promotion of a risk management based approach	1.114.692	480.592	0	0	480.592	43,1%	4.168	346.489	0	350.657	31,5%
B3-304	Support the EU in the implementation of the ext	6.500	1.307	0	0	1.307	20,1%	249	0	0	249	3,8%
B3-406	Improve capacities to implement fisheries contr	10.673.013	3.713.333	0	0	3.713.333	34,8%	20.143	80.446	0	100.590	0,9%
B3-600	PESCAO - Operational Expenditure	917.512	0	0	482.883	482.883	52,6%	0	0	0	0	0,0%
	TITLE III TOTAL	13.501.497	4.398.380	0	482.883	4.881.263	36,2%	60.983	445.174	0	506.157	3,7%
	TOTAL BUDGET	24.904.569	5.163.183	0	643.607	5.806.790	23,3%	195.272	464.705	0	659.977	2,7%

**II.6 EVOLUTION OF COMMITMENTS OUTSTANDING (RAL)
CARRY-FORWARD / RAL FROM 2020**


Ref.	Budget Line description	Commitments outstanding at the end of 2020 (RAL 2020)														
		RAL from final budget adopted	RAL from Assigned Revenue	Total RAL 2020	Payments made from final budget adopted	Payments made from Assigned Revenue	Total Payments made from RAL	Decommit./ Cancellation final budget adopted	Decommit./ Cancellation Assigned Revenue	Total Decommit./ Cancellation RAL 2020	%	Final RAL from final budget adopted	Final RAL from Assigned Revenue	Total Final RAL 2020		
		1	2	3=1+2	4	5	6=4+5	7=1+4	8=7/1	9=2+5	10=9/2	11=7+9	12=11/3	13=1+4+7	14=2+5+9	15=3+6+11
A-1100	Salaries and Allowances Officials and Temporary	10,262	0	10,262	7,234	0	7,234	3,028	29.5%	0	3,028	29.5%	0	0	0	
A-1111	Salaries and Allowances Contract Staff	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
A-1112	Interim Staff	9,388	0	9,388	9,388	0	9,388	0	0.0%	0	0	0.0%	0	0	0	
A-1113	PESCOAO - Contract staff	0	75	75	0	0	0	0	0	75	100.0%	75	100.0%	0	0	
A-1116	Seconded national experts	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
A-1117	PESCOAO - Seconded National Experts	0	484	484	0	0	0	0	0	484	100.0%	484	100.0%	0	0	
A-1200	Candidates recruitment and other related costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
A-1210	Installation costs TA and CA (removal DSA and	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
A-1300	Administrative Missions	90	0	90	0	0	0	90	100.0%	0	90	100.0%	0	0	0	
A-1410	Social Welfare of staff and Medical service	8,748	0	8,748	7,309	0	7,309	1,439	16.5%	0	1,439	16.5%	0	0	0	
A-1420	Training of staff	16,372	0	16,372	11,709	0	11,709	4,663	28.5%	0	4,663	28.5%	0	0	0	
	TITLE I TOTAL	44.859	559	45.418	35.639	0	35.639	9.220	20.6%	559	100.0%	9.779	21.5%	0	0	
