



# Report on budgetary and financial management Financial year 2018

**Last update: 29.03.2019**

**Document reference: IMI2/INT/2019-00533**

# Contents

1	Legal and financial framework.....	3
2	Factsheet - IMI at a glance.....	5
3	Budgetary principles.....	7
4	Overview of the budget.....	7
4.1	Initial budget, amending budgets and final budget.....	7
4.2	Budget transfers.....	9
4.3	Budget implementation.....	10
4.3.1	Administrative expenditure (Title 1 and Title 2).....	11
4.3.2	Operational expenditure (Title 3).....	11
4.3.3	Overview of the carry over appropriations to 2017.....	13
5	IMI2 JU programmes.....	14
6	Revenues.....	18

# 1 Legal and financial framework

## Legal framework

Innovative Medicines Initiative Joint Undertaking (IMI2 JU) is a Public Private Partnership (PPP) between the European Union (represented by the European Commission) and the European Federation of Pharmaceutical Industries and Associations ('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 06/05/2014<sup>1</sup> 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 Council<sup>2</sup> to achieve a greater impact with respect to research and innovation by combining European Union public funds and private sector funds in key areas where research and innovation can contribute to the European 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. 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 1290/2013<sup>3</sup> 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

The overall European Union financial contribution to the IMI2 JU, including EFTA appropriations, for the period 2014-2024 to cover administrative costs and operational costs shall be up to EUR 1 638 000 000. Of this:

- up to EUR 1.425 billion comes from the appropriations in the general budget of the European Union allocated to Horizon 2020 Specific Programme to match at least EUR 1.425 billion from EFPIA, or its constituent entities or their affiliated entities;
- up to EUR 213 million comes from the appropriations in the general budget of the European Union allocated to Horizon 2020 Specific Programme to match additional contributions from other IMI2 JU Members and Associated Partners,

EFPIA, its constituent or affiliated entities, and the IMI2 JU Associated Partners do not claim any European Union funding<sup>4</sup>, but contribute (in kind<sup>5</sup> and/or financially) to the IMI2 JU projects, for example with their researchers' time or access to research facilities or resources.

---

<sup>1</sup> OJUE 07/06/2014 L 169/54.

<sup>2</sup> 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).

<sup>3</sup> 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).

<sup>4</sup> 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.

<sup>5</sup> This consists of the costs incurred by these entities in implementing the IMI2 JU projects and/or participating in IMI2 JU advisory groups.

In addition, with reference to the first phase of the IMI JU (2008-2017 established by Regulation 73/2008), the European Union financial contribution to the IMI JU was EUR 1 billion from the EU's Seventh Framework Programme for research (FP7) and a matching in kind contributions by EFPIA members.

In accordance with Article 209<sup>6</sup> of Regulation (EU, Euratom) No 966/2012<sup>7</sup> on the financial rules applicable to the general budget of the European Union and European Commission Delegated Regulation (EU) No 110/2014<sup>8</sup>, IMI2 JU has adopted specific financial rules.

---

<sup>6</sup> 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.

<sup>7</sup> 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). This Regulation has been repealed by Regulation (EU, Euratom) 2018/1046 of 30 July 2018 on the financial rules applicable to the general budget of the Union. Based on the new Regulation (Article 71) the IMI2 JU will revise its own financial rules according to the framework financial regulation once the relevant Commission Delegated Regulation will be adopted.

