

Making the railway system
work better for society.

Report on budgetary and financial management information for the financial year 2021

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Introduction

1.1. Budgetary principles

The budget of ERA has been established in compliance with the principles of unity, budget accuracy, annuality, equilibrium, unit of account, universality, specification, sound financial management and transparency as set out in ERA's Financial Regulation.

1.2. Management information systems

The Agency used the following software/tools during 2021:

- › ABAC suite:
 - ABAC WORKFLOW and ABAC ACCOUNTING (SAP) – financial management, budgetary and accounting system;
 - ABAC DATAWAREHOUSE – financial reporting of ABAC environment;
 - ABAC ASSETS – fixed assets, inventory management;
- › E-HR suite:
 - MiMa – Mission Management - management of staff missions;
 - LeaMa – Leave Management – management of leaves;
 - TiMa – Time Management – management of working hours;
- › Centralised SharePoint lists:
 - PROCUREMENT REQUEST – management of procedures;
 - TRANSLATION REQUEST – management of requests for translation to the Centre de Traduction;
 - VAT exemption forms – Management of VAT reimbursement requests;
 - Individual/Provisional commitment requests.
 - Forecast of revenue for fee-related activities
- › Billing model pivot table for the OSS applications (Title 4)
- › MS Project:
 - Project planning for the OSS applications
 - Timesheets for all projects/services

These information systems allow to efficiently manage the budgetary appropriations allocated to the Agency while respecting the principles of the Financial Regulation.

The workflows, in all systems put in place by the Authorising Officer, ensure that each transaction respects the “four eyes” principle.

1.3. Budget

The budget of the Agency had in 2021 four Titles:

- › Title I covers staff expenditures such as salaries, training and costs associated to recruitment procedures and staff wellbeing;
- › Title II covers the costs associated to the functioning of the Agency such as building maintenance, back-office infrastructure, IT equipment and related supporting services;
- › Title III covers the Agency's operational activities;
- › Title IV covers the expenditures linked to the delivery of Vehicle Authorisations, Single Safety Certificates, ERTMS Trackside approvals and other chargeable services.

1.4. Specific context in 2021

In 2021, the Agency had to cope with three main challenges from the point of view of the budget execution:

- › The continuation of the pandemic context conditioning a broad range of Agency's expenditure (e.g. meetings, missions, events, interpretations etc.). The fact that 2021 alternated a period of no missions and meetings, but that at some point towards the end of the summer those appeared as possible, created a quite high level of uncertainty and triggered the need for a regular monitoring of the budget deployments, with a focus on the type of expenditure directly impacted by the pandemic.
- › Managing the identified salary gap, following the use of an underestimated average for the TA/CA salaries
- › Absorb as fast and effectively as possible the IT security budget of 1.298 MEUR, which was received rather late in the year (Budget amending MB Decision 260/03 May 2021)

To cope with these challenges and in order to ensure a sound, effective and efficient execution of its budget, the Agency has put in place a system of regular budget execution monitoring, based on the reports on appropriations, commitments and payments automated from ABAC, by budget line. This allowed for a gradual identification amounts that the various projects/services were not likely to commit/pay in line with the annual plan and, by consequence, for an early redeployment of those available resources towards the emerging needs, within the boundaries of the SPD, as well as within the boundaries of the transfer provisions from the ERA Financial Regulation.

The commitment rate for all titles was 99.81%. The Agency has made substantial progress towards increasing its payment rate for all titles in 2021. The RAL in absolute terms in 2021 was in the order of 1.74 MEUR and saw a substantial decrease compared to over 3 MEUR in 2020. In relative terms as well, the RAL decreased from approx. 11% in 2020 to less than 7% in 2021.

2. Revenue

The Budgetary Authority (the European Parliament and the Council) approved the initial 2021 ERA budget of € 29 589 909, including an estimate of the own revenues from fees and charges for € 3 122 750, the Commission's subsidy for € 25 763 160 (including assigned revenue for € 59 486), the EFTA contribution for € 693 999 and the contribution from Switzerland of € 10 000 as a fee for the use of OSS.

The Agency received an amending budget for € 1 298 000 approved by the Budgetary Authority and included in the Commission's subsidy for € 27 063 159. Hence, the 2021 ERA amended budget reached € 30 887 909.

