



Report on budgetary and financial management Financial year 2017

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Contents

1	Legal and financial framework.....	3
2	Factsheet - IMI at a glance.....	4
3	Budgetary principles.....	6
4	Overview of the budget.....	6
4.1	Initial budget, amending budgets and final budget.....	6
4.2	Budget transfers.....	8
4.3	Budget implementation.....	9
4.3.1	Administrative expenditure (Title 1 and Title 2).....	9
4.3.2	Operational expenditure (Title 3).....	10
4.3.3	Overview of the carry over appropriations to 2017.....	12
5	IMI2 JU programmes.....	13
6	Revenues.....	17

1 Legal and financial framework

Legal framework

IMI2 JU is a Public Private Partnership (PPP) between the EU (represented by the EC) and the European pharmaceutical industry (represented by EFPIA). IMI2 JU was established, within the meaning of Article 187 of the Treaty on the Functioning of the European Union, by Council Regulation (EU) 557/2014 of 06/05/2014¹ for the implementation of the Joint Technology Initiative on Innovative Medicines.

PPPs are an instrument foreseen by H2020, established by Regulation (EU) No 1291/2013 of the European Parliament and of the Council² to achieve a greater impact with respect to research and innovation by combining EU public funds and private sector funds in key areas where research and innovation can contribute to the Union's wider competitiveness goals, leverage private investment and help tackle societal challenges.

IMI2 JU is established for a period until 31 December 2024. However, in order to take into account the duration of Horizon 2020, Calls for proposals by IMI2 JU shall be launched at the latest by 31 December 2020. In duly justified cases, Calls for proposals may be launched until 31 December 2021. IMI2 JU replaced and succeeded the IMI JU, established by Regulation (EC) No 73/2008. However, according to Article 19.2 of Regulation 557/2014, actions initiated under Regulation (EC) No 73/2008 and financial obligations related to those actions shall continue to be governed by that Regulation until their completion. Regulation (EU) No 1290/2013³ shall apply to the actions funded by IMI2 JU. In accordance with that Regulation, IMI2 JU shall be considered as a funding body and shall provide financial support to indirect actions as set out in Article 1 of the Statutes.

Financial framework

IMI2 JU has a budget of EUR 3.3 billion for the period 2014-2024⁴. Of this:

- up to EUR 1.425 billion comes from Horizon 2020 to match at least EUR 1.425 billion from EFPIA companies;
- up to EUR 213 million comes from Horizon 2020 to match additional contributions from other Members and Associated Partners,

EFPIA companies and Associated Partners do not receive any EU funding⁵, but contribute to the projects 'in kind', for example by donating their researchers' time or providing access to research facilities or resources.

In accordance with Article 209⁶ of Regulation (EU, Euratom) No 966/2012⁷ on the financial rules applicable to the general budget of the Union and Commission Delegated Regulation (EU) No 110/2014⁸, IMI2 JU has adopted specific financial rules.

¹ OJUE 07/06/2014 L 169/54.

² Regulation (EU) No 1291/2013 of the European Parliament and of the Council of 11 December 2013 establishing Horizon 2020 - the Framework Programme for Research & Innovation (2014-2020) & repealing Decision No 1982/2006/EC (OJ L 347, 20.12.2013, p. 104).

³ Regulation (EU) No 1290/2013 of the European Parliament and of the Council of 11 December 2013 laying down the rules for participation and dissemination in 'Horizon 2020 — the Framework Programme for Research and Innovation (2014-2020)' and repealing Regulation (EC) No 1906/2006 (OJ L 347, 20.12.2013, p. 81).

⁴ During its first phase (2008-2013 established by Regulation 73/2008), IMI JU had a budget of EUR 2 billion, half of which came from the EU's Seventh Framework Programme for research (FP7), and half of which came from in kind contributions by EFPIA companies.

⁵ For precise reference to IMI2 JU rules on eligibility of funding, please refer to Article 1 of Commission Delegated Regulation (EU) No 622/2014 of 14 February 2014.

⁶ By way of derogation from Article 60.7 and Article 209 of Regulation (EU, Euratom) No 966/2012, the discharge for the implementation of the budget of the IMI2 Joint Undertaking shall be given by the European Parliament, upon recommendation of the Council in accordance with the procedure provided for in the financial rules of the IMI2 Joint Undertaking.

⁷ Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 (OJ L 298, 26.10.2012, p. 1).

⁸ Commission Delegated Regulation (EU) No 110/2014 of 30 September 2013 on the model financial regulation for public-private partnership bodies referred to in Article 209 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council (OJ L 38, 7.2.2014, p. 2).