A-2000	Rental of building	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
A-2010	Utilities and Services	7,877	0	7,877	7,655	0	7,655	222	2.8%	0	222	2.8%	0	0	0	
A-2050	Security and Surveillance	19,324	0	19,324	17,361	0	17,361	1,963	10.2%	0	1,963	10.2%	0	0	0	
A-2051	Other Building Expenditure	10,313	0	10,313	10,027	0	10,027	286	2.8%	0	286	2.8%	0	0	0	
A-2100	ICT hardware and software	268,558	0	268,558	268,159	0	268,159	399	0.1%	0	399	0.1%	0	0	0	
A-2101	ICT External Services	66,595	0	66,595	66,595	0	66,595	0	0.0%	0	0	0.0%	0	0	0	
A-2110	Telecommunication charges and equipment	12,399	0	12,399	12,399	0	12,399	0	0.0%	0	0	0.0%	0	0	0	
A-2200	Technical installations and electronic office equi	2,952	0	2,952	2,952	0	2,952	0	0.0%	0	0	0.0%	0	0	0	
A-2210	Furniture and workplace improvements	41,772	0	41,772	41,772	0	41,772	0	0.0%	0	0	0.0%	0	0	0	
A-2301	Current Administrative Expenditure (stationary fi	11,066	0	11,066	10,877	0	10,877	189	1.7%	0	189	1.7%	0	0	0	
A-2500	Meetings of Administrative nature (AB Adv.B etc	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
A-2600	Translation and interpretation services	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
A-2620	External Services	57,547	0	57,547	51,247	0	51,247	6,300	10.9%	0	6,300	10.9%	0	0	0	
A-2700	Communication expenses	39,857	0	39,857	38,906	0	38,906	951	2.4%	0	951	2.4%	0	0	0	
	TITLE II TOTAL	538.260	0	538.260	527.949	0	527.949	10.311	1.9%	0	10.311	1.9%	0	0	0	
B3-000	ICT Support and Infrastructure	134,902	0	134,902	123,960	0	123,960	10,942	8.1%	0	10,942	8.1%	0	0	0	
B3-101	JDPs and assistance to the MS and the Commi	65,597	0	65,597	58,301	0	58,301	7,296	11.1%	0	7,296	11.1%	0	0	0	
B3-102	JDPs and assistance to the MS and the Commi	13,981	0	13,981	13,981	0	13,981	0	0.0%	0	0	0.0%	0	0	0	
B3-203	Promotion of a risk management based approach	538,692	0	538,692	192,203	0	192,203	346,489	64.3%	0	346,489	64.3%	0	0	0	
B3-304	Support the EU in the implementation of the ext	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
B3-406	Improve capacities to implement fisheries contr	1,383,013	0	1,383,013	1,302,567	0	1,302,567	80,446	5.8%	0	80,446	5.8%	0	0	0	
B3-600	PESCOAO - Operational Expenditure	0	48,907	48,907	0	29,134	29,134	0	0.0%	423	0.9%	423	0.9%	0	19,350	
	TITLE III TOTAL	2.136.185	48.907	2.185.092	1.691.012	29.134	1.720.146	445.174	0	423	0.9%	445.597	20.4%	0	19.350	
	TOTAL	2.719.305	49.466	2.768.771	2.254.600	29.134	2.283.734	464.705	17.1%	982	2.0%	465.687	16.8%	0	19.350	

