

## Management Board Meeting

19 June 2007

### BUDGET EXECUTION 2007 & YEAR END FORECAST

#### 1. Budget execution

As of 31 May 2007, EUR 22.6 million or 43 % of the EUR 52.2 million appropriations including the Pre-accession enlargement program was committed. The commitment level is as a whole (90%), in line with the forecast made at the beginning of the year.

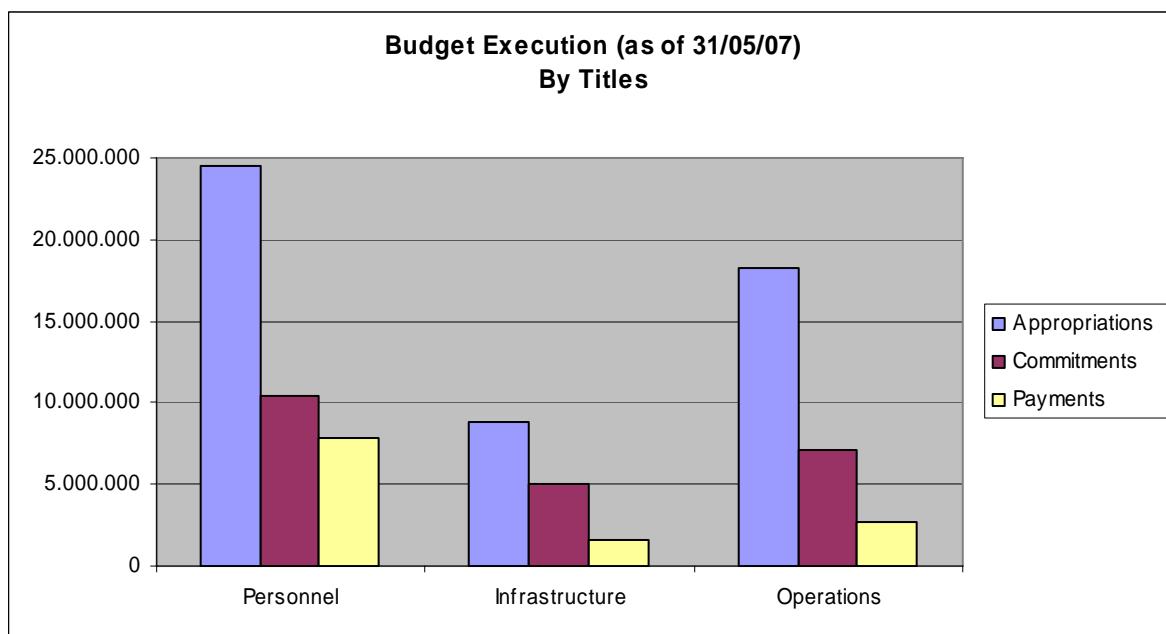
The following charts represent the budget execution by Title (Budget nomenclature) and by Activity (Activity Based Budgeting).

In terms of Activity Based budgeting, four activities have been identified by EFSA<sup>1</sup>:

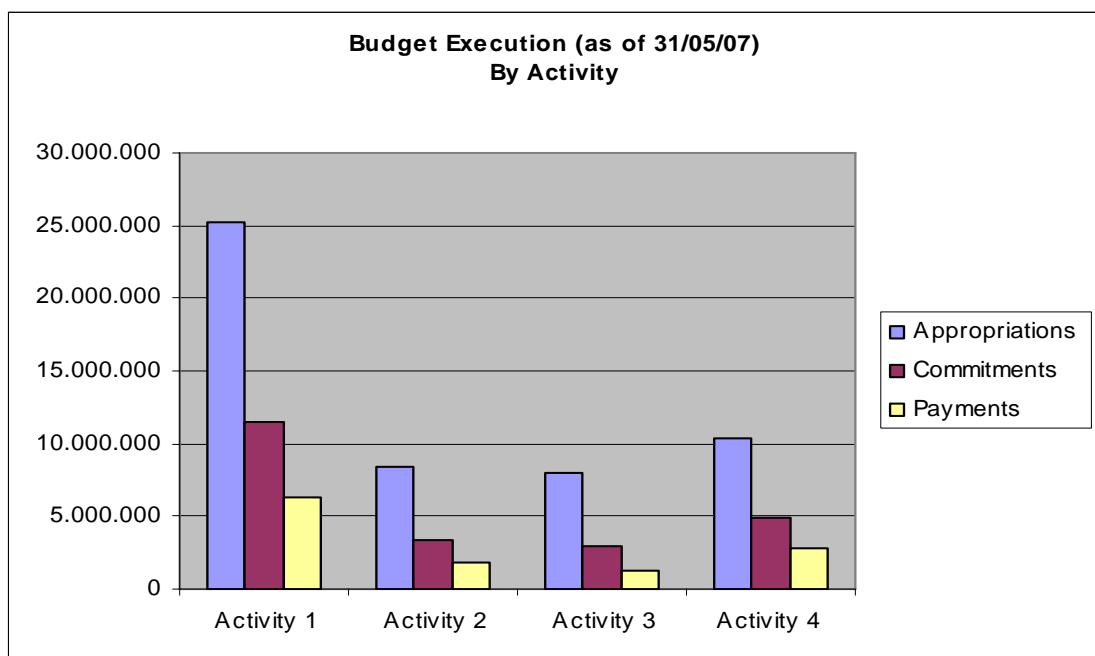
- Activity 1: Provide scientific opinion and advice to the European Commission, the European Parliament and the Member States
- Activity 2: Enhance risk assessment methodologies in Europe
- Activity 3: Communicate scientific advice and dialogue with interested parties
- Activity 4: Manage and provide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

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<sup>1</sup> These 4 activities were adopted for the 2008 budget but the estimation of their application to the 2007 budget is presented in this note.



Titles	Appropriations	Commitments	% Committed	Payments	% Paid
Personnel	24.549.770,00	10.411.681	42,41 %	7.886.272,90	32,12 %
Infrastructure	8.857.370,00	4.981.312	56,24 %	1.552.420,04	17,53 %
Operations	18.255.860	7.116.953	38,98 %	2.684.730	14,71 %
<b>TOTAL</b>	<b>51.663.000</b>	<b>22.509.946</b>	<b>43,57 %</b>	<b>12.123.423</b>	<b>23,47 %</b>
Enlargement	544.306	60.000	11,02%	0	0
<b>GRAND TOTAL</b>	<b>52.207.306,27</b>	<b>22.569.945,53</b>	<b>43,23 %</b>	<b>12.123.422,96</b>	<b>23,22 %</b>



Activity	Appropriations	% of Budget	Commitments	% Committed	Payments	% Paid
Activity 1	25.254.034	48,37%	11.450.196	45,34%	6.319.548	25,02%
Activity 2	8.464.359	16,21%	3.315.823	39,17%	1.758.222	20,77%
Activity 3	8.046.356	15,41%	2.948.453	36,64%	1.254.749	15,59%
Activity 4	10.442.557	20,00%	4.855.474	46,50%	2.790.904	26,73%
TOTAL	52.207.306	100%	22.569.946	43,23%	12.123.423	23,22%

## Budget Nomenclature

### *Title I – Personnel*

The commitment execution rate mirrors the progresses made in recruitment with the number of temporary agents having increased from 173 at the end of last year to 200 at the end of May and the global number of staff from 228 to 250 over the same period.

### *Title II – Infrastructure*

The renting contract for the additional building has been finalised with the landlord. The commitments to cover these additional renting and refurbishment expenses will represent an amount of EUR 800.000 in the 2007 budget.

### *Title III – Operations*

Globally the operational commitments are in line with the forecast. The commitments related to the risk assessment panels amount to EUR 4 millions (increasing by 23% compared to May 2006), those related to the Scientific Committee and the Advisory Forum activities amount to EUR 0.6 millions representing a large increase compared to last year (more than 50%) demonstrating the development of the scientific cooperation.