2 Factsheet - IMI at a glance at the end of 2017

Name	Innovative Medicines Initiative 2 Joint Undertaking (IMI2 JU)
Objectives	<p>According to Article 2 of the Council Regulation establishing IMI2, the IMI2 Joint Undertaking shall have the following objectives:</p> <ul style="list-style-type: none"> a) to support, in accordance with Article 25 of Regulation (EU) No 1291/2013, the development and implementation of pre-competitive research and of innovation activities of strategic importance to the Union's competitiveness and industrial leadership or to address specific societal challenges in particular as described in parts II and III of Annex I to Decision 2013/743/EU, and in particular the challenge to improve European citizens' health and well-being; b) to contribute to the objectives of the Joint Technology Initiative on Innovative Medicines, in particular to: <ul style="list-style-type: none"> i. increase the success rate in clinical trials of priority medicines identified by the World Health Organisation; ii. where possible, reduce the time to reach clinical proof of concept in medicine development, such as for cancer, immunological, respiratory, neurological and neurodegenerative diseases; iii. develop new therapies for diseases for which there is a high unmet need, such as Alzheimer's disease and limited market incentives, such as antimicrobial resistance; iv. develop diagnostic and treatment biomarkers for diseases clearly linked to clinical relevance and approved by regulators; v. reduce the failure rate of vaccine candidates in phase III clinical trials through new biomarkers for initial efficacy and safety checks; vi. improve the current drug development process by providing support for the development of tools, standards and approaches to assess efficacy, safety and quality of regulated health products.
Founding legal act	Council Regulation (EU) No 557/2014 of 6 May 2014 establishing the Innovative Medicines Initiative 2 Joint Undertaking
Executive Director	Pierre Meulien
Governing Board	<p>Representatives of the European Commission (EC)</p> <p>Jack Metthey, Chair of the IMI Governing Board, Acting Deputy Director-General responsible for Research Programmes within the Directorate-General for Research and Innovation</p> <p>Line Matthiessen, Acting Director responsible for the Health Directorate within the Directorate-General for Research and Innovation</p> <p>Irene Norstedt, Head of Unit responsible for Innovative and Personalised Medicine within the Directorate-General for Research and Innovation</p> <p>Carlo Pettinelli, Director responsible for Consumer, Environmental and Health Technologies within the Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs</p> <p>Andrzej Jan Rys, Director responsible for Health systems, medical products and innovation within the Directorate-General for Health and Food Safety</p> <p>Representatives of the European Federation of Pharmaceutical Industries and Associations (EFPIA)</p> <p>Jean-Christophe Tellier, CEO of UCB, member of the EFPIA Board, Chair of the EFPIA Innovation Board Sponsored Committee</p> <p>Nathalie Moll, Director General of EFPIA</p>

	<p>Salah-Dine Chibout, Global Head of Discovery and Investigational Safety at Novartis, Chairman of the EFPIA Innovative Medicines Strategy Priority Working Group</p> <p>Carlo Incerti, Sr Vice President, Head of Global Medical Affairs Sanofi Genzyme</p> <p>Paul Stoffels, Chief Scientific Officer at Johnson & Johnson, Worldwide Chairman of Janssen Pharmaceutical Companies of Johnson & Johnson</p>
Other bodies	<p>States Representatives Group (SRG): 28 European Union (EU) Member States and 16 Associated Countries to the Horizon 2020 Framework Programme</p> <p>Scientific Committee: 12 members including ad hoc members</p> <p>Stakeholder Forum: Over 403 registrations in 2017</p> <p>Strategic Governing Groups: 7 groups</p>
Staff	<p>Total posts: 56 (39 Temporary Agents, 15 Contract Agents, 2 Seconded National Experts)</p> <p>Posts filled: 49 (36 Temporary Agents, 13 Contract Agents, 0 Seconded National Experts)</p>
2017 budget	<p>Commitment appropriations: EUR 322 396 498</p> <p>Payment appropriations: EUR 206 372 367</p>
2017 budget implementation	<p>Commitment appropriations: EUR 312 941 345 (97.07%)</p> <p>Payment appropriations: EUR 148 514 294 (71.96%)</p>
Grants	<p>15 grants signed in 2017 for a total value of EUR 239.8 million</p>
Strategic Research Agenda	<p>The focus of the IMI2 JU Strategic Research Agenda (SRA) is on delivering 'the right prevention and treatment for the right patient at the right time'. No amendment in 2016.</p>
Call implementation in 2017	<p>Calls launched: 3</p> <p>Proposals submitted under two-stage Calls:</p> <ul style="list-style-type: none"> ▪ Short proposals submitted: 65 ▪ Eligible proposals submitted: 64 ▪ Full proposals submitted: 14 ▪ Proposals selected for funding: 14 <p>Proposals submitted under single-stage Calls:</p> <ul style="list-style-type: none"> ▪ Proposals submitted: 7 ▪ Eligible proposals submitted: 4 ▪ Proposals selected for funding: 4 <p>Global project portfolio as of end 2017: 64 projects running (27 under IMI1 and 37 under IMI2)</p>
Participation, including SMEs	<p>Beneficiaries receiving funds in IMI1 and IMI2 projects represent a range of different types of organisations, including universities, research organisations, small and medium-sized enterprises (SMEs) and patient organisations.</p> <p>IMI2: SMEs account for</p> <ul style="list-style-type: none"> ▪ Participations: 80 out of 827 (9.7 %) ▪ Unique Legal Entities (participants): 64 (14.8 %) out of 433 <p>IMI1: SMEs account for:</p> <ul style="list-style-type: none"> ▪ Participations: 196 out of 1738 (11.3 %) ▪ Unique Legal Entities (participants): 165 (24.2 %) out of 681

