

Management Board
 17 December 2009
 Stockholm, Sweden

Meeting :	Management Board, Public Session		
Subject :	Budget Execution & Forecast		
Concept	EFSA is on track to spend 97 - 98 % of its 2009 budget even after the release of 2 M€ early December of fresh credit by the Budgetary Authority.		
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Submitted by :	Administration Directorate - Finance		
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BUDGET EXECUTION NOVEMBER 2009 - YEAR END FORECAST

1. Budget execution as of 30 November 2009

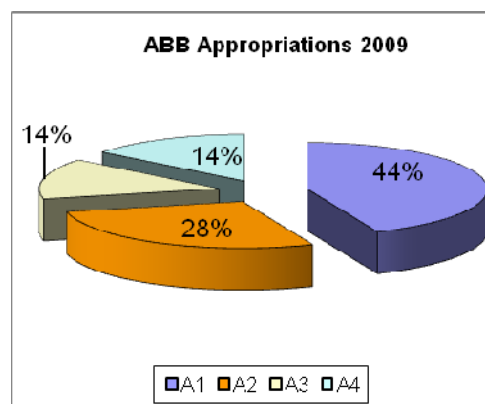
- EUR 57.94 million or **84.0 %** of the EUR 68.96 million budget including the Pre-accession program was committed. The commitment level is below the target set at year start for November (EUR 64.59 million – 10 %). This is mainly due to the low commitment level under the scientific and communication activities where large grants and procurements under evaluation still have to be committed.
- EUR 46.67 million or **67.7 %** of the total appropriations were paid. This payment level also stands below the target (EUR 50.73 – 8 %) for the reasons mentioned herein above.

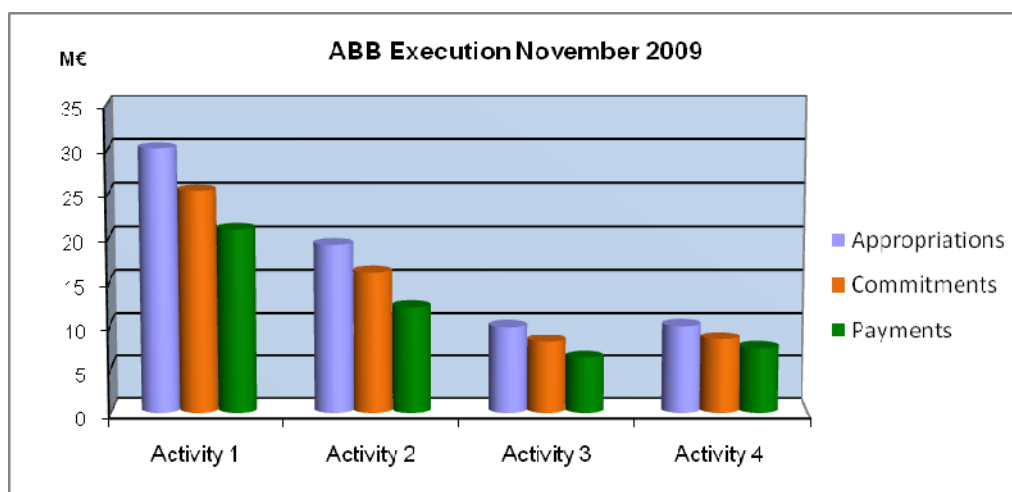
The following table and chart represent the budget execution along with the four activities identified by EFSA (Activity Based Budgeting):

- Activity 1: Provide scientific opinion and advice to the European Commission, the European Parliament and the Member States
- Activity 2: Enhance risk assessment methodologies in Europe
- Activity 3: Communicate scientific advice and dialogue with interested parties
- Activity 4: Manage and provide administrative support