<sup>8</sup> 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 2018

<b>Name</b>	<b>Innovative Medicines Initiative 2 Joint Undertaking (IMI2 JU)</b>
<b>Objectives</b>	<p>According to Article 2 of the <a href="#">Council Regulation</a> establishing IMI2, the IMI2 Joint Undertaking shall have the following objectives:</p> <ul style="list-style-type: none"> <li>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;</li> <li>b) to contribute to the objectives of the Joint Technology Initiative on Innovative Medicines, in particular to: <ul style="list-style-type: none"> <li>i. increase the success rate in clinical trials of priority medicines identified by the World Health Organisation;</li> <li>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;</li> <li>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;</li> <li>iv. develop diagnostic and treatment biomarkers for diseases clearly linked to clinical relevance and approved by regulators;</li> <li>v. reduce the failure rate of vaccine candidates in phase III clinical trials through new biomarkers for initial efficacy and safety checks;</li> <li>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.</li> </ul> </li> </ul>
<b>Founding legal act</b>	<a href="#">Council Regulation (EU) No 557/2014</a> of 6 May 2014 establishing the Innovative Medicines Initiative 2 Joint Undertaking
<b>Executive Director</b>	Pierre Meulien
<b>Governing Board</b>	<p><b>Representatives of the European Commission (EC)</b></p> <p>Wolfgang Burtscher, Deputy Director-General of the Directorate-General for Research and Innovation</p> <p>Irene Norstedt, Head of the Innovative and Personalised Medicine Unit and Acting Director of the Health Directorate within the Directorate-General for Research and Innovation</p> <p>Carlo Pettinelli, Director for Consumer, Environmental and Health Technologies within the Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs</p> <p>Andrzej Jan Rys, Director for Health Systems, Medical Products and Innovation within the Directorate-General for Health and Food Safety</p> <p>Maria Pilar Aguar Fernandez, Head of the Innovative Tools, Technologies and Concepts in Health Research Unit within the Directorate-General for Research and Innovation</p> <p><b>Representatives of the European Federation of Pharmaceutical Industries and Associations (EFPIA)</b></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>Paul Stoffels, Chief Scientific Officer at Johnson &amp; Johnson, Worldwide Chairman of Janssen Pharmaceutical Companies of Johnson &amp; Johnson</p> <p>Jacky Vonderscher, CEO of Enyo Pharma S.A., member of the European Biopharmaceutical Enterprises Board</p>
<b>Other bodies</b>	<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: 13 members including ad hoc members</p> <p>Stakeholder Forum: 386 registrations in 2018</p> <p>Strategic Governing Groups (SGGs): 7 groups</p>
<b>Staff</b>	<p>Total posts: 56 (39 Temporary Agents, 15 Contract Agents, 2 Seconded National Experts)</p> <p>Posts filled: 48 (37 Temporary Agents, 10 Contract Agents, 1 Seconded National Experts)</p>
<b>2018 budget</b>	<p>Commitment appropriations: EUR 485 595 766</p> <p>Payment appropriations: EUR 235 963 022</p>
<b>2018 budget implementation</b>	<p>Commitment appropriations: EUR 484 279 716 (99,73%)</p> <p>Payment appropriations: EUR 203 518 634 (86.25%)</p>
<b>Grants</b>	<p>20 grants signed in 2018 for a total value of EUR 546 million</p>
<b>Strategic Research Agenda</b>	<p>The focus of the IMI2 JU <a href="#">Strategic Research Agenda</a> (SRA) is on delivering 'the right prevention and treatment for the right patient at the right time'. No amendment in 2018.</p>
<b>Call implementation in 2018</b>	<p>Calls launched: 3</p> <p>Proposals submitted under two-stage Calls:</p> <ul style="list-style-type: none"> <li>▪ Short proposals submitted: 137</li> <li>▪ Eligible proposals submitted: 131</li> <li>▪ Full proposals submitted: 20</li> <li>▪ Proposals selected for funding: 20</li> </ul> <p>Proposals submitted under single-stage Calls:</p> <ul style="list-style-type: none"> <li>▪ Proposals submitted: 10</li> <li>▪ Eligible proposals submitted: 10</li> <li>▪ Proposals selected for funding: 6</li> </ul> <p>Global project portfolio in 2018: 84 projects running during 2018 (27 under IMI1, of which 11 ended by 31 December 2018; and 57 under IMI2 of which 3 ended by 31 December 2018)</p>
<b>Participation, including SMEs</b>	<p>Beneficiaries receiving EU funding 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. For beneficiaries receiving EU funding, the statistics on SME participation are:</p> <ul style="list-style-type: none"> <li>▪ IMI2: SMEs account for 99 out of 487 (20.3 %) of participants</li> <li>▪ IMI1: 166 out of 620 (26.8 %) of participants</li> </ul>

Unless stated otherwise, all data in this factsheet reflects the situation as of 31 December 2018.

### 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 IMI2 JU budget for 2018 was EUR 485 595 766 in commitment appropriations (CA) and 235 963 022 in payment appropriations (PA). The budget execution of the commitment appropriations and the payment appropriations reached a level of 99.73 % and 86.25 % respectively.

The IMI2 JU 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 2018 budget on 15 December 2017.

The IMI2 JU Governing Board approved the first budget amendment on 12 June 2018 in order to include the carry over amounts (EUR 209 698 405 Commitment appropriations and EUR 56 133 212 payment appropriations) from the previous year.