3 Budgetary principles

As set out in the IMI2 JU Financial Rules, the budget of IM2 JU was established and implemented in accordance with the principles of unity, budget accuracy, annuality, equilibrium, unit of account, universality, specification, sound financial management and transparency.

4 Overview of the budget

4.1 Initial budget, amending budgets and final budget

The total IMI budget for 2017 was EUR 322.4 million in commitment appropriations (CA) and EUR 206.4 million in payment appropriations (PA). The budget execution of the commitment appropriations and the payment appropriations reached a level of 97.07 % and 71.96 % respectively.

The IMI budget is divided into three Titles:

- Title 1 covers staff expenditure such as salaries, training, costs associated with recruitment procedures, and staff well-being.
- Title 2 covers the costs associated with functioning of IMI JU such as renting of premises, IT needs, expenses related to external communication, expert fees and costs of ex-post audits.

Titles 1 and 2 together form the administrative expenditure.

- Title 3 covers IMI's operational activities.

The IMI2 JU Governing Board approved the 2017 budget on 23 December 2016. The IMI2 JU Governing Board approved the first budget amendment on 11 July 2017 in order to include the carry over amounts from previous year as well as to reduce the operational payment appropriations by EUR 56 million. The Staff Establishment Plan 2017 remained unchanged.

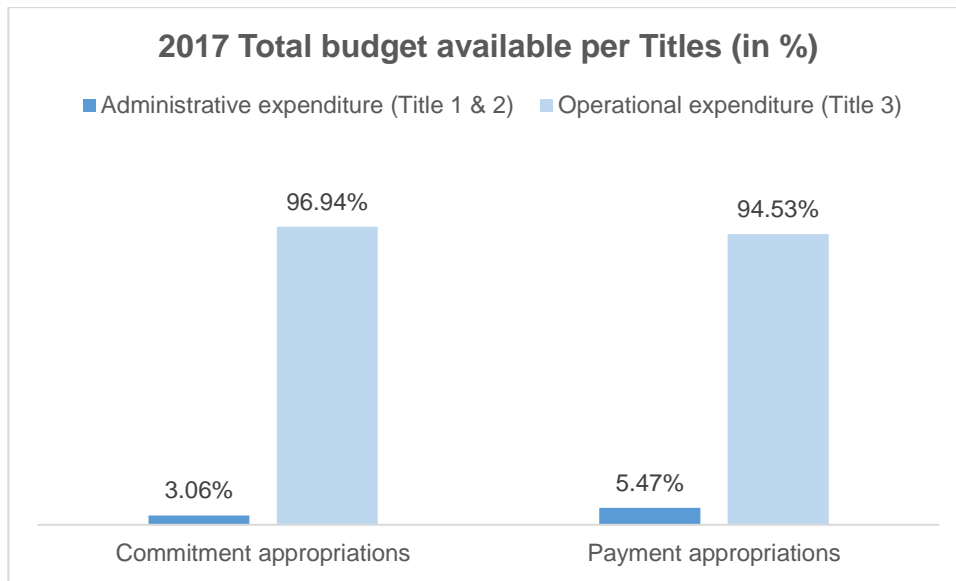
The IMI2 JU Governing Board approved the second budget amendment on 28 November 2017 in order to further reduce the operational payment appropriations by EUR 25.8 million, in line with updated projects spending. The Staff Establishment Plan 2017 remained unchanged.