In addition the Agency received in 2021 "C4 fund source assigned revenues" for an amount of € 138 075,23 coming from different sources:

- › BL 1100: € 35 375,78 received from ESMA for the provision of accounting services in the framework of the Service Level Agreement between ESMA and ERA;
- › BL 2100: € 58 544,75 of which
 - € 60,47 received as compensation from insurance company for screen broken laptops and
 - € 58 484,28 relating to payment of undue invoices for which a credit note had been received after their payment
- › BL 2360: 2 037,80 received as reimbursement of final settlement of the insurance bill
- › BL 2411: € 58 received from the insurance company for damage to mobile phones
- › BL 3013: € 19 724,50 of fees received from participant's to the 2021 European Rail Safety Days;
- › BL 3020: €22 334,40 received as reimbursement for non-delivered IT services

The Agency had “2021 C5 fund source assigned revenues” for an amount of € 20 746,80 coming from the carry-over of the 2020 C4 fund source assigned revenues in 2020:

- › BL 3013: € 20 746,80 received as reimbursement on an advance payment for services that were cancelled due to COVID-19 crisis;

Following its new activities, the Agency invoiced a total amount of € 5 020 526,28 in 2021, out of which € 4 146 779,95 was cashed in the same year. In addition the outstanding amount of € 234 551 relating to recovery orders issued in 2020 was also cashed in 2021, bringing the total cashed amount for 2021 to € 4 381 330,95.

In the course of 2021, the Agency has also received a contribution from the Commission of € 300 400 in relation to the EU Medrail project and a contribution of € 250 000 as a first instalment from the EU for the System Pillar agreement.

Below an overview can be found of the revenue actually received in 2021.

<i>Revenue</i>	<i>Initial budget</i>	<i>Amending budget</i>	<i>Delegation agreement</i>	<i>Revenue Received</i>	<i>Final budget</i>
<i>Subsidy</i>	25 763 160	1 298 000			27 061 160
<i>Fee income estimated</i>	3 122 750			4 381 331	4 381 331
<i>Contribution from third countries (EEA/EFTA)</i>	693 999				693 999
<i>Contribution from Switzerland (OSS)</i>	10 000				10 000
<i>EUMEDRAIL subsidy</i>			300 400		300 400
<i>SYSTEM PILLAR subsidy</i>			250 000		250 000
<i>Miscellaneous revenue</i>					138 075
TOTAL	29 589 909	1 298 000	550 400	4 381 331	32 834 965

3. Budgetary tables

3.1. Budget outturn account

	2021	2020
Revenue		
Commission subsidy DG MOVE	27 755 159	28 232 283
Delegation agreement funds from Commission (IPA, EUMEDRAIL, SYSTEM PILLAR)	550 400	450 000
Contribution from Switzerland (OSS)	10 000	10 000
Fee income	4 381 331	1 957 889
Other revenue	138 075	110 835
Total revenue (a)	32 834 965	30 761 007
Expenditure		
Staff expenses – Budget Title I		
Payments	21 356 899	20 524 260
Automatic carry-overs	144 635	31 929
Administrative expenses – Budget Title II		
Payments	1 709 739	1 910 154
Automatic carry-overs	442 170	386 462
Operational expenses – Budget Title III		
Payments	3 233 810	3 212 242
Automatic carry-overs	2 030 095	3 174 378
Operational expenses – Budget Title IV		
Payments	3 608 194	1 794 023
Automatic carry-overs	1 278 058	504 921
Total expenditure (b)	33 803 600	31 538 369
Outturn for the financial year (a-b)	-968 635	-777 362
Cancellation of unused carry-overs	30 110	-106 232
Adjustment for carry-over from the previous year of appropriations available at 31.12 arising from assigned revenue	1 008 478	785 738
Exchange differences for the year	-315	-383
Balance carried over from year N-1	114 225	59 486
Positive balance from year N-1 reimbursed in year N to the Commission	-114 225	-59 486
Balance of the outturn account for the financial year	69 638	114 225

3.2. Budgetary transfers and amending budgets

2021	Initial adopted budget	Amending budgets	Transfers between titles	Final adopted budget	Additional appropriations (assigned revenue)	Total appropriations available
<i>Title I</i>	20 797 909		668 688	21 466 597	35 376	21 501 973
<i>Title II</i>	2 122 000		-30 322	2 091 678	60 640	2 152 318
<i>Title III</i>	3 547 250	1 298 000*	-638 366	4 206 884	70 474	4 277 786
TOTAL	26 467 159	27 765 159	-	27 765 159	166 490	27 932 077

*IT security budget received at the beginning of May 2021

ERA executed transfers within the Titles and between Titles in order to optimize the budget execution in line with the needs and cope with the extra need in Title 1.

