

## BUDGET EXECUTION MAY 2008 & YEAR END FORECAST

### 1. Budget execution

As of 31 May 2008,

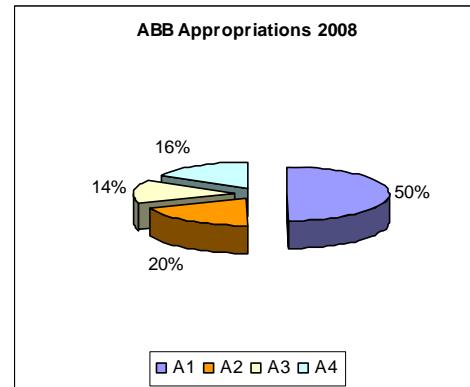
- EUR 28.3 million or 43 % of the EUR 66.4 million budget including the Pre-accession program was committed. The commitment level is in line with the forecast made at the beginning of the year (EUR 28.1 million).
- EUR 16.1 million or 24 % of the total appropriations were paid. This payment level is fairly in line with the forecast made at the beginning of the year (EUR 16.5 million).

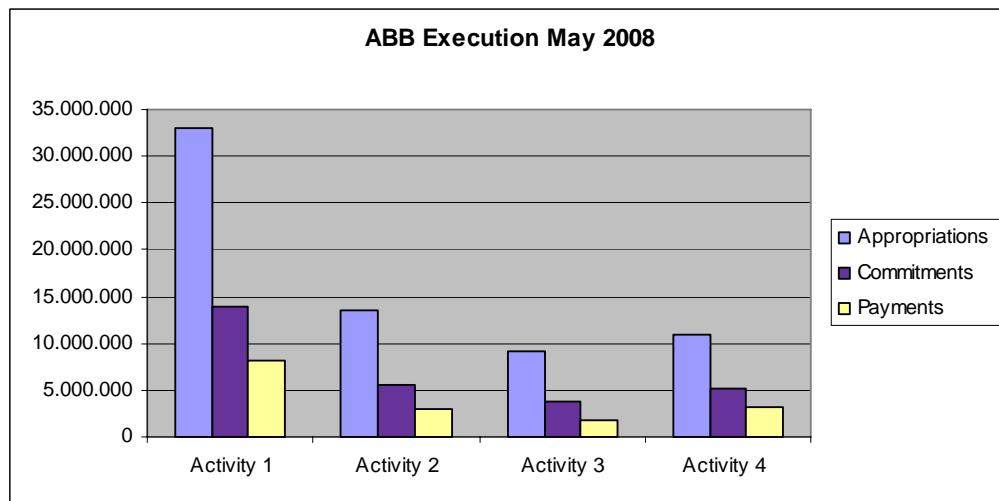
The following table and chart represent the budget execution along with the four activities identified by EFSA (Activity Based Budgeting) :

- 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 / M€	Appropriations 2008	Commitments 2008	%	Payments 2008	% Paid
<b>Activity 1</b>	32.9	14.0	42,6%	8.2	24,8%
<b>Activity 2</b>	13.4	5.5	40,8%	2.9	21,8%
<b>Activity 3</b>	9.2	3.7	40,5%	1.8	19,4%
<b>Activity 4</b>	10.9	5.1	47,2%	3.2	29,8%
<b>TOTAL</b>	<b>66.4</b>	<b>28.3</b>	<b>42,7%</b>	<b>16.1</b>	<b>24,3%</b>

In 2008, the budget has been allocated to each activity in function of the human, financial and infrastructure resources required. The scientific activities (1 & 2) represent 70 %, the communication and dialogue (activity 3) 14 % and the administration (activity 4) 16 % of the budget.