IMI2 JU Budget 2017 in EUR

	Voted budget		Carry over Amending budget no 1		Amending budget no 2		Assigned revenue*		Final budget	
	CA	PA	CA	PA	CA	PA	CA	PA	CA	PA
Revenue										
EC contribution to administrative and operational costs	182,953,171	201,697,134	134,467,173	78,699,079		(24,000,000)			317,420,344	200,396,213
				(56,000,000)					-	
EFPIA contribution to administrative costs	4,914,500	4,914,500							4,914,500	4,914,500
EFPIA constituent entities and affiliated entities contribution to operational costs		1,000,000							-	1,000,000
Associated Partners contribution to operational costs		1,831,000				(1,831,000)			-	-
Assigned revenue							61,654	61,654	61,654	61,654
Total revenue	187,867,671	209,442,634	134,467,173	22,699,079	-	(25,831,000)			322,396,498	206,372,367
Expenditure										
Title 1	5,702,000	5,702,000		124,575			82	82	5,702,082	5,826,657
Title 2	4,127,000	4,127,000		1,292,135			35,903	35,903	4,162,903	5,455,038
Title 3	178,038,671	199,613,634	134,467,173	77,282,369		(25,831,000)	25,669	25,669	312,531,513	195,090,672
				(56,000,000)						
Total expenditure	187,867,671	209,442,634	134,467,173	22,699,079	-	(25,831,000)	61,654	61,654	322,396,498	206,372,367

*The assigned revenue shows the amounts recovered during the year from suppliers and projects.

The graph below shows the total 2017 budget available per Title in %.



4.2 Budget transfers

No budget transfers between Titles were made during 2017. Budget transfers between chapters were authorised in 2017, which led to the following changes:

Chapter		Budget approved EUR	Budget transfer EUR	Budget after transfers EUR
11	Staff in active employment	5,242,000	(91,240)	5,150,760
14	Socio-medical structure	230,000	91,240	321,240
20	Investments in immovable property rental of buildings	679,000	90,154	769,154
21	Information Technology purchases	592,000	178,908	770,908
22	Movable property	153,000	(93,062)	59,938
23	Current administrative expenditure	123,000	(21,000)	102,000
24	Postage and telecommunications	68,000	10,000	78,000
26	Expenditure in connection with operational activities	300,000	14,000	314,000
27	External communication information and publicity	625,000	(132,000)	493,000
28	Studies	729,000	(260,000)	469,000
29	Expert contracts and meetings	700,000	213,000	913,000

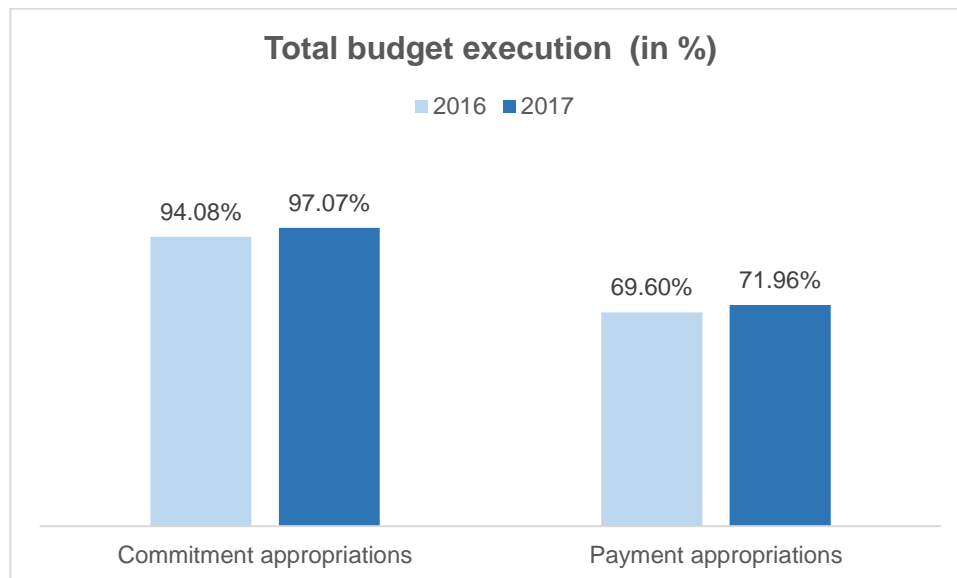
Overall, the budget transfers made in 2017 had no impact on the approved budget.

4.3 Budget implementation

The table below shows the execution of the 2017 budget per Title in absolute amounts.