CARRY-FORWARD / NEW RAL 2021

Ref.	Budget Line description	Commitments of the year 2021 (RAL 2021)											
		Commitments made from final budget adopted	Commitments made from Assigned Revenue	Total Commitments made	Payments made from final budget adopted	Payments made from Assigned Revenue	Total Payments made	RAL from final budget adopted	%	RAL made from Assigned Revenue	%	Total RAL 2021	%
		1	2	3=1+2	4	5	6=4+5	7=1-4	8=7/1	9=2-5	10=9/2	11=7+9	12=11/3
A-1100	Salaries and Allowances Officials and Temporar	7.474.794	0	7.474.794	7.467.787	0	7.467.787	7.007	0,1%	0		7.007	0,1%
A-1111	Salaries and Allowances Contract Staff	578.000	0	578.000	578.000	0	578.000	0	0,0%	0		0	0,0%
A-1112	Interim Staff	105.130	0	105.130	41.406	0	41.406	63.723	60,6%	0		63.723	60,6%
A-1113	PESCOAO - Contract staff	0	47.684	47.684	0	47.066	47.066	0	0,0%	618	1,3%	618	1,3%
A-1116	Seconded national experts	286.115	0	286.115	286.115	0	286.115	0	0,0%	0		0	0,0%
A-1117	PESCOAO - Seconded National Experts	0	60.023	60.023	0	59.963	59.963	0	0,0%	60	0,1%	60	0,1%
A-1200	Candidates recruitment and other related costs	8.322	0	8.322	6.372	0	6.372	1.950	23,4%	0		1.950	23,4%
A-1210	Installation costs TA and CA (removal DSA and	92.393	0	92.393	92.393	0	92.393	0	0,0%	0		0	0,0%
A-1300	Administrative Missions	5.628	0	5.628	3.187	0	3.187	2.441	43,4%	0		2.441	43,4%
A-1410	Social Welfare of staff and Medical service	42.224	0	42.224	31.759	0	31.759	10.465	24,8%	0		10.465	24,8%
A-1420	Training of staff	117.988	0	117.988	26.424	0	26.424	91.564	77,6%	0		91.564	77,6%
	TITLE I TOTAL	8.710.592	107.706	8.818.299	8.533.442	107.028	8.640.470	177.151	2,0%	678	0,6%	177.829	2,0%
A-2000	Rental of building	52.680	0	52.680	52.680	0	52.680	0	0,0%	0		0	0,0%
A-2010	Utilities and Services	121.441	0	121.441	113.621	0	113.621	7.820	6,4%	0		7.820	6,4%
A-2050	Security and Surveillance	113.566	0	113.566	94.403	0	94.403	19.164	16,9%	0		19.164	16,9%
A-2051	Other Building Expenditure	70.566	0	70.566	59.884	0	59.884	10.682	15,1%	0		10.682	15,1%
A-2100	ICT hardware and software	410.851	0	410.851	214.491	0	214.491	196.360	47,8%	0		196.360	47,8%
A-2101	ICT External Services	340.515	0	340.515	240.133	0	240.133	100.382	29,5%	0		100.382	29,5%
A-2110	Telecommunication charges and equipment	56.470	0	56.470	47.594	0	47.594	8.876	15,7%	0		8.876	15,7%
A-2200	Technical installations and electronic office equi	19.483	0	19.483	18.185	0	18.185	1.298	6,7%	0		1.298	6,7%
A-2210	Furniture and workplace improvements	37.358	0	37.358	0	0	0	37.358	100,0%	0		37.358	100,0%
A-2301	Current Administrative Expenditure (stationary f	35.795	0	35.795	19.116	0	19.116	16.679	46,6%	0		16.679	46,6%
A-2500	Meetings of Administrative nature (AB Adv.B etc	11.408	0	11.408	11.408	0	11.408	0	0,0%	0		0	0,0%
A-2600	Translation and interpretation services	8.183	0	8.183	8.183	0	8.183	0	0,0%	0		0	0,0%
A-2620	External Services	328.347	0	328.347	202.133	0	202.133	126.214	38,4%	0		126.214	38,4%
A-2700	Communication expenses	100.655	0	100.655	37.834	0	37.834	62.821	62,4%	0		62.821	62,4%
	TITLE II TOTAL	1.707.319	0	1.707.319	1.119.667	0	1.119.667	587.653	34,4%	0		587.653	34,4%
B3-000	ICT Support and Infrastructure	314.278	0	314.278	191.008	0	191.008	123.270	39,2%	0		123.270	39,2%
B3-101	JDPs and assistance to the MS and the Commi	157.556	0	157.556	95.971	0	95.971	61.585	39,1%	0		61.585	39,1%
B3-102	JDPs and assistance to the MS and the Commi	67.043	0	67.043	48.750	0	48.750	18.294	27,3%	0		18.294	27,3%
B3-203	Promotion of a risk management based approac	571.832	0	571.832	91.240	0	91.240	480.592	84,0%	0		480.592	84,0%
B3-304	Support the EU in the implementation of the ext	6.251	0	6.251	4.944	0	4.944	1.307	20,9%	0		1.307	20,9%
B3-406	Improve capacities to implement fisheries contr	9.269.857	0	9.269.857	5.556.524	0	5.556.524	3.713.333	40,1%	0		3.713.333	40,1%
B3-600	PESCOAO - Operational Expenditure	0	435.361	435.361	0	405.495	405.495	0	0,0%	29.866	6,9%	29.866	6,9%
	TITLE III TOTAL	10.386.817	435.361	10.822.177	5.988.437	405.495	6.393.932	4.398.380	42,3%	29.866	6,9%	4.428.245	40,9%
	TOTAL	20.804.728	543.067	21.347.795	15.641.545	512.523	16.154.068	5.163.183	24,8%	30.544	5,6%	5.193.727	24,3%