The IMI2 JU Governing Board approved the second budget amendment on 13 July 2018 in order to include additional carry over amounts (EUR 25 669 commitment and EUR 25 669 payment appropriations) from the previous year, corresponding specifically to IMI1 amounts recovered from beneficiaries in 2017 and carried over to the 2018 budget.

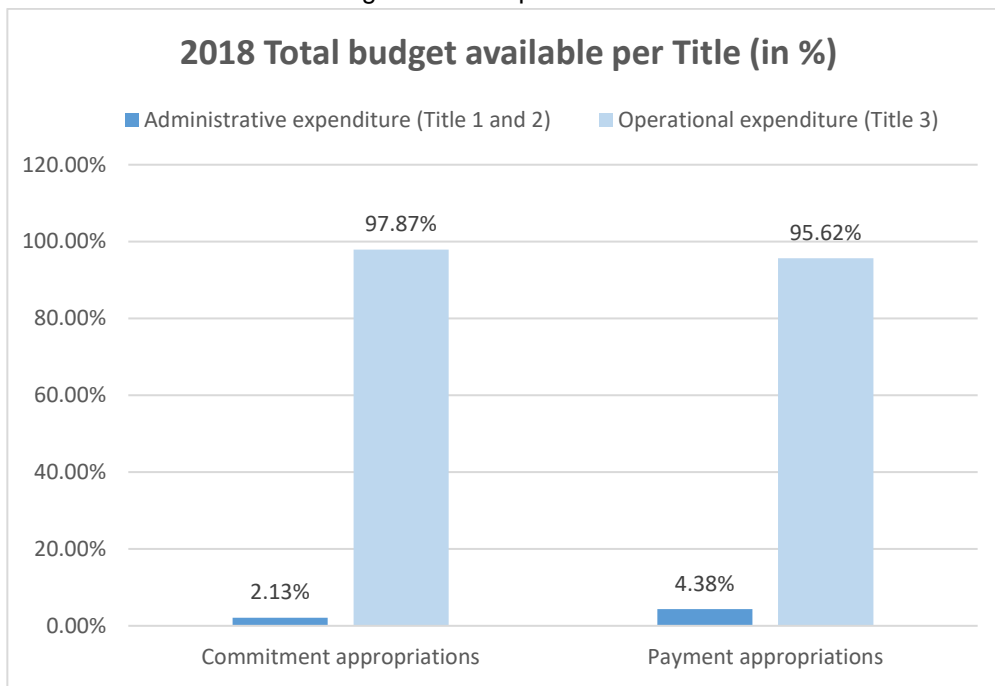
The IMI2 JU Governing Board approved the third budget amendment on 5 December 2018 in order to reduce the operational payment appropriations by EUR 36 332 261, following the reduction of the European Union's contribution to operational costs (EUR 34 978 261) and the postponement to 2019 of the IMI2 JU Associated Partner contribution (Bill and Melinda Gates Foundation ) to operational costs (EUR 1 354 000), carried over to next year.

Budget 2018 in EUR										
	Approved budget		Carry over: Amending budget no 1 and 2		Amending budget no 3		Assigned revenue		Final budget	
	CA	PA	CA	PA	CA	PA	CA	PA	CA	PA
<b>Revenue</b>										
EC contribution to administrative and operational cost	270 487 957	208 398 667	209 724 074	56 158 881		-34 978 261			480 212 031	229 579 287
EFPIA contribution to administrative costs	5 156 500	5 156 500							5 156 500	5 156 500
EFPIA constituent entities and affiliated entities contribution to operational costs		1 000 000							-	1 000 000
Associated Partners contribution to operational costs		1 354 000				-1 354 000			-	-
Assigned revenue*							227 235	227 235	227 235	227 235
<b>Total revenue</b>	<b>275 644 457</b>	<b>215 909 167</b>	<b>209 724 074</b>	<b>56 158 881</b>		<b>-36 332 261</b>	<b>227 235</b>	<b>227 235</b>	<b>485 595 766</b>	<b>235 963 022</b>
<b>Expenditure</b>										
Title 1	6 015 000	6 015 000		73 830			772	772	6 015 772	6 089 602
Title 2	4 298 000	4 298 000		1 375 697			21 588	21 588	4 319 588	5 695 285
Title 3	265 331 457	205 596 167	209 724 074	54 709 354		-36 332 261	204 875	204 875	475 260 406	224 178 135
<b>Total expenditure</b>	<b>275 644 457</b>	<b>215 909 167</b>	<b>209 724 074</b>	<b>56 158 881</b>		<b>-36 332 261</b>	<b>227 235</b>	<b>227 235</b>	<b>485 595 766</b>	<b>235 963 022</b>

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



The graph below shows the total 2018 budget available per Title in %.