3.3. Budgetary execution**3.3.1. 2021-C1 Appropriations**

2021-C1	Appropriations	Commitments	Not used	Paid	To be carry-forwarded
<i>Title I</i>	21 466 597	21 466 157	440	21 321 523	144 634
<i>Title II</i>	2 091 678	2 091 269	409	1 709 739	381 530
<i>Title III</i>	4 206 884	4 157 676	49 208	2 939 558	1 218 118
TOTAL	27 765 159	27 715 102	50 057	25 970 820	1 744 282

3.3.2. 2021-C4 Assigned revenues

2021-C4	Appropriations	Commitments	Not used	Paid	To be carry-forwarded¹
<i>Title I</i>	35 376	35 376	-	35 376	
<i>Title II</i>	60 640	23 841	36 799		60 640
<i>Title III</i>	42 059	-	42 059		42 059
TOTAL	138 075	59 217	78 858	35 376	102 699

3.3.3. 2021-C5 Assigned revenues carried over

2021-C5	Appropriations	Commitments	Not used	Paid	To be carry-forwarded
<i>Title 3</i>	28 415	28 415		28 415	-
TOTAL	28 415	28 415	0	28 415	0

¹ This carry-forward amount represents only C4 appropriations non used (committed). Hence they will be carried-over in C5 appropriations.

3.3.4. 2021-R0 appropriations

2021-R0	Appropriations	Commitments	Not used	Paid	To be carry-forwarded
<i>Title III</i>	1 035 755	265 837	769 918	265 837	769 918
<i>Title IV²</i>	11 449 214	10 874 452	573 763	3 608 194	1 278 058
TOTAL	12 484 970	11 141 289	1 343 681	3 874 031	2 047 976

3.3.5. 2021-C8 Appropriations carried over

2021-C8	Payment appropriations	Paid	To be cancelled
<i>Title I</i>	31 929	30 177	1 752
<i>Title II</i>	386 462	385 560	902
<i>Title III</i>	2 670 821	2 643 366	27 455
TOTAL	3 089 212	3 059 103	30 109

3.3.6. Title I

With a total budget of € 21 466 597, the budgetary execution of 2021-C1 appropriations reached 100% for commitments and 99.32% for payments at the end of 2021.

At the end of 2021, three Temporary Agents posts, two Contract Agents posts and two Seconded National Experts posts were vacant.

The budgetary execution of 2021-C4 appropriations reached 100% for both commitments and payments appropriations.

In Title I, Payments execution of 2021-C8 appropriations reached 94.51% of the total amount carried over € 31 929.

3.3.7. Title II

With a total budget of € 2 091 678, the budgetary execution of 2021-C1 appropriations reached 99,98% for commitments and 81.74% for payments at the end of 2021.

The budgetary execution of 2021-C4 appropriations reached 39.32% for commitments and no payments appropriations.

In Title II, payment execution of 2021-C8 appropriations reached 99.77% of the total amount carried over € 386 462.

3.3.8. Title III

With a total budget of € 4 206 884, the budgetary execution of 2021-C1 appropriations reached 98.83% for commitments and 69.87% for payments at the end of 2021.

The budgetary execution of 2021-C4 appropriations remained without commitments and payments.

The budgetary execution of 2021-C5 appropriations reached 100% for both commitments and payments.

In Title III, payments execution of 2020-C8 appropriations reached 98.97% of the total amount carried over € 2 670 821.

² These amounts include both the commitment and payments made on current year's commitment appropriations as on last year's commitment appropriations.