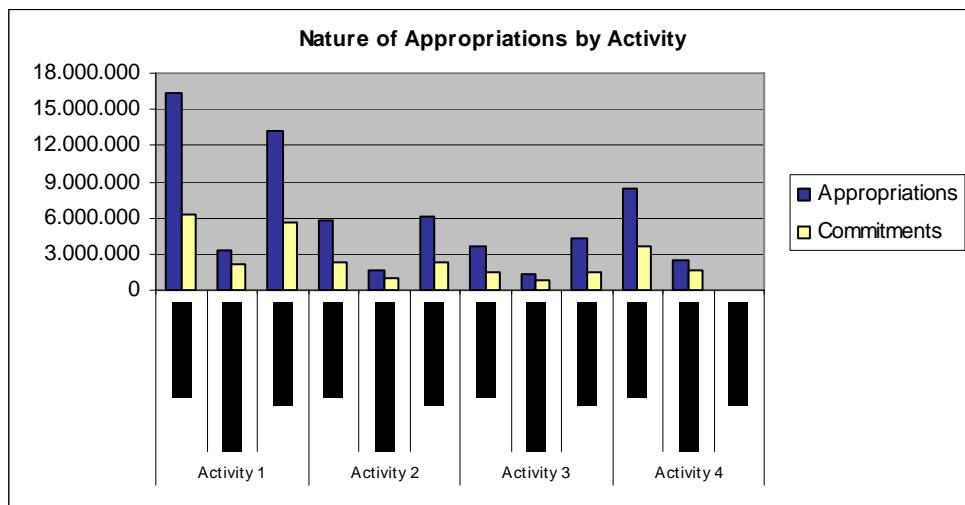




The commitment execution level oscillates between 40% and 47%; the commitment level of Activity 4 being slightly higher as the recruitment has been almost completed in the Administration Directorate.

The detailed execution by activity is as follow:

Activity	Titles	Appropriations 2008 M€	Commitments 2008 M€	%
Activity 1	PERSONNEL	16.3	6.2	38%
	INFRASTRUCTURE	3.3	2.2	65%
	OPERATIONS	13.3	5.6	42%
<b>A1 Scientific opinions &amp; advices</b>		<b>32.9</b>	<b>14.0</b>	<b>43%</b>
Activity 2	PERSONNEL	5.8	2.4	40%
	INFRASTRUCTURE	1.6	0.9	58%
	OPERATIONS	6.0	2.2	37%
<b>A2 Methodologies &amp; scientific cooperation</b>		<b>13.4</b>	<b>5.5</b>	<b>41%</b>
Activity 3	PERSONNEL	3.6	1.4	40%
	INFRASTRUCTURE	1.3	0.7	57%
	OPERATIONS	4.3	1.6	36%
<b>A3 Risk communication &amp; relationships</b>		<b>9.2</b>	<b>3.7</b>	<b>40%</b>
Activity 4	PERSONNEL	8.5	3.6	42%
	INFRASTRUCTURE	2.4	1.5	65%
	OPERATIONS	0	0	0%
<b>A4 Administration</b>		<b>10.9</b>	<b>5.1</b>	<b>47%</b>
	<b>GRAND TOTAL</b>	<b>66.4</b>	<b>28.3</b>	<b>43%</b>