## 4.2 Budget transfers

One budget transfer between Title 1 and 2 was made during 2018 for an amount of EUR 40,000. Budget transfers between chapters were authorised in 2018, which led to the following changes:

Chapter	Budget approved (EUR)	Budget transfer (EUR)	Budget after transfers (EUR)
11 Staff in active employment	5 425 000	-226 648	5 198 352
13 Missions and duty travels	190 000	-70 000	120 000
14 Socio-medical structure	360 000	236 648	596 648
17 Representation	20 000	20 000	40 000
20 Investments in immovable property rental of buildings	729 000	-43 185	685 815
22 Movable property	153 000	-89 1512	63 848
23 Current administrative expenditure	123 000	25 800	148 800
24 Postage and telecommunications	68 000	-2 000	66 000
25 Expenditure on formal meetings	158 000	-23 000	135 000
26 Expenditure in connection with operational activities	300 000	-102 673	197 327
27 External communication information and publicity	625 000	60 000	685 000
28 Studies, Consultancy and Audits	730 000	-40 790	689 210
29 Expert contracts and meetings	700 000	255 000	955 000

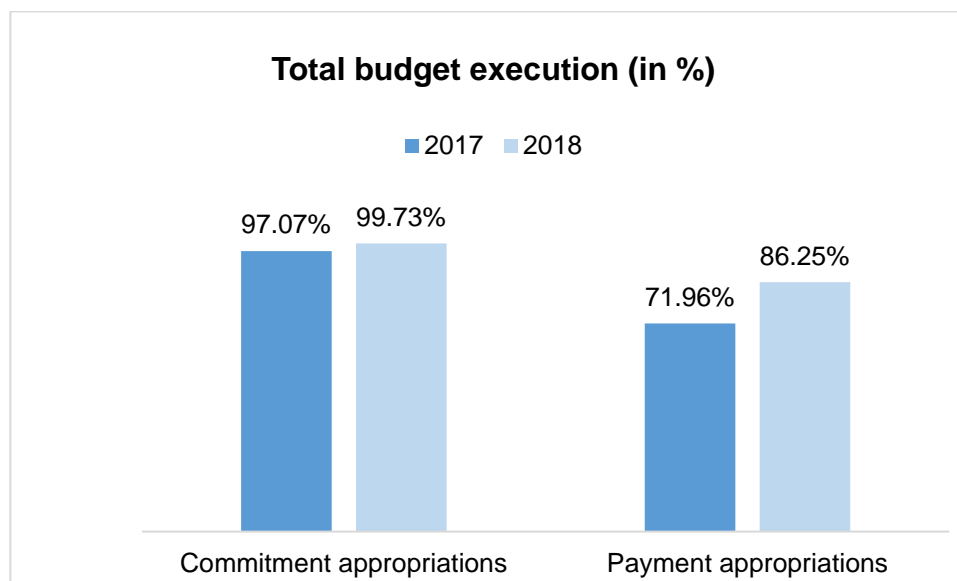
Overall, the budget transfers made in 2018 increased the approved budget for Title 2 by EUR 40 000 and decreased the approved budget for Title 1 by the same amount. The budget transfers made in 2018 had no impact on the approved budget for Title 3.

### 4.3 Budget implementation

The table below shows the execution of the 2018 budget per Title in absolute amounts.

Title	2018 final budget execution per title in EUR					
	Commitment appropriations	Execution	%	Payment appropriations	Execution	%
Title 1	5 975 772	5 340 588	89.37%	6 049 602	5 315 336	87.86%
Title 2	4 359 588	3 779 405	86.69%	5 735 285	3 854 961	67.21%
<i>Subtotal administrative expenditure</i>	<i>10 335 360</i>	<i>9 119 993</i>	<i>88.24%</i>	<i>11 784 887</i>	<i>9 170 298</i>	<i>77.81%</i>
Title 3	475 260 406	475 159 723	99.98%	224 178 135	194 348 336	86.69%
<b>Total (Title1, 2 and 3)</b>	<b>485 595 766</b>	<b>484 279 716</b>	<b>99.73%</b>	<b>235 963 022</b>	<b>203 518 634</b>	<b>86.25%</b>

The graph below shows the 2018 total budget execution compared with 2017.