3.3.9. Total Budget

For C1 Appropriations:

The level of execution of the total commitment appropriations 2021-C1 reached 99.82% of the appropriations. The level of execution per title is as following:

- › T1: 100%
- › T2: 99.98%
- › T3: 99.83%

With regard to the execution of payment appropriations 2021-C1, the Agency used 93.7% of the appropriations. The level of execution per title is as following:

- › T1: 99.32%
- › T2: 81.74%
- › T3: 69.87%

For C8 Appropriations:

Payments execution of 2021-C8 appropriations reached 99.03% of the total amount of € 3 089 212 carried over from which € 30 109 were cancelled.

3.4. Multi-annual comparison

<i>Fund sources C1</i>	2013	2014	2015	2016	2017	2018	2019	2020	2021
<i>Budget</i>	25 858 799	25 715 600	26 345 000	27 395 879	30 732 000	28 793 243	27 669 347	28 232 283	27 765 159
<i>Commitments C1</i>	25 306 933	25 030 954	26 107 508	27 128 097	30 731 401	28 787 624	27 663 287	28 227 318	27 715 102
<i>% Commitments C1 / Budget</i>	98 %	97 %	99%	99%	99.99%	99.98%	99.98%	99.98%	99.82%
<i>Unused C1 budget</i>	551 866	684 646	237 492	267 782	599	5 619	6 060	4 965	50 057
<i>Payments C1</i>	22 786 192	22 069 562	23 652 504	25 086 616	26 828 213	25 613 394	25 517 067	25 206 760	25 970 820
<i>% Payments C1 / Commitments C1</i>	88 %	86 %	91%	92%	87%	89%	92%	89.3%	93.71%
<i>Payment appropriations C1 to be carried over</i>	2 221 817	2 961 031	2 455 004	2 041 481	3 903 188	3 174 230	2 146 220	3 020 558	1 744 282
<i>% Payment appropriations C1 to be carried over / Commitments C1</i>	8.8 %	11.8 %	9.40%	7.52%	12.70%	11%	8%	10.7%	6.28%

For 2021-C1 fund sources:

- › The execution of C1 commitment appropriations reached 99.82%;
- › The level of C1 payment execution reached 93.71%;
- › The C1 payment appropriations to be carried over amount to € 1 744 282 which represents 6.28% of the appropriations committed.

<i>Fund sources-C8</i>	2013	2014	2015	2016	2017	2018	2019	2020	2021
<i>Commitments carried over C8</i>	2 398 742	2 221 817	2 963 023	2 455 004	2 046 141	3 940 479	3 174 230	2 146 220	3 089 212
<i>C8 to be cancelled</i>	87 293	69 599	115 707	111 021	69 473	122 715	54 280	106 232	30 109
<i>% C8 to be cancelled / Commitments carried over C8</i>	3.6 %	3.1%	3.9%	4.5%	3.4%	3.1%	1.71%	4.95%	0.97%

- › For 2021-C8 fund sources: The unpaid balance of the carry-overs remained under 5% since 2013 and reached a level below 1% in 2021.

4. Budget implementation

4.1. TITLE I

4.1.1. Chapter 11 – Staff in active employment³

2021 C1			2020 C1		
Appropriations	Commitments	Payments	Appropriations	Commitments	Payments
21 169 189	21 169 186	21 084 519	20 332 950	20 332 950	20 316 261
	100%	99.60%		100%	100%

2021 C4			2020 C4		
Appropriations	Commitments	Payments	Appropriations	Commitments	Payments
35 376	35 376	35 376	44 443	44 443	44 443
	100%	100%		100%	100%

2021 C5			2020 C5		
Appropriations	Commitments	Payments	Appropriations	Commitments	Payments
-	-	-	-	6 196	6 196
	-	-		100%	100%

At the end of 31/12/2021, the Agency employed:

- › 148 Temporary Agents (TA) vs 151 TA of the establishment plan adopted. 2 TA posts were vacant at the end of 2021;
- › 34 Contract Agents (CA) vs 36 CA posts of the Multi Annual Staff Policy Plan. Another 4 CAs were contracted to cover grant agreements execution (IPA and EUMEDRail).

In 2021, the Agency welcomed half year an ERA trainee.

4.1.2. Chapter 13 – Missions and travel

2021 C1			2020 C1		
Appropriations	Commitments	Payments	Appropriations	Commitments	Payments
1 200	1 200	956	6 000	6 000	5 233
	100%	79.67%		100%	87.22%

2021 C5			2020 C5		
Appropriations	Commitments	Payments	Appropriations	Commitments	Payments
-	-	-	2 140	2 140	2 140
	-	-		100%	100%

This chapter covers the costs incurred by the staff during missions (daily allowances and travel costs).