Title	2017 final budget execution per title in EUR					
	Commitment appropriations	Execution	%	Payment appropriations	Execution	%
Title 1	5,702,082	4,945,213	86.73	5,826,657	4,940,716	84.80
Title 2	4,162,903	3,564,619	85.63	5,455,038	3,192,260	58.52
Subtotal administrative expenditure	9,864,985	8,509,832	86.26	11,281,695	8,132,976	72.09
Title 3	312,531,513	304,431,513	97.41	195,090,672	140,381,318	71.96
Total (Title1, 2 and 3)	322,396,498	312,941,345	97.07	206,372,367	148,514,294	71.96

The graph below shows the 2017 total budget execution compared with 2016.



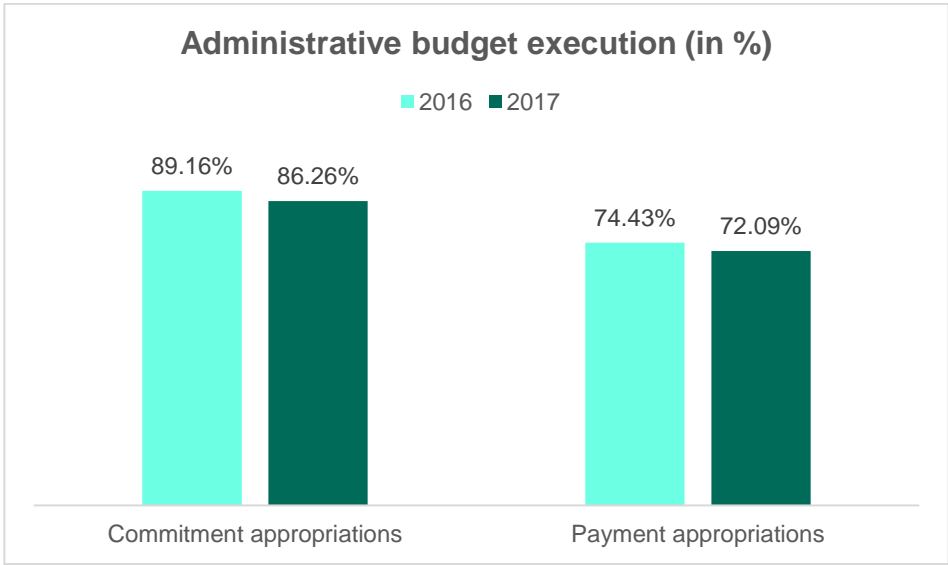
The graphs below show the 2017 budget execution for administrative costs (staff and infrastructure) and operational activities (project-related) compared with 2016.

4.3.1 Administrative expenditure (Title 1 and Title 2)

Regarding the administrative costs, the budget execution of the commitment and payment appropriations reached a level of 86.26 % and 72.09 % respectively. IMI continued to execute its budget applying principles of sound financial management, which resulted into savings in the communication, meetings and other administrative budget lines.

Despite recruitments carried in 2017, the number of staff employed at the end of 2017 was lower than the maximum authorised, resulting in lower execution than foreseen.

It is important to note that the EC part of unused appropriations for administrative costs will be made available for operational activities in the 2018 budget – see section 4.3.3 for details.



4.3.2 Operational expenditure (Title 3)

The total operational budget approved for 2017 was EUR 312.5 million in commitment appropriations (CA) and EUR 195.1 million in payment appropriations (PA). In 2017, the operational commitment and payment appropriations reached a level of 97.41 % and 71.96 % respectively.

The commitment appropriations related to H2020 were consumed by Grant Agreements implementing the Call for proposals 7, 8 and 9 of and by launching Calls for proposals 8 (the fourth cut off), 11, 12 and 13.

The payment appropriations related to H2020 were mainly used by pre-financing for projects of Call 7, 8 and 9 and by intermediate payments for projects of Call for proposals 1 – 4.

As concerns operational commitment appropriations, IMI is executing its budget well (over 97%).

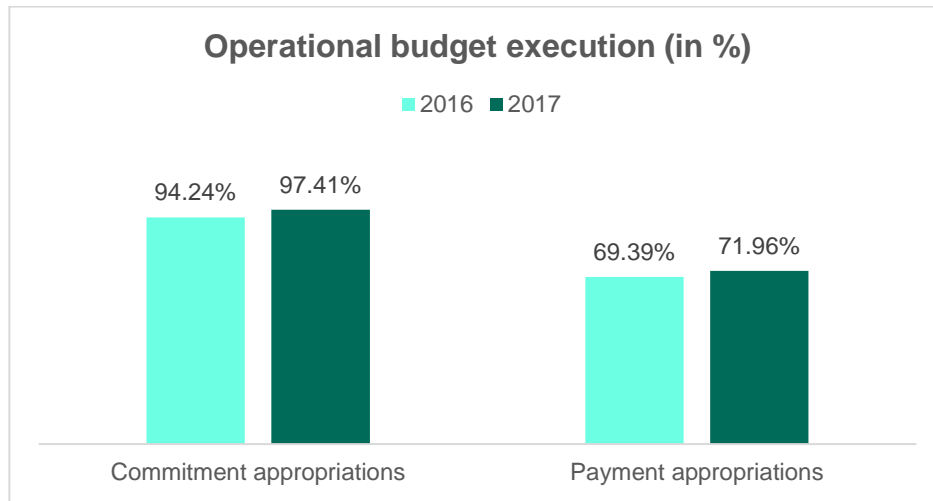
As regards operational payment appropriations, the execution is at 71.96%.