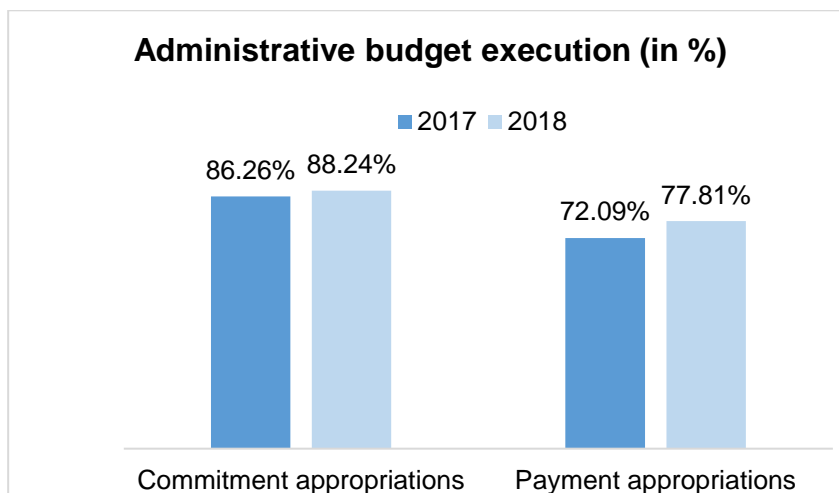


The sections below show the 2018 budget execution for administrative costs (staff and infrastructure) and operational activities (project-related) compared with 2017.

### 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 88.24 % and 77.81 % respectively.

It is important to note that the European Commission part of unused appropriations for administrative costs will be made available for operational activities in the 2019 budget – see section 4.3.3 for details.



### 4.3.2 Operational expenditure (Title 3)

The total operational budget approved for 2018 was EUR 475.2 million in commitment appropriations (CA) and EUR 224.1 million in payment appropriations (PA). In 2018, the operational commitment and payment appropriations reached a level of 99.98 % and 86.69 % respectively.

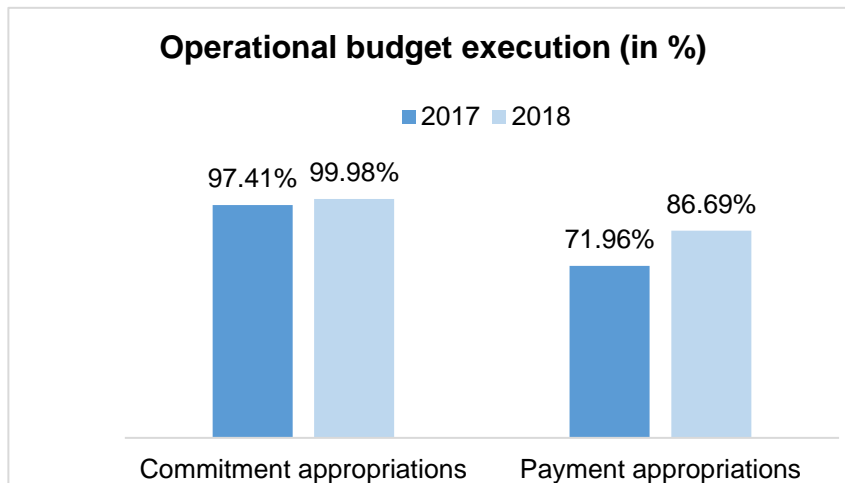
The commitment appropriations related to H2020 were consumed by Grant Agreements implementing IMI2 - Calls 8 (fourth cut-off date), 10, 11 and 12, and by launching IMI2 – Calls 14, 15 and 16.

The payment appropriations related to H2020 were mainly used by pre-financing for projects of IMI2 - Calls 10, 11 and 12 and by intermediate payments for projects of IMI2 – Calls 1, 2, 3, 4, 5, 6, 7 and 8.

On operational commitment appropriations, IMI2 JU has fully executed its annual budget (99.98 %).

As regards operational payment appropriations, execution reached 86.69 %. This is a significant increase and a rising trend in the absorption of operational payment appropriations in comparison to the previous years (69.39% in 2016, 71.96% in 2017). This result is due to a number of corrective measures applied in the budgetary planning and monitoring process.

The graph below shows the 2018 operational budget execution compared with 2017.