³ It should be noted that in the course of 2021 € 1 821 341 of the salary costs are included in Title 4. They represent the salary costs of the operational staff and part of the salary costs of supporting services that have contributed to the fee-related activities.

Throughout 2021, 150 missions took place, including trips for trainings and medical services.

4.1.3. Chapter 14 – Socio-medical infrastructure

2021 C1			2020 C1		
Appropriations	Commitments	Payments	Appropriations	Commitments	Payments
156 844	156 407	96 683	150 464	150 464	135 990
	99.72%	61.64%		100%	90.38%

This chapter covers the costs of annual and pre-recruitment medical inspections and the costs of staff training needs. The amount committed in 2021 (€ 156 407) is distributed as follows:

- › Medical visits € 33 814
- › In-house courses € 28 150
- › Languages training courses € 51 167
- › Ad hoc training courses € 13 205
- › Trainings ordered through the catalogue of the Commission € 24 021
- › ERA social events € 6 050

4.1.4. Chapter 15 – Seconded National Experts

2021 C1			2020 C1		
Appropriations	Commitments	Payments	Appropriations	Commitments	Payments
138 687	138 687	138 687	22 132	22 132	22 132
	100%	100%		100%	100%

The Agency contracted two Seconded National Experts.

4.1.5. Chapter 17 – Entertainment and representation expenses

2021 C1			2020 C1		
Appropriations	Commitments	Payments	Appropriations	Commitments	Payments
677	677	677	200	200	200
	100%	100%		100%	100%

This chapter covers the Agency's representation expenses.

4.2. TITLE II

4.2.1. Chapter 20 – Rental of buildings and associated costs⁴

2021 C1			2020 C1		
Appropriations	Commitments	Payments	Appropriations	Commitments	Payments
1 153 775	1 153 775	1 018 369	1 184 727	1 184 727	1 015 476
	100%	88.26%		100%	85.71%

⁴ It should be noted that in the course of 2021 € 52 317 of the rental of buildings and associated costs are included in title 4. They represent the portion of the overhead costs to be supported by the fee-related activities.

2021 C4			2020 C4		
Appropriations	Commitments	Payments	Appropriations	Commitments	Payments
-	-	-	36	36	36
	-	-		100%	100%

This chapter covers the cost of renting of the Agency's premises and parkings (€ 463 780 for Valenciennes, and € 101 151 for Lille) and all associated expenditure (energy, cleaning, building maintenance, security and other expenditure on buildings such as building insurances, rental of water fountains, etc.). The Agency has two sites: one in Valenciennes (administrative seat) and one in Lille (conference facilities). It has to be mentioned that the Lille conference facilities are closed since the outbreak of the pandemic, while administrative and recurrent costs such as rental, cleaning,...were kept at the minimum level.

The expenditures related to the lease of the premises and associated services (e.g. reception, security, cleaning) are relatively stable (subject to yearly indexation), and can be detailed as follows:

- › € 16 377 for building insurances;
- › € 124 101 for energies (electricity, water, building charges, etc.);
- › € 171 380 for building maintenance, cleaning, exteriors and 3D services;
- › € 237 737 for security services and security equipment, for reception services and for H&S related services and badges;
- › € 39 249 for fitting out of premises.

4.2.2. Chapter 21 – Data processing

2021 C1			2020 C1		
Appropriations	Commitments	Payments	Appropriations	Commitments	Payments
690 663	690 331	563 811	852 649	852 649	639 786
	99.95%	81.63%		100%	75.05%

2021 C4			2020 C4		
Appropriations	Commitments	Payments	Appropriations	Commitments	Payments
-	-	-	19 926	19 926	19 926
	-	-		100%	100%

2021 C5			2020 C5		
Appropriations	Commitments	Payments	Appropriations	Commitments	Payments
-	-	-	22 587	22 587	22 587
	-	-		100%	100%

This chapter covers the expenses related to the purchase and maintenance of data processing equipment and software.