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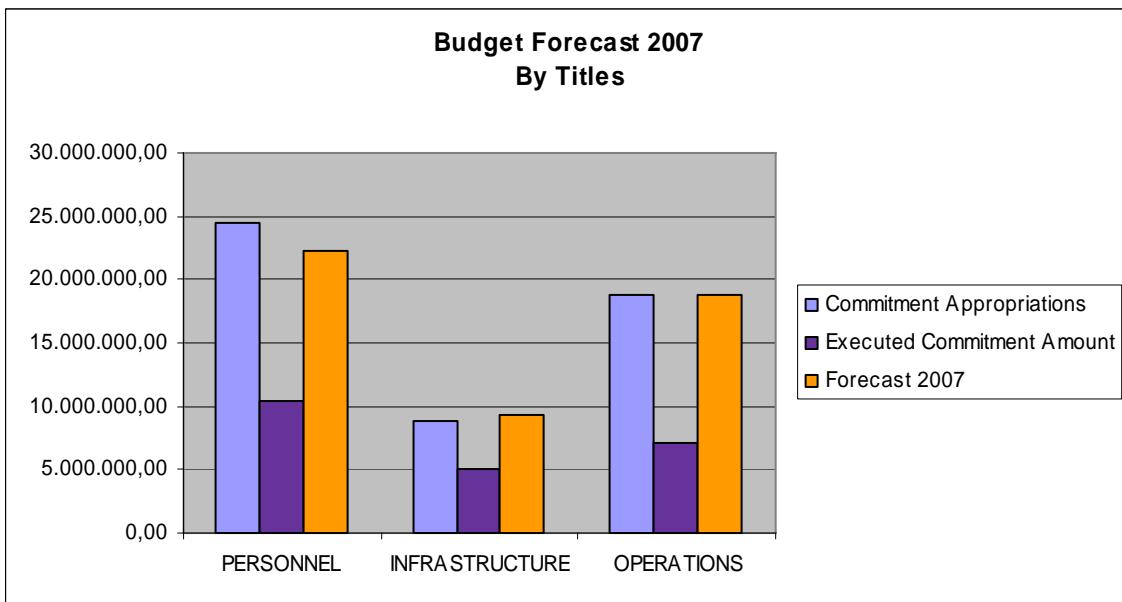
In 2007, the budget has been allocated to each activity in function of the human, financial and infrastructure resources required, the scientific activities (1 & 2) represent 65 %, the communication and dialogue (activity 3) 15 % and the administration (activity 4) 20 %.

Whereas Activity 1 is in line with the forecast, Activity 2 has a lower commitment rate mainly due to the fact that the SCA (Scientific Cooperation and Assistance) department is being developed.

The lower commitment rate in Activity 3 is mainly due to the low execution in the pre-accession (enlargement program) and communication budget lines, as the main events are foreseen in the second semester.

Activity 4 mainly bears the direct costs of the Administration Units (the human resources and infrastructure costs allocated to it), the commitments are therefore in line with the general budget.

## 2. Budget Forecast



### Title I – Personnel

All recruitment procedures having been launched (about 90 are still on going), the number of temporary agents hired (agreed contracts) at year end is expected to be close to the 300 posts in the establishment plan, though some of these agents (the estimate to date is about 20) would only be available to join EFSA early next year. This explains the lower execution ratio foreseen at year end.

### Title II – Infrastructure

Infrastructure forecast expenditures are likely to exceed the initial budget by EUR 0.5 million mainly related to the required IT and facilities equipments for the additional provisional building. The expenditures related to Management Board meetings and the shuttle service are also expected to be over the initial budget. The shortfall under Title II will be covered by a corresponding transfer from Title I hence reducing the forecast surplus in Title I.

### Title III – Operations

Under Title III, the subventions launched this year, the number of scientific meeting conducted so far and the expected increase in the communication activities would be translated, globally, into a full execution of the budget. The first 3 calls for proposals under Art. 36 have been launched (Biohaz, Zoonoses Datex) for a total amount of EUR 1.2 million. It is expected that the other calls (10 for a global amount of EUR 1.2 millions) will be launched before the end of the year.

### Budget forecast and transfers

The transfers identified above will be processed in the following months and presented to the Management Board in September 2007.

Overall, the expected budget execution rate would reach 96 % at year end with a 100 % execution rate under Titles II and III. Title I would be at 93 % executed (after transfers).