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

	Execution of commitment appropriations in EUR		
	Appropriations	Execution	%
<i>IMI1 (FP7) *</i>	204 875.37	149 036.58	72.74%
<i>IMI2 (H2020)</i>	475 055 530.82	475 010 686.05	99.99%
<b>Title 3 Implementing the research agenda of IMI</b>	<b>475 260 406.19</b>	<b>475 159 722.63</b>	<b>99.98%</b>

*\*IMI1 (FP7) appropriations - amount recovered during 2018 from projects (assigned revenue)*

	Execution of payment appropriations in EUR		
	Appropriations	Execution	%
<i>IMI1 (FP7)</i>	66 850 254.71	58 886 630.36	88.09%
<i>IMI2 (H2020)</i>	157 327 880.74	135 461 705.62	86.10%
<b>Title 3 Implementing the research agenda of IMI</b>	<b>224 178 135.45</b>	<b>194 348 335.98</b>	<b>86.69%</b>

The commitments carried forward from 2017 to 2018 include the amounts committed at the launch of Calls (level 1 commitments) and the amounts committed based on Grant Agreements concluded (level 2 commitments).

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 13, was de-committed at the end of 2018 and, based on the N+3 rule as set out in the IMI2 JU Financial Rules, the unused appropriations were carried over to the 2019 budget.

The table below shows the summary of commitments outstanding for operational expenditure per programme at the end of 2018.

Commitments carried forward from previous year 2017	Commitment appropriations in EUR				
	Carry forward	Commitments made during 2018	De-commitments	Payments	Commitments outstanding at the end of 2018
IMI1 (FP7)	246 089 317	149 037	817	58 886 630	187 350 906
IMI2 (H2020)	324 789 527	475 010 686	31 615	135 461 706	664 306 892
<b>Total Title 3</b>	<b>570 878 844</b>	<b>475 159 723</b>	<b>32 432</b>	<b>194 348 336</b>	<b>851 657 798</b>

#### 4.3.3 Overview of the carry over appropriations to 2019

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 2019 budget the unused commitment and payment appropriations from 2018.

- Administrative expenditure:  
Payment appropriations of EUR 1 113 630, corresponding to the amount of commitments carried forward from the 2018 to the 2019 budget.
- Operational expenditure:  
Unused commitment and payment appropriations to be carried over to 2019 budget of EUR 133 115\* corresponding to commitment appropriations, and EUR 29 829 799\* corresponding to payment appropriations.

	Commitment appropriation (EUR)	Payment appropriation (EUR)
Unused appropriations (operational and administrative)	* 133 115	* 30 943 429

\*estimated; subject to the IMI2 JU Governing Board approval

## 5 IMI2 JU programme

### Multiannual budget execution as at 31.12.2018 (ongoing projects/Calls)

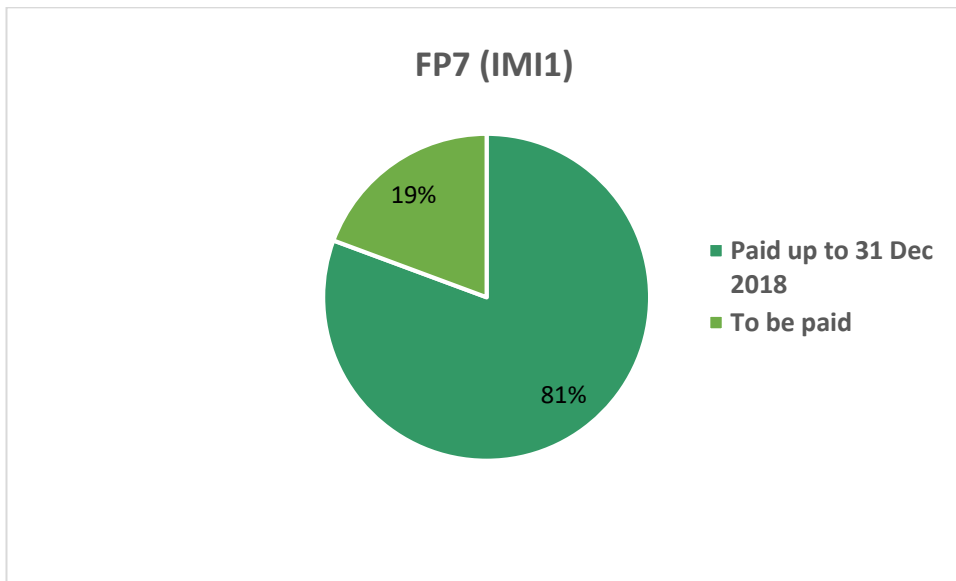
The table below outlines the breakdown per Call of EU committed funds for IMI1 (FP7) and the remaining obligation under signed grant agreements per Call.