The Agency purchased components and services to renew the Storage Area Network infrastructure that will be end of life-cycle in 2022 (€ 53 976) and re-built the stock of end-user equipment (€ 32 561).

In addition, the main recurring costs were:

- › Network devices maintenance and related support: € 121 781;
- › SLA DG BUDG ABAC services € 44 000;

- › SLA DG DIGIT (E-prior, ABAC Hosting, Rachel,...): € 84 190;
- › SLA DG SG HAN services: € 39 000
- › Use of SYSPER platform and services € 52 852;
- › Access to EU-LEARN € 2 483;
- › The yearly licenses' renewal of the end users' and shared productivity software (Microsoft O365, Foxit, ...): € 209 027;
- › The yearly licenses' renewal related to tools supporting the infrastructure management: € 50 461.

4.2.3. Chapter 22 – Movable property and associated costs

2021 C1			2020 C1		
Appropriations	Commitments	Payments	Appropriations	Commitments	Payments
47 318	47 318	30 951	31 880	31 880	31 774
	100%	65.41%		100%	99.67%

2021 C4			2020 C4		
Appropriations	Commitments	Payments	Appropriations	Commitments	Payments
-	-	-	15 180	-	-
	-	-		-	-

This chapter covers equipment for audio-visual, documentation storage, archiving and mail handling, hiring of fax machines, photocopiers, purchase of office furniture. The costs for the maintenance of installed audio-visual equipment in Valenciennes and Lille represented € 37 041. The costs for purchasing spare parts are € 10 220.

4.2.4. Chapter 23 – Current administrative expenditures

2021 C1			2020 C1		
Appropriations	Commitments	Payments	Appropriations	Commitments	Payments
30 645	30 570	14 969	57 094	57 094	54 680
	99.76%	48.84%		100%	95.77%

2021 C4			2020 C4		
Appropriations	Commitments	Payments	Appropriations	Commitments	Payments
2 038	-	-	-	-	-
	0%	0%		-	-

This chapter covers mainly:

- › Stationery and office supplies €3 628;
- › Bank charges € 3 996;
- › Departmental removals and associated handlings € 10 470;
- › Petty expenses 1 111;
- › Publications and translations € 4 206.

4.2.5. Chapter 24 – Postal expenses and Telecommunications

2021 C1			2020 C1		
Appropriations	Commitments	Payments	Appropriations	Commitments	Payments
169 277	169 274	81 640	127 718	127 718	125 890
	99.9%	48.23%		100%	98.57%

2021 C4			2020 C4		
Appropriations	Commitments	Payments	Appropriations	Commitments	Payments
58	-	-	-	-	-
	0%-	0%-		-	-

This chapter covers postal and delivery expenses, subscription expenses, cost of communication (telephone, internet, mobiles and data transmission) and all related equipment (purchase, maintenance, cabling of building).

- › The cost for postal expenses: € 4 580;
- › The contracted telecom services, including the Testa connection and the link to the alternate site in Kayl: € 164 694;

4.3. TITLE III

4.3.1. Chapter 30 – Operational activities

2021 C1			2020 C1		
Appropriations	Commitments	Payments	Appropriations	Commitments	Payments
1 641 522	1 595 167	1 302 879	3 361 336	3 356 371	1 498 464
	97.18	79.37%		99.85%	44.58%

2021 C4			2020 C4		
Appropriations	Commitments	Payments	Appropriations	Commitments	Payments
42 059	-	-	28 415	-	-
	0%	0%		-	-

2021 C5			2020 C5		
Appropriations	Commitments	Payments	Appropriations	Commitments	Payments
28 415	28 415	28 415	73 875	70 550	10 867
	100%	100%		95.50%	14.71%

Chapter 30 covers all expenses directly linked to the Regulation n°2016/796.

The main sub-categories of expenses under Chapter 30 include:

- › costs for organizing the working groups, as well as the Management/Executive Board meetings (reimbursement of external experts, catering) and costs for the Agency's staff missions – as mentioned in Section 1.4, this type of expenditure was significantly conditioned by the pandemic context and the linked uncertainty of organizing in person meetings throughout the year.
- › costs for translations and interpretations – also impacted to a certain extent by the pandemic.

- › costs for the development, maintenance and support for the registers and databases used in relation to external stakeholders (including the One-Stop Shop) – Railway System Data
- › costs for interoperable data
- › costs for communication activities and for the ERA Academy - also impacted to a certain extent by the pandemic.

