

Management Board
08 Octobre 2009
Parma, Italy

Palazzo Ducale

Meeting :	Management Board, Public Session			
Subject :	Budget Execution & Forecast			
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Summary:	<ul style="list-style-type: none"> • By the end of August EFSA was able to put at work more than 2M€ more than a year ago. • Budget 2009 is forecasted to be consumed between 97 and 98% of presently available appropriations assuming the grants and procurement tendering are all successful and a posterior salary adaptation in line with forecast. • EFSA has requested a release of 2 M€ of the reserve put on 2009 funds to be able to resume systems development that had been put on hold. 			
Submitted by :	Administration Directorate			
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European Food Safety Authority

Administration Directorate

BUDGET EXECUTION AUGUST 2009 - YEAR END FORECAST – PARTIAL RELEASE OF RESERVE

1. Budget execution

As of 31 August 2009,

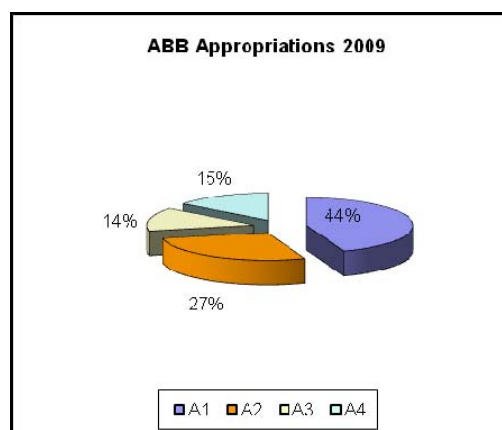
- EUR 42.02 million or **60.9 %** of the EUR 68.96 million budget including the Pre-accession program was committed. The commitment level is below the target set at year start for August (EUR 46.98 million – 10 %). This is mainly due to the low commitment level under the scientific and communication activities. August is in addition characterised by a low level of scientific meetings.
- EUR 33.09 million or **48.0 %** of the total appropriations were paid. This payment level also stands below the target (EUR 35.93 – 8 %) for the reasons mentioned herein above.

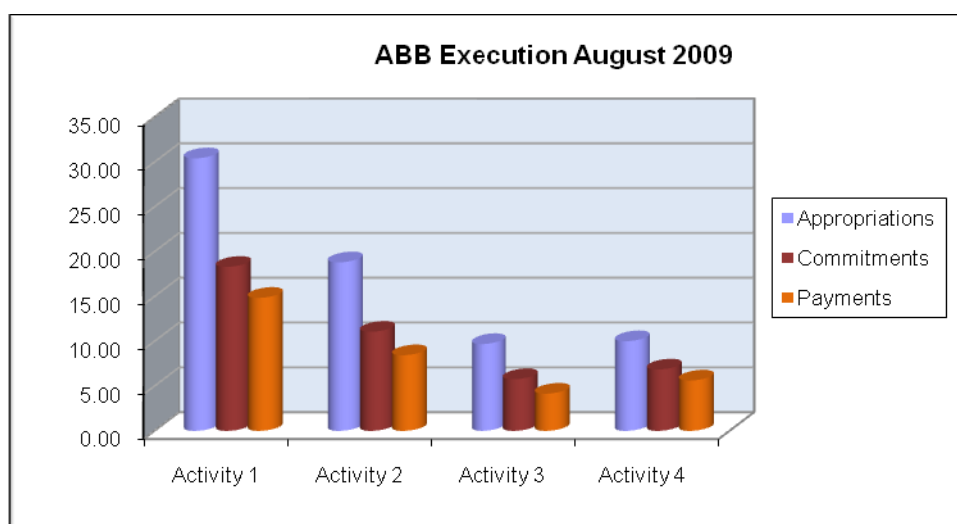
The following table and chart represent the budget execution along with the four activities identified by EFSA (Activity Based Budgeting):