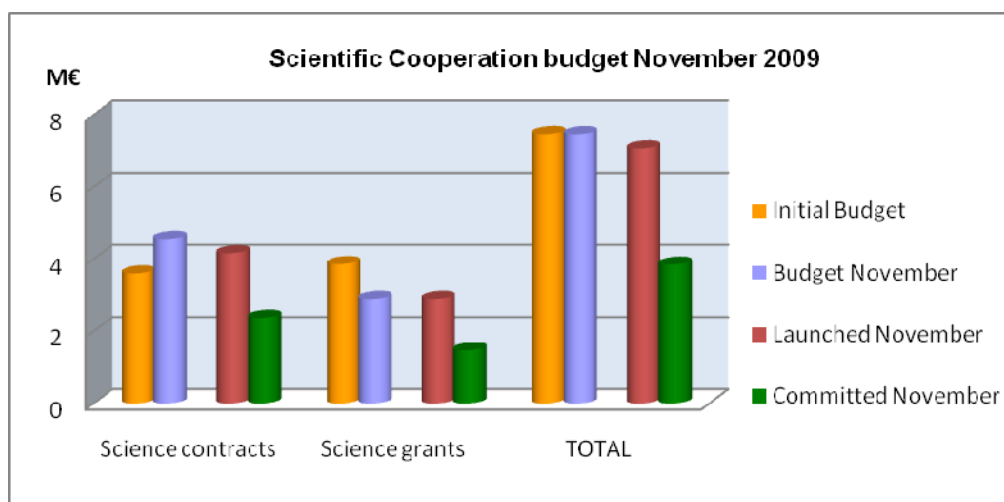
Activity	Appropriations	Commitments	% Committed	Payments	% Paid	RAL
Activity 1	30,10	25,33	84,1%	20,95	69,6%	4,38
Activity 2	19,17	16,07	83,8%	12,06	62,9%	4,01
Activity 3	9,79	8,13	83,0%	6,29	64,2%	1,84
Activity 4	9,90	8,42	85,1%	7,38	74,5%	1,04
TOTAL	68,96	57,94	84,0%	46,67	67,7%	11,27

In 2009, the budget has been allocated to each activity in function of the human, financial and infrastructure resources required to conduct them. The scientific activities (1 & 2) represent 72 %, the communication and dialogue (activity 3) 14 % and the administration (activity 4) 14 % of the budget.





The commitment execution levels are close to 84 % (A1 – A2) and exceed 85 % (A4). The delays observed in launching the science grants and contracts which represent 35 % of the operational appropriations explain the lower than expected commitment execution level in scientific activities. Activity 3 (Communication and dialogue) is, at 83 %, also lagging behind the target.



At end November, the tendering of the science contracts and grants is in line with the revised planning. The award of the launched contracts and grants not yet committed (EUR 3.62 million) is expected to take place in December together with the ensuing budgetary commitments.

Looking at the components of the activities, the global commitment levels achieved for personnel and infrastructure costs are slightly over 89% and superior to 76 % for operations.

Title	Appropriations	Commitments	% Committed	Payments	% Paid	RAL
PERSONNEL	35,19	31,33	89,0%	30,09	85,5%	1,24
INFRASTRUCTURE	8,34	7,46	89,5%	5,82	69,8%	1,64
OPERATIONS	25,44	19,15	75,3%	10,76	42,3%	8,39
of which Pre-accession	0,51	0,39	76,6%	0,19	37,4%	0,20
TOTAL	68,96	57,94	84,0%	46,67	67,7%	11,27

mb 17 12 09 – item 11 doc 8 – Budget Execution & Forecast

Year on year, the budget execution increased by EUR 1.2 million. This represents an increase of 2 % while overall budget available has increased by 4 %. A noticeable increase in Activity 2 and 3 level is to be noted, in line with the increased activities related to applications. As a result, Activity 1 recorded as anticipated a reduction of the commitment level compared to the year before. Overall the payments increased by EUR 3.6 million which represent a 8 % increase in nominal terms.

The Management & Administration allocation in the global budget reduced from EUR 11.3 million in 2008 to EUR 9.9 million in 2009 or a decrease by 11 %. This mainly explains the slower pace of commitment (-11 %) and Payment (+8%) compared to 2008.

In M€	Commitment November 2009	Commitment November 2008	Increase	Payments November 2009	Payments November 2008	Increase
1- Provide Scientific Advice & Opinion	25,33	28,26	-10%	20,95	22,43	-7%
2- Risk assessment methodologies	16,07	12,43	29%	12,06	7,90	53%
3- Communication and dialogue	8,13	6,58	23%	6,29	4,76	32%
4- Management and Administration	8,42	9,50	-11%	7,38	8,01	-8%
TOTAL	57,94	56,78	2%	46,67	43,10	8%

For the various Titles and in relative terms, the year on year comparison shows that the budget execution 2009 stands 8 % above the payment level achieved in November 2008.