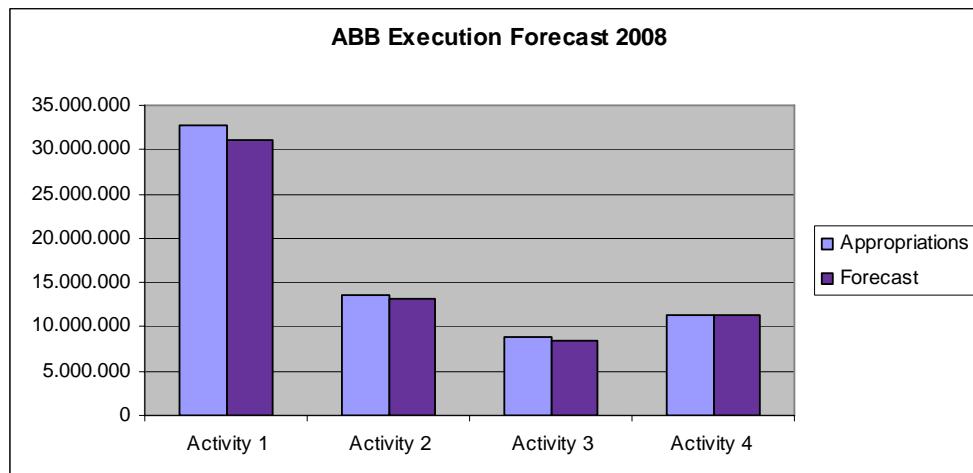


Compared to last year, the budget execution increased by EUR 5.8 million (+ 26 %) and the payments by EUR 4.1 million (+ 34 %). The two scientific activities commitments (1 and 2) explained more than 80% of this increase as they have risen by EUR 4.8 million. In particular, Activity 2 has increased by 70% as since last year, the Directorate of Scientific Cooperation and Assistance has been significantly developed.

EUR million	Commitments 2008	Commitments 2007	Increase	Payments 2008	Payments 2007	Increase
1- Provide Scientific Advice & Opinion	14,0	11,4	22%	8,2	6,3	31%
2- Risk assessment methodologies	5,5	3,3	70%	2,9	1,7	70%
3- Communication and dialogue	3,7	2,9	28%	1,8	1,2	43%
4- Management and Administration	5,1	4,9	4%	3,2	2,8	17%
<b>TOTAL</b>	<b>28,3</b>	<b>22,5</b>	<b>26%</b>	<b>16,1</b>	<b>12,0</b>	<b>34%</b>

## 2. Budget Forecast

Overall, the expected budget execution rate would reach 96 % at year end.



Activity	Titles	Appropriations 2008 (1)	%	Commitments Forecast 2008	%
Activity 1	PERSONNEL	15.8	24%	14.0	89%
	INFRASTRUCTURE	3.6	5%	3.6	100%
	OPERATIONS	13.4	20%	13.4	100%
A1 Scientific opinions & advices		32.8	49%	31.0	95%
Activity 2	PERSONNEL	5.6	8%	5.2	94%
	INFRASTRUCTURE	1.7	3%	1.7	100%
	OPERATIONS	6.3	9%	6.3	100%
A2 Methodologies & scientific cooperation		13.6	20%	13.2	97%
Activity 3	PERSONNEL	3.4	5%	3.3	96%
	INFRASTRUCTURE	1.4	2%	1.4	100%
	OPERATIONS	3.9	6%	3.8	98%
A3 Risk communication & relationships		8.7	13%	8.5	98%
Activity 4	PERSONNEL	8.5	13%	8.4	99%
	INFRASTRUCTURE	2.8	4%	2.8	100%
	OPERATIONS	0	0%	0	0%
A4 Administration		11.3	17%	11.2	100%
GRAND TOTAL		66.4	100%	64.1	96%

(1) The forecast includes the transfers aiming at adjusting the budget.

From an operational perspective, the scientific activities are expected to be fully executed.

The personnel expenditure under these activities however might slightly be delayed as most new comers will join EFSA during the second semester. All the recruitment procedures have been launched and are closely monitored in order to ensure that a maximum of new staff members will join by the end of the year.

Compared to 2007, the budget execution is expected to increase by EUR 16.6 million representing an increase of 35 %, out these EUR 16.6 million more than 80 % (EUR 13.4 million) will be devoted to the two scientific activities.

EUR million	Commitments 2008	Commitments 2007	Increase
1- Provide Scientific Advice & Opinion	31,0	22,4	39%
2- Risk assessment methodologies	13,2	8,5	56%
3- Communication and dialogue	8,5	7,6	12%
4- Management and Administration	11,3	8,9	26%
<b>TOTAL</b>	<b>64,0</b>	<b>47,4</b>	<b>35%</b>