II.7 ANNEXES TO THE BUDGETARY ACCOUNTS

ANNEX 1: REPORT ON THE BUDGETARY AND FINANCIAL MANAGEMENT (RBFM)

 Ref. Ares(2022)2151910 - 24/03/2022



EUROPEAN FISHERIES CONTROL AGENCY (EFCA)

REPORT ON THE BUDGETARY AND FINANCIAL MANAGEMENT (RBFM)

YEAR 2021



1. BACKGROUND AND INTRODUCTION

In accordance with article 103 of the Financial Regulation applicable to EFCA¹, the Agency shall prepare a report on budgetary and financial management for the financial year. The Executive Director shall send the report to the European Parliament, the Council, the Commission and the Court of Auditors, by 31 March of the following year.

The report referred to in paragraph 2 shall give an account, both in absolute terms and expressed as a percentage, at least, of the rate of implementation of appropriations together with summary information on the transfers of appropriations among the various budget items

The presentation of this report has been prepared in accordance with the guidelines for EU bodies and proposed common structure provided by the Commission. The information contained in this report derives from the draft EFCA Annual Report for 2021 to be approved by the Administrative Board on April 21, 2022.

2. EFFICIENCY GAINS AND E-ADMINISTRATION

Following the advancements and achievements of 2020 in the areas of paperless and electronic workflows, 2021 has been a year of consolidation and optimisation of the existing procedures. The teleworking arrangements have continued, which has increased the dependency on the electronic tools and workflows even further. EFCA has made improvement and simplifications of existing procedures, finding new ways of increasing the efficiency in the administrative areas.

In addition to the improvements, there were new systems implemented, such as additional modules of Sysper in the HR area, the PPMT system for e-procurement (to start using in 2022) and the completion of the first annual cycle for budget programming through the new BAPT system.

The following achievements have been reached in 2021:

- ARES document management system is now integrated with the EU SIGN platform for Qualified Electronic Signature (QES) of all documents, mainly affecting the signature of contracts and procurement documents.
- As regards **Sysper** the Ethics, eCV and transcode activation (PMO) modules were implemented. Moreover, it was decided to postpone the implementation of the ATLAS module, until further functionalities will be available and not to use the VAC (vacancies) module because of its complexity which is not appropriate for a small organization as EFCA. A priority for EFCA is to implement the ATS module (standby duty) and the EVAL/PRO modules (appraisal and reclassification). However, those were still not made available by DG HR in 2021.
- The budget programming tool, **BAPT**, was used for the first annual budget programming and execution cycle, and the outcome was positively perceived by the relevant users.
- EFCA onboarded the **PPMT** tool, a component of the e-Procurement platform of the Commission. It is integrated with other systems used by EFCA, such as e-Tendering and e-Submission. This system will allow the planning, execution and follow up of all procurement procedures, including the lower value procedures.

3. OVERVIEW OF THE BUDGET

3.1. Initial budget, amending budgets and final budget

EFCA initially received a total budget of €17 million as a contribution from the General EU Budget for 2021, representing an increase of 0.6% in respect of 2020. Within the framework of the collaboration agreements with the United Kingdom, EFCA was granted €4 million more to be

¹ Decision No 19-W-05 of the Administrative Board of the European Fisheries Control Agency of 29th August 2019 concerning the Financial Regulation of the EFCA

implemented starting in July 2021, raising the total budget of 2021 to €21 million (increase of 24.3% in respect of 2020).

The transfers performed in 2021 per title are reflected below.