Call	Commitments EUR '000	Paid EUR'000									RAL
		2010	2011	2012	2013	2014	2015	2016	2017	2018	
<b>FP7 (IMI1)</b>											
Call 1	116,084	20,504	15,213	45,251	19,525	4,852	2,361	5,025	1,633	277	1,443
Call 2	85,765	14,738	28,529	3,083	9,370	14,716	6,442	2,075	6,060	213	539
Call 3	113,242	-	25,237	3,669	18,306	19,612	13,536	21,256	2,842	5,177	3,607
Call 4	97,888	-	-	26,087	7,824	17,288	7,913	23,083	4,560	5,024	6,109
Call 5	79,999	-	-	20,604	602	10,416	15,214	17,184	7,991	7,344	644
Call 6	125,417	-	-	5,115	19,089	4,378	8,679	10,456	532	7,809	69,359
Call 7	13,000	-	-	-	6,600	-	3,013	1,074	958	54	1,301
Call 8	98,733	-	-	-	40,152	-	8,111	11,769	15,911	10,298	12,492
Call 9	56,441	-	-	-	-	12,250	9,036	6,535	7,108	2,382	19,130
Call 10	6,100	-	-	-	-	-	1,952	638	841	1,000	1,669
Call 11	173,540	-	-	-	-	36,539	12,305	10,752	23,585	19,309	71,050
<b>Total FP7 (IMI1)</b>	<b>966 209*</b>	<b>35,242</b>	<b>68,979</b>	<b>103,809</b>	<b>121,468</b>	<b>120,051</b>	<b>88,562</b>	<b>109,847</b>	<b>72,021</b>	<b>58,887</b>	<b>187 344</b>
	<b>Paid cumulative FP7</b>		<b>104,221</b>	<b>208,030</b>	<b>329,498</b>	<b>449,549</b>	<b>538,111</b>	<b>647,958</b>	<b>719,979</b>	<b>778,866*</b>	

At the end of 2018, 81% of the commitment appropriations were paid out. EUR 125,7 million were paid as advances (pre-financing not yet cleared) and EUR 653.1 million were paid for cost claims submitted by the projects. 16 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	2018	
<b>H2020 (IMI2)</b>											
Call 1	17,630	-	-	-	-	-	2,519	-	3,109	2,887	9,115
Call 2	114,094	-	-	-	-	-	39,837	13,037	16,756	16,962	27,501
Call 3 *	56,060	-	-	-	-	-	2,693	19,060	6,352	7,750	20,205
Call 4	1,130	-	-	-	-	-	904	-	113	61	52
Call 5	47,477	-	-	-	-	-	-	16,377	-	5,275	25,825
Call 6*	46,696	-	-	-	-	-	-	16,862	-	4,900	24,934
Call 7	46,795	-	-	-	-	-	-	-	17,073	3,902	25,820
Call 8	47,462	-	-	-	-	-	-	-	5,072	10,828	31,562
Call 9*	57,606	-	-	-	-	-	-	-	19,886	1,716	36,004
Call 10	173,874	-	-	-	-	-	-	-	-	56,576	117,298
Call 11	3,284	-	-	-	-	-	-	-	-	2,627	657
Call 12	64,052	-	-	-	-	-	-	-	-	21,978	42,074
Call 13**	114,152	-	-	-	-	-	-	-	-	-	114,152
Call 14	82,357	-	-	-	-	-	-	-	-	-	82,357
Call 15	171,876	-	-	-	-	-	-	-	-	-	171,876
Call 16***	35,184	-	-	-	-	-	-	-	-	-	35,184
<b>Total H2020 (IMI2)</b>	<b>1,079,729</b>	-	-	-	-	-	<b>45,953</b>	<b>65,336</b>	<b>68,361</b>	<b>135,462</b>	<b>764 617</b>
	<b>Paid cumulative H2020</b>	-	-	-	-	-	-	<b>111,289</b>	<b>179,650</b>	<b>315,112</b>	