The main reason of this lower execution is the underspending linked to risky late clinical development activities (phases II and/or III), in particular in the areas of Anti-Microbial Resistance (AMR) and Ebola disease. Projects have claimed fewer funds than foreseen due to volatility in these high-risk projects involving clinical trials that may be significantly reduced or postponed. Furthermore, the Ebola open call of March 2017 did not result in any eligible applicant; as a result, payment of pre-financing foreseen in 2017 is to be postponed to 2018.

Another reason is the complexity of some public private consortia that required significant time for grant agreement signature, which affected the ability to pre-finance the projects in the planned budget cycle.

Furthermore, the volatility of the pharma industry (mergers and acquisition, changes of corporates strategies) results in shifting portfolios between companies, therefore adding complications and delays in the execution of IMI projects' tasks.

The graph below shows the 2017 operational budget execution compared with 2016.



The tables below indicate the operational budget execution (Title 3) per programme.

Execution of commitment appropriations in EUR								
	Budget			Additional appropriations		Total		
	Voted budget	Execution	%	Appropriations	Execution	Appropriations	Execution	%
IMI1 (FP7)	-	-	-	25,669	-	25,669	-	-
IMI2 (H2020)	312,505,844	304,431,513	97.42	-	-	312,505,844	304,431,513	97.42
Total Title 3	312,505,844	304,431,513	97.42	25,669	-	312,531,513	304,431,513	97.41

Execution of payment appropriations in EUR								
	Budget			Additional appropriations		Total		
	Voted budget	Execution	%	Appropriations	Execution	Appropriations	Execution	%
IMI1 (FP7)	112,630,000	72,020,753	63.94	25,668.82	-	112,655,669	72,020,753	63.93
IMI2 (H2020)	82,435,003	68,360,565	82.93	-	-	82,435,003	68,360,565	82.93
Total Title 3	195,065,003	140,381,318	71.97	25,668.82	-	195,090,672	140,381,318	71.96

The commitments carried forward from 2016 to 2017 include the amounts committed at the launch of Calls and the amounts committed based on grant agreements concluded.

The commitments related to Calls launched are consumed by the commitments based on the grant agreements concluded. The amount not consumed, related to IMI2 Call 10, was de-committed at the end of 2017 and, based on the N+ 3 rule as set out in the IMI2 Financial Rules the unused appropriations will be carried over to the 2018 budget.

The table below shows the summary of commitments outstanding for operational expenditure per programme at the end of 2017.

Commitments carried forward from previous year 2016	Commitment appropriation in EUR				
	Carry forward	Commitments made during 2017	De-commitments	Payments	Commitments outstanding at the end of 2017
IMI1 (FP7)	318,102,973	-	-	72,020,753	246,082,220
IMI2 (H2020)	404,013,173	304,431,513	174,612,479	68,360,565	465,471,643
Total Title 3	722,116,146	304,431,513	174,612,479	140,381,318	711,553,863

4.3.3 Overview of the carry over appropriations to 2018

The N+3 rule for the PPP bodies states that the unused appropriations may be entered in the estimate of revenue and expenditure of up to the following three financial years, subject to Governing Board approval. IMI will re-enter into the 2018 budget the unused commitment and payment appropriations from 2017.

Administrative expenditure:

- Payment appropriations of EUR 1 449 527, corresponding to the amount of commitments carried forward from the 2017 to the 2018 budget.

Operational expenditure:

- Unused commitment and payment appropriations to be carried over to 2018 budget of EUR 183 390 055* corresponding to commitment appropriations, and EUR 56 158 881* corresponding to payment appropriations.