The amounts committed and paid (€ 123 814) for the reimbursement of external experts, the catering and the Agency's staff mission in 2021 across the various budget lines under Chapter 30 are relatively low compared to the overall level of commitments/payments and also compared to the last year amounts (€ 887 864). This is explained on one hand by extending in 2021 the decision on not reimbursing the experts' participation to Agency's meetings, with the exception of the MB members and the representatives of the trade unions, but much more importantly by the consequences of the COVID-19 pandemic. The latter led to the replacement, to a very high extent, of physical meetings with virtual meetings.

For the ERA Academy the total amount committed was € 75 390 and paid € 17 764.

For translation and interpretation services the total amount committed and paid in 2021 was € 69 378.

For the Monitoring, the reporting railway system, the subscription BPS and Industrial Safety membership the total amount committed and paid was € 21 501.

For the development, maintenance and support of the Agency's Railway Registers (Railway System Data), the total amount committed in 2021 was € 285 880. The level of payments in 2021 was € 196 560. These were used for:

- › European Railway Agency Database of Interoperability and Safety (ERADIS)
- › European Centralised Virtual Vehicle Register (ECVVR)
- › Register of Infrastructure (RINF)
- › European Register of Authorised Types of Vehicles (ERATV)
- › Single Rules Database (SRD)
- › European Vehicle Registers (EVR)
- › Organisation Code Register (OCR)

In addition to the above-mentioned registers and databases, the Agency has committed an amount of € 438 344 for the coordination activities for the 4th RP, including for the maintenance and support in relation to the One-Stop Shop . The level of payments for this in 2021 was € 307 364.

The amount committed in 2021 for the service level agreement with DG DIGIT for Interoperable data was € 525 067.

As regards the communication activities, the total amount committed in 2021 was € 55 793. The level of payments in 2021 was € 48 520 .

For this chapter, the execution of payments appropriations 2021-C8 reached 98.99% of the total amount carried over € 1 917 591 and € 19 398 were cancelled.

4.3.2. Chapter 31 – Operational expenditures

2021 C1			2020 C1		
Appropriations	Commitments	Payments	Appropriations	Commitments	Payments
2 565 362	2 562 508	1 636 679	2 105 133	2 105 133	1 360 874
	99.89%	63.87%		100%	64.65%

2021 C4			2020 C4		
Appropriations	Commitments	Payments	Appropriations	Commitments	Payments
-	-	-	18 014	18 014	18 014
	-	-		100%	100%

2021 C5			2020 C5		
Appropriations	Commitments	Payments	Appropriations	Commitments	Payments
-	-	-	15 180	15 180	6 209
	-	-		100%	40,90%

This chapter covers operational expenditures such as scientific library and IT dedicated systems, equipment and services. The Agency provided ICT services and information management supporting the operational activities including:

- › Intra-muros consultancy services (€ 793 543);
- › SLA with CERT-EU (€ 74 460);
- › SLA CdT (alternate site in Kayl) € 56 798;
- › The yearly licenses' renewal of the end users' and shared productivity software (Microsoft Project Online, ClearQuest, ...): € 50 783;
- › Purchase of specific equipment for Communication's needs: € 7 307;
- › Maintenance, licences, and services for the ERA IT infrastructure: € 504 975.

In May 2021 DG BUDG assigned additional appropriations of €1 298 000 to the Agency to support the IT security investment plan for increasing the resilience of the Agency's IT systems against cyber-attacks. Despite the limited timeframe, the Agency managed to commit € 1 045 618 on the defined actions (perimeter security improvement, SharePoint infrastructure security, penetration testing exercise, vulnerability management, ...). The € 252 382 that were not committed on IT security activities, were frontloaded on other services in order to have the corresponding envelope in 2022 for completing the planned actions.

The cost of the scientific library for the Agency was €29 025.

For this chapter 31, the execution of payments appropriations 2021-C8 reached 98.93% of the total amount carried over € 753 230 € and 8 057 were cancelled.