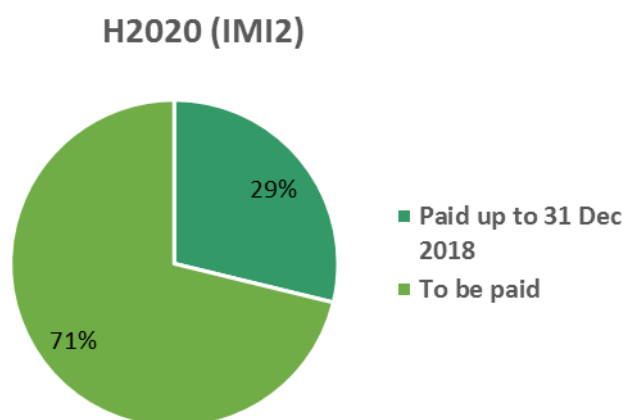
\* The IMI2 - Call 3 commitment includes a financial contribution from the Bill and Melinda Gates Foundation (BMGF), an IMI2 JU Associated Partner. The commitment for IMI2 Calls 6 and 9 includes a financial contribution from EFPIA companies.

\*\* The IMI2 - Call 13 level 1 commitment was de-committed at the end of 2018 and the amount carried over to 2019 because the Grant Agreements will be concluded and committed in February and March 2019. Therefore, the difference between total to be paid for H2020 and commitments outstanding for H2020 refers to the IMI2 - Call 13 amount.

\*\*\* The IMI2 – Call 16 level 1 commitment was created for the amount of EUR 46 900 000. However, following evaluations that took place in December 2018, the total amount approved is EUR 35 184 000.



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 regulation<sup>9</sup>, 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.

As stated in Article 13 of the statutes, the part of IMI2 JU budget (in commitments) for administrative costs is EUR 85.2 million, shared equally between EC and EFPIA.

The IMI2 JU budget (in commitments) for operational costs is EUR 1.595 billion.

At the end of 2018, 67.7 % of the operational IMI2 JU budget in commitments had been committed (EUR 1.079 billion out of EUR 1.595 billion).

---

<sup>9</sup> 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 2018 and up to 31 December 2018.

	EC contribution	EFPIA and EFPIA constituent entities or affiliated entities contribution	Associated Partners
	EUR	EUR	EUR
<b>FP7</b>			
ADMINISTRATIVE in 2018	-	-	-
ADMINISTRATIVE UP TO 31/12/2018	34,366,451	21,898,055	-
OPERATIONAL in 2018	88,873,369	-	-
OPERATIONAL UP TO 31/12/2018	881,687,564	-	-
<b>H2020</b>			
ADMINISTRATIVE in 2018	5,156,500	4,979,170	-
ADMINISTRATIVE UP TO 31/12/2018	8,836,800	8,659,470	-
OPERATIONAL in 2018	79,390,536	1,000,000	-
OPERATIONAL UP TO 31/12/2018	233,029,980	2,200,000*	2,668,596**

\* financial contribution of four EFPIA companies to IMI for the DRIVE project and financial contribution of one EFPIA company to IMI for the HARMONY project.

\*\* financial contribution from the Bill and Melinda Gates Foundation (BMGF), an IMI2 Associated Partner, to the PERISCOPE project.

Source of Revenues in EUR	In 2018	
	Budget	Cashed
EC contribution to running costs and operational costs	173,420,405	173,420,405
EFPIA contribution to running costs	5,156,500	4,979,170
EFPIA and EFPIA constituent entities or affiliates contributions to operational costs	1,000,000	1,000,000
Associated Partners contribution to operational costs	-	-

The administrative costs are covered through financial contributions divided equally (50% - 50%) between the European Commission and EFPIA in the budget.

The difference between the budgeted and cashed contribution from EFPIA comes from the fact that EFPIA reimburses real running costs incurred in a given year rather than paying based on the budgeted amounts. The balance is settled in the following year.

If part of the EC contribution is not used, it may be made available for Research Activities.

EFPIA constituent entities or their affiliated entities as well as IMI2 JU Associated Partners contribute to operational costs.

The total amount of the unused administrative costs of European Commission's contribution during 2009 - 2017 has been transferred to operational costs for a total amount of EUR 11,923,382. This results in an EC contribution to administrative costs of EUR 31,279,869 (EUR 34,366,451+ EUR 8,836,800 – EUR 11,923,382).

The amount of EUR 722 344 of EFPIA balance cash contribution related to 2018 is not included in 2018 cashed contribution as the recovery order was issued in 2019. This results in an EFPIA contribution to administrative costs of EUR 31,279,869 (EUR 21,898,055 + EUR 8,659,470 + EUR 722,344), at the same level with European Commission contribution.