2. Budget Execution Forecast

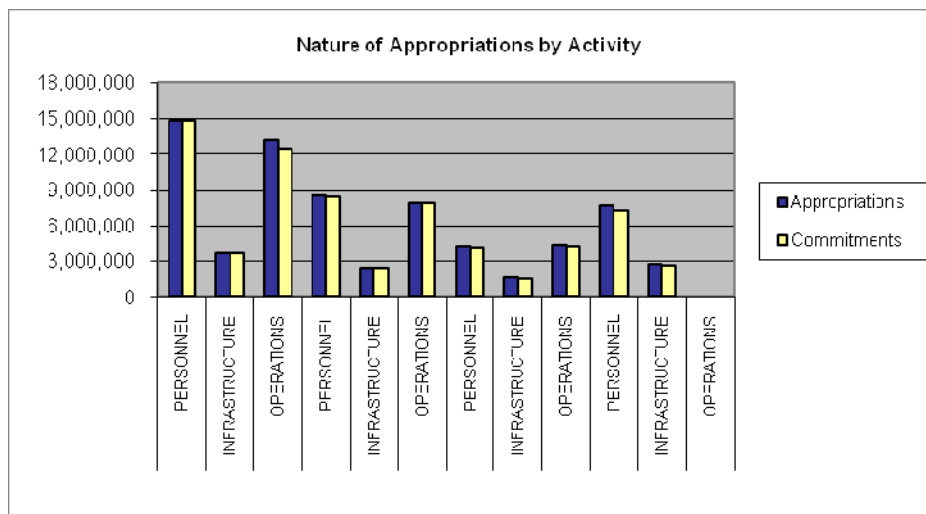
Overall, the expected budget execution rate would reach 97-98 % at year end (compared to the achieved 97 % in 2008) without significant difference between activities

Activity	Titles	Appropriations 2009	%	Commitments	%
Activity 1	PERSONNEL	14.756.610	21%	14.723.494	99,8%
	INFRASTRUCTURE	3.668.058	5%	3.643.108	99,3%
	OPERATIONS	13.193.505	19%	12.402.329	94,0%
	A1 Scientific opinions & advices	31.618.174	45%	30.768.931	97,3%
Activity 2	PERSONNEL	8.542.124	12%	8.357.054	97,8%
	INFRASTRUCTURE	2.395.842	3%	2.380.260	99,3%
	OPERATIONS	7.897.763	11%	7.843.267	99,3%
	A2 Methodologies & scientific cooperation	18.835.729	27%	18.580.581	98,6%
Activity 3	PERSONNEL	4.241.843	6%	4.168.186	98,3%
	INFRASTRUCTURE	1.574.821	2%	1.565.462	99,4%
	OPERATIONS	4.343.922	6%	4.258.336	98,0%
	A3 Risk communication & relationships	10.160.587	14%	9.991.984	98,3%
Activity 4	PERSONNEL	7.646.423	11%	7.260.267	94,9%
	INFRASTRUCTURE	2.698.278	4%	2.674.300	99,1%
	OPERATIONS	0	0%	0	0,0%
	A4 Administration	10.344.701	15%	9.934.566	96,0%
	GRAND TOTAL	70.959.190	100%	69.276.062	97,6%

The forecast includes the transfers done in November which aimed at adjusting the budget appropriations to business needs.

From an operational perspective, Activity 2 is expected to be close to full execution whereas Activity 1 and Activity 3 are forecast to reach 97 % and 98 % respectively. The personnel expenditure under these activities should represent the highest execution rate within the activity. This is mainly due to the recruitment being now close to the number of staff allowed by the budget available.

The graph below illustrates the expected execution level by component of the activities.



Year on year, the budget execution is expected to increase by EUR 3.4 million representing an increase of 6 % versus 2008. Whereas Activity 2 and 3 increased the most year on year, the Administration part is expected to noticeably reduce as already indicated above as overall spending of EFSA on Management and Administration have been reduced.

EUR million	Commitments 2009	Commitments 2008	Increase
1- Provide Scientific Advice & Opinion	30.8	31,3	-2%
2- Risk assessment methodologies	18,6	14,3	30%
3- Communication and dialogue	10.0	7,6	32%
4- Management and Administration	9,9	11,0	-10%
TOTAL	69,3	64,2	8%

3. Partial release of the 2009 Budget Reserve

The EUR 2.0 million reserve under Title II was lifted by the Budgetary Authority and made available by the Commission. The appropriation credits were registered under EFSA budget on 01 December 2009 thereby increasing the budget available from EUR 68.96 million to EUR 70.96 million. This release will allow EFSA to conduct the initially planned IT development and infrastructure projects which are geared to enhance EFSA's core business processes.