TITLE	Voted budget	Transferred	Appropriations (non-differentiated)
1 Staff Expenditure	9,043,000	-208,900	8,834,100
2 Building and Administrative Expenditure	1,797,000	-78,900	1,718,100
3 Operational Expenditure	10,160,000	516,400	10,447,800
TOTAL	21,000,000	0	21,000,000

3.2. Budget Implementation

The main impact on the budgetary and financial management of year 2021 has been the additional subsidy provided to EFCA for its implementation during the second half of the year. This new €4 million budget was targeted for the increase in staff (4 TA and 2 CA) and for up to two more Offshore Patrol Vessels (OPV) for the increase in monitoring of the EU waters adjoining the United Kingdom.

Following the applicable financial regulation and EFCA's internal financial procedures, EFCA was able to start chartering one new OPV only in September, and the new staff was effectively recruited by 1 November. In addition, the year's activities were still impacted by the COVID-19 pandemic and the resulting restrictions for travelling. All these factors had a negative impact on the budget implementation roadmap of the year.

Despite all the above, EFCA was still able to achieve a 99.1% implementation in commitments and 74.5% in payments. The unused budget intended for staff and for the organisation of events and travel (presentational meetings, missions, other events) was pulled together and transferred to guarantee the chartering contract for the 2 current OPVs during at least the 1st months of 2022. This action was planned in view of the expected date of signature of the new framework contract for OPV chartering services.

See below the breakdown of the implementation for each Title in 2021.

2021 Budget Implementation

Title	Budget (EUR)	Committed (EUR)	% exec	Paid (EUR)	% exec
TITLE I	9 043 000	8 710 592	96%	8 533 442	94%
TITLE II	1 797 000	1 707 319	95%	1 119 667	62%
TITLE III	10 160 000	10 386 817	102%	5 988 437	59%
ICT Operational	550 000	314 278	57%	191 008	35%
JDP's, Operational plans and Pilot Projects	520 000	224 599	43%	144 720	28%
Risk assessment and Data Analysis	550 000	571 832	104%	91 240	17%
International dimension: compliance with international provisions	110 000	6 251	6%	4 944	4%
Coast Guard and Capacity Building	8 430 000	9 269 857	110%	5 556 524	66%
TOTAL	21 000 000	20 804 728	99%	15 641 545	74%

In terms of commitments carried forward from 2019, EFCA consumed 93.5%.

The implementation of the total revenue (current and carried forward from previous years) for the ad-hoc grant PESCAO has been 50%, and the unused credit of this assigned revenue will continue to be implemented in 2022.

In terms of commitments carried forward from 2020, EFCA consumed 83%. This figure shows a lower implementation than in previous years mainly due to the delays of two IT development projects that were extended in time for 2022 and therefore cancelled from the C8 payment appropriations of 2021 budget.

EFCA cancelled 2.6% of the payment appropriations in 2021 including all fund sources. The main cancellation (70% of the total) comes from the cancellation of the C8 commitments mentioned above.

The payment delay has been maintained at the levels of 2020, right on the average of 16 days. There was a 99.2% compliance with the Financial Regulation time limits, higher than in 2020. No interest was charged to EFCA for any payment delay.

EFCA continues to carry out ex-ante verification over a subset of financial transactions in its financial circuits based on a risk assessment methodology. To compensate for this, internal ex-post verification on a sample of transactions is carried out quarterly by EFCA financial staff. In 2021 around 41% of all payments have been processed without an ex-ante verification. This figure is the almost equal as in 2020 due to the continuation of the constraint pandemic situation and, therefore, absence of cost claims for missions and experts' travel cost claims, which fall under the type of payment without ex-ante verification.

The results of the quarterly ex-post verification exercises performed in 2021 revealed zero (0%) error rate.

Further details on the budget implementation are available in the 2020 provisional annual accounts and Annual Report of EFCA.

4. MULTI-ANNUAL OVERVIEW

Below the EU budget contributions defined for 2021 to 2022, the draft budget proposed for 2023 and envisaged estimate for 2024.