	Commitment appropriation EUR	Payment appropriation EUR
Unused appropriations (operational and administrative)	*183,390,055	*56,158,881

*estimated; subject to Governing Board approval

5 IMI2 JU programme

Multiannual budget execution as at 31.12.2017 (ongoing projects/Calls)

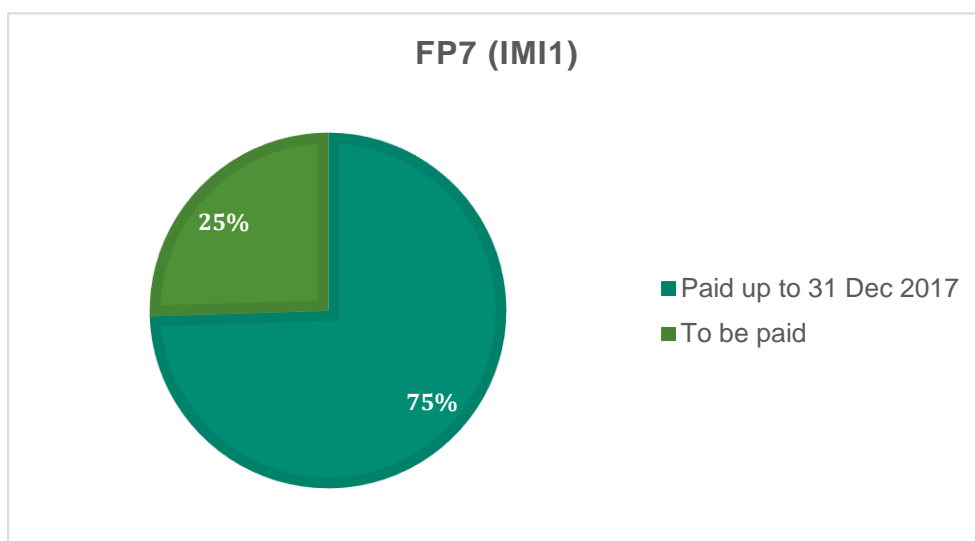
The table below outlines the breakdown per Call of EU committed funds for IMI1 (FP7) and the remaining obligation under signed grant agreements per Call.

Call	Commitments EUR '000	Paid EUR'000								RAL EUR '000
		2010	2011	2012	2013	2014	2015	2016	2017	
FP7 (IMI1)										
Call 1	116,082	20,504	15,213	45,251	19,525	4,852	2,361	5,025	1,633	1,718
Call 2	85,765	14,738	28,529	3,083	9,370	14,716	6,442	2,075	6,060	753
Call 3	113,103	-	25,237	3,669	18,306	19,612	13,536	21,256	2,842	8,645
Call 4	97,880	-	-	26,087	7,824	17,288	7,913	23,083	4,560	11,125
Call 5	79,999	-	-	20,604	602	10,416	15,214	17,184	7,991	7,988
Call 6	125,417	-	-	5,115	19,089	4,378	8,679	10,456	532	77,168
Call 7	13,000	-	-	-	6,600	-	3,013	1,074	958	1,355
Call 8	98,733	-	-	-	40,152	-	8,111	11,769	15,911	22,790
Call 9	56,441	-	-	-	-	12,250	9,036	6,535	7,108	21,513
Call 10	6,100	-	-	-	-	-	1,952	638	841	2,669
Call 11	173,540	-	-	-	-	36,539	12,305	10,752	23,585	90,359
Total FP7 (IMI1)	966,060*	35,242	68,979	103,809	121,468	120,051	88,562	109,847	72,020	246,082
	Paid cumulative FP7		104,221	208,030	329,498	449,549	538,111	647,958	719,978*	

At the end of 2017, 75% of the commitment appropriations were paid out. EUR 179 million were paid as advances (pre-financing) and EUR 540.6 million were paid for cost claims submitted by the projects. 27 projects continue their activities. The outstanding operational payments will be made by the end of 2021 when the last IMI1 (FP7) projects conclude their activities as initially planned.

*These figures include the commitment made for a study commissioned to Deloitte on sustainability of IMI projects.

The graph below shows the percentage of paid and remain to be paid out of committed funds for IMI1 (FP7).