4.3.3. Chapter 30 – Delegation agreements (RO-credits)

2021 RO			2020 RO		
Appropriations	Commitments	Payments	Appropriations	Commitments	Payments
1 035 756	265 837	265 837	792 956	473 355	317 815
	25.67%	25.67%		59.69%	40.08%

This chapter covers operational expenditures linked to three delegation agreements that the Agency has signed, IPA and EUMEDRAIL with DG NEAR and SYSTEM PILLAR with DG MOVE. It also includes the contribution received from Switzerland for the use of OSS.

- ✓ OSS fee from Switzerland: €20 000 were available on the budget line and were carried over.
- ✓ IPA 2020: Out of the € 435 745 available, € 68 976 were committed and paid. The balance of € 366 769 was carried over. .
- ✓ EUMEDRAIL 2021: Out of the € 330 011 available, € 196 862 was committed and paid. The balance of € 133 149 was carried over..
- ✓ SYSTEM PILLAR: € 250 000 cashed at the end of the year, were available on the budget line and were carried over.

In January 2021, the Agency received the next instalment € 300 400 for the implementation of the new IPA Western Balkans agreement for 2021-2022 with DG NEAR.

4.4. TITLE IV

2021 RO			2020 RO		
Appropriations	Commitments	Payments	Appropriations	Commitments	Payments
11 449 214	10 875 452	3 608 194	5 644 764	5351 912	1 794 023
	94.99%	31.51%		94.81%	31.78%

This chapter covers all expenses directly linked to the Regulation n°2016/796 linked with the 4WP activities. The amount of the available commitment appropriations is based upon a forecast of revenue which is made for each single application. The paid amount includes the following elements:

- salary costs of the operational staff that has worked on the applications
- salary costs of the operational/administrative staff providing supporting services
- a portion of the overhead costs (mainly building and other administrative expenditure)
- costs charged by the external service providers (NSA and persons working as an expert for the Agency).

The amounts in the table above include both the commitment and payments made on current year's commitment appropriations as on last year's commitment appropriations. In the table below a split of these amounts can be found.

<i>Commitments</i>					<i>Payments</i>			<i>Outstanding</i>
Carried over from previous years	De-commitments on carry-overs	Remaining commitments previous years	Commitments current year	Total	Payments previous year's commitments	Payments current year	Total payments	
3 557 889	- 1 571 373	1 986 516	8 888 936	10 875 452	1 225 845	2 382 349	3 608 194	7 267 258

In addition it should be noted that the increase in the total amount of remaining payment credits at the end of 2021 of € 1 278 058 as compared to 2020 (€ 504 921) can be explained by the fact that in 2021 the regularization between titles 4 and 1 and 2 for the salary costs of operational staff, salary cost of supporting services and a portion of the overhead cost was only done for 3 quarters instead of 4. The impact of this non-executed regularization payment in 2021 was € 602 179.

The Title 4 activities, related to fees and charges for Vehicle Authorisation and Single Safety Certification, are bound to **a time lag of approx. seven months** between the moment of the submission of the application and the moment of cashing. There is therefore a genuine multi-annual component associated to the fees and charges appropriations, which needs to be taken into account when regularisations are performed. This multi-annual aspect is particularly important in a start-up situation, as the Agency was in between 2019 and 2021.

The new Implementing Regulation on Fees and Charges entered into force on 23 November 2021, which envisages an increase of the hourly rate from 130€ to 239€, as well as the OSS cost recovery and the fixed rate for VA CTT. The forecasted revenue corresponding to the ERA staff for Jan-June 2022 is estimated **at 2.275 mill €**. This is much more limited compared to the revenue forecasted to be cashed after June 2022, due to the fact that it is only starting with June that the effect of the updated hourly rate will be noticed significantly. According to the expenditure structure for the 2022 budget the proportion of costs for fees and charges related activities for the first half of 2022 is in the order of **3.313 mill€**. The Agency therefore needs to tackle this cash flow gap of more than 1 mill € with the necessary prudence, and has therefore decided to adjust the regularization schedule accordingly.

Finally it should be noted that out of the total payments made in 2021 € 1 873 658 related to the salary costs of the operational staff that has worked on the applications, the salary costs of the operational/administrative staff providing supporting services and - a portion of the overhead costs (mainly building

and other administrative expenditure. The balance of € 1 268 511 represented payments done to national authorities for their assessment of the national part and to external experts from the pool of experts for the work done on behalf of the Agency.