EXPENDITURE	2021	2022	2023	2024
Title I – Staff	8,710,592	11,040,000	11,372,000	11,600,000
Title II - Administrative	1,707,319	1,880,000	1,835,000	1,850,000
Title III – Operational	10,386,817	16,420,000	16,550,000	16,786,000
Total expenditure	20,804,728	29,340,000	29,757,000	30,236,000

5. REVENUE

The General Budget will continue to be the main source of revenue for EFCA during 2021-2024. The PESCAO grant implementation period extends up to 2023.

REVENUE	2021	2022	2023	2024
EU Subsidy	21,000,000	29,340,000	29,757,000	30,236,000
Assigned Revenue	621,000	6,392,397	p.m	p.m
Other revenue	p.m	p.m	p.m	p.m
Total revenues	21,621,000	35,732,000	29,757,000	30,236,000

EFCA has a grant agreement related to the support to the Project Improved regional fisheries governance in Western Africa (PESCAO), adopted by the Commission by the Decision C (2017) 2951 of 28 April 2017, to be implemented from 2018 to 2023. The project includes a component aiming to improve the fight against Illegal, Unregulated and Unreported (IUU) fishing activities in Western Africa, in which EFCA provides technical assistance.

EFCA is implementing from 2022 the following three additional projects, financed in the frame of contribution agreements under the European Maritime, Fisheries and Aquaculture Fund (EMFAF)³, that will start on 1 February 2022:

- Analysis for the weighing process of fisheries products in the Member States and strategy
- Mediterranean virtual regional training academy on fisheries control and inspection
- Implementation of the results of the Coast Guard qualifications Network and the CGF handbook

The implementation of revenue in 2021, as well as the forecast for 2022 is presented in the table below:

Revenue	2021 Revenue implemented by the agency	2022 Revenue estimated
1. EU contribution	21,000,000	29,340,000
Of which Operational (Title 3)	10,386,817	16,420,000
of which assigned revenue deriving from previous years' surpluses	258,957	601,130
3 THIRD COUNTRIES CONTRIBUTION (incl. EFTA and candidate countries)		
4 OTHER CONTRIBUTIONS	621,000	6,392,397
of which delegation		
Contribution agreements, ad hoc grants	621,000	6,392,397
5. MIXCELANEOUS REVENUE	p.m.	p.m
TOTAL REVENUE	21,621,000	35,732,397

² Extended up to 31 December 2023, Ref. Ares(2020)7694386 – 17.12.2020.

³ European Maritime, Fisheries and Aquaculture Fund

ANNEX 2: STAFF ESTABLISHMENT PLAN 2021

Category	2021			
	Authorised posts under the EU Budget		Occupied posts at 31/12/2021	
	Officials	TA	Officials	TA
AD 16				
AD 15		1		1
AD 14		2		2
AD 13		1		1
AD 12		2		2
AD 11		2		2
AD 10		7		7
AD 9		5		5
AD 8		11		11
AD 7		3		3
AD 6				
AD 5				
TOTAL AD		34		34
AST 11				
AST 10		6		6
AST 9		3		3
AST 8		3		3
AST 7		8		8
AST 6		2		2
AST 5		7		7
AST 4		2		2
AST 3				
AST 2				
AST 1				
TOTAL AST		31		31
TOTAL AST/SC				
TOTAL		65		65

ANNEX 3: GLOSSARY TERMS AND ABBREVIATIONS⁸

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 <i>financial contributions from third countries to programmes financed by the Union</i> . <i>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</i>

⁸ Definitions to large extent provided by DG BUDG services (apply mutatis mutandis to decentralised agencies like EFCA)

	<p>wrongly paid and revenue from the sale of publications and films, including those on an electronic medium.</p> <p>The complete list of items constituting assigned revenue is given in the Financial Regulation Art.21.2.</p>
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)
ECA	European Court of Auditors
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. (OJ L 298, 26.10.2012)
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.