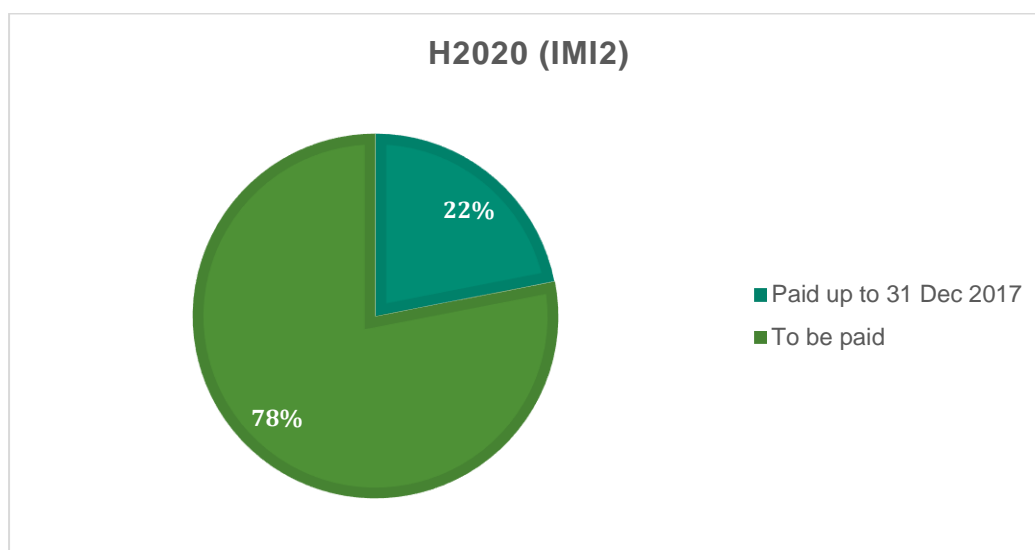


The table below outlines the breakdown per Call of EU committed funds for IMI2 (H2020).

Call	Commitments EUR '000	Paid EUR'000								RAL EUR '000
		2010	2011	2012	2013	2014	2015	2016	2017	
H2020 (IMI2)										
Call 1	17,630	-	-	-	-	-	2,519	-	3,109	12,002
Call 2	114,090	-	-	-	-	-	39,837	13,037	16,756	44,460
Call 3	58,160	-	-	-	-	-	2,693	19,060	6,352	30,055
Call 4	1,130	-	-	-	-	-	904	-	113	113
Call 5	47,477	-	-	-	-	-	-	16,377		31,100
Call 6	46,696	-	-	-	-	-	-	16,862		29,834
Call 7	46,795	-	-	-	-	-	-	-	17,073	29,722
Call 8	70,000	-	-	-	-	-	-	-	5,072	64,928
Call 9	57,606								19,886	37,719
Call 10*	173,890								-	173,890
Call 11	5,000									5,000
Call 12	64,077									64,077
Call 13	116,460									116,460
Total H2020 (IMI2)	819,010	-	-	-	-	-	45,953	65,336	68,361	639,361
	Paid cumulative H2020						45,953	111,289	179,650	

*IMI 2 Call 10 level 1 commitment was de-committed at the end of 2017 and the amount will be carried over in 2018 because the Grant Agreements (level 2) will be concluded in 2018. Therefore, the difference between total to be paid for H2020 and commitments outstanding for H2020 (section 4.3.2.) refers to IMI2 Call 10 amount.

The graph below shows the percentage of paid and remain to be paid out of committed funds for IMI2 (H2020).



As stated in the Article 3 of the IMI2 JU founding regulation⁹, the total IMI2 JU budget (in commitments) is 1.638 billion of which 1.425 billion EUR to match EFPIA in-kind contribution and 213 million EUR to match IMI2 Associated Partners' contributions. At end of 2017 half of the IMI2 JU budget in commitments has been committed (819 million EUR out of 1.638 million EUR).

⁹ The Council Regulation (EU) No 557/2014 of 6 May 2014 establishing the Innovative Medicines Initiative 2 Joint Undertaking is available online at <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32014R0557>.

6 Revenues

According to the financial rules of IMI2 JU, revenues are funds made available to the Joint Undertaking by different sources to cover administrative and operating expenditure for a year and form part of the annual budget. The table below outlines the breakdown of the revenues received in 2017.

	EC contribution	EFPIA and EFPIA constituent entities or affiliated entities contribution	Associated Partners
	EUR	EUR	EUR
<u>FP7</u>			
ADMINISTRATIVE UP TO 31/12/2017	34,366,451	21,898,055	
OPERATIONAL UP TO 31/12/2017	792,814,195	-	
<u>H2020</u>			
ADMINISTRATIVE UP TO 31/12/2017	3,680,300	3,680,300	
OPERATIONAL UP TO 31/12/2017	153,639,443	1,200,000	2,668,596

The administrative costs are covered through financial contributions divided equally (50% - 50%) between the EC and EFPIA. If part of the EC contribution is not used, it may be made available for Research Activities. EFPIA constituent entities or their affiliated entities contribute to operational costs.

The total amount of the unused administrative costs of EC contribution during 2009 - 2016 has been transferred to operational costs for a total amount of EUR 11 351 968. This results in an EC contribution to administrative costs for FP7 of EUR 23 014 483.

The amount of EUR 1 116 428 of EFPIA balance cash contribution related to 2017 is not included in 2017 cashed contribution as the recovery order was issued in 2018. This results in an EFPIA contribution to administrative costs for FP7 of EUR 23 014 483, at the same level with EC contribution.