- 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

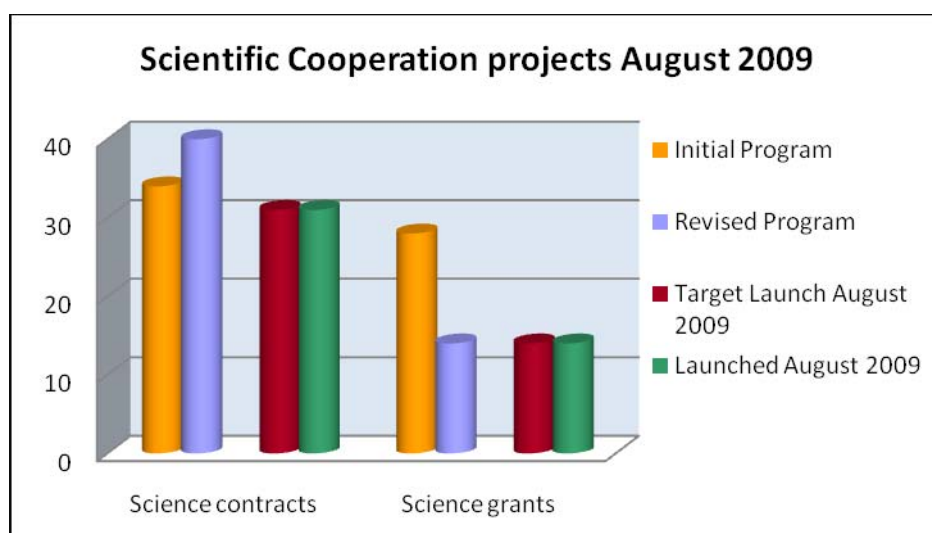
Activity	Appropriations	Commitments	% Committed	Payments	% Paid	To be paid
Activity 1	30,43	18,32	60,2%	14,86	48,8%	3,46
Activity 2	18,82	11,08	58,9%	8,45	44,9%	2,63
Activity 3	9,70	5,77	59,5%	4,16	42,9%	1,61
Activity 4	10,02	6,86	68,5%	5,62	56,1%	1,23
TOTAL	68,96	42,02	60,9%	33,09	48,0%	8,93

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 71 %, the communication and dialogue (activity 3) 14 % and the administration (activity 4) 15 % of the budget.





The commitment execution levels are close to 60 % (A1 – A2) and exceed 68 % (A4). The revised program and the delays observed in launching the science grants and contracts which represent 35 % of the operational appropriations explain this lower than expected commitment execution level in scientific activities. Activity 3 (Communication and dialogue) is, at 59 %, also lagging behind the target.



The tendering of the science contracts and grants until August was in line with the revised planning. The award of the contracts and grants is expected over the period September – October with ensuing budgetary commitments being done at that time.

Looking at the components of the activities, the global commitment level achieved for personnel costs is close to 65% and superior to 78 % for infrastructure costs covering the first three quarters. Globally, the operational part was at 50 % committed at end of August.

Title	Appropriations	Commitments	% Committed	Payments	% Paid	RAL
PERSONNEL	35,91	23,44	65,3%	21,95	61,1%	1,50
INFRASTRUCTURE	7,61	5,97	78,4%	3,86	50,7%	2,11
OPERATIONS	25,44	12,61	49,6%	7,28	28,6%	5,33
of which Pre-accession	0,51	0,25	50,0%	0,07	14,6%	0,18
TOTAL	68,96	42,02	60,9%	33,09	48,0%	8,93

Year on year, the budget execution increased by EUR 2.2 million in August. This represents an increase of 6 % while overall budget available has increased by 4 %. A noticeable increase in Activity 2 and 3 commitment level is to be noted. Overall the payments increased by EUR 3.8 million which represent a 13 % increase in nominal terms.

The Management & Administration allocation in the global budget reduced from EUR 11.3 million in 2008 to EUR 10.0 million in 2009 or a decrease by 11 %. This mainly explains the slower pace of commitment (-3 %) and Payment (+2%) compared to 2008.

EUR million	Commitment August 2009	Commitment August 2008	Increase	Payments August 2009	Payments August 2008	Increase
1- Provide Scientific Advice & Opinion	18,32	19,35	-5%	14,86	14,88	0%
2- Risk assessment methodologies	11,08	8,06	37%	8,45	5,30	60%
3- Communication and dialogue	5,77	5,35	8%	4,16	3,62	15%
4- Management and Administration	6,86	7,05	-3%	5,62	5,50	2%
TOTAL	42,02	39,82	6%	33,09	29,29	13%

For the various Titles and in relative terms, the year on year comparison shows that the budget execution 2009 stands 13 % above the payment level achieved in June 2008.

2. Budget Execution Forecast

Overall, the budget execution 2009 is expected, within actual circumstances, to be within the 97-98 %range at year end (compared to the achieved 97 % in 2008) .

Activity	Titles	Appropriations 2009	%	Forecast Commitments	%
Activity 1	PERSONNEL	14.989.907	22%	14.760.000	98%
	INFRASTRUCTURE	2.753.012	4%	2.730.000	99%
	OPERATIONS	12.546.776	18%	12.200.000	97%
A1 Scientific opinions & advices		30.289.695	44%	29.690.000	98%
Activity 2	PERSONNEL	8.680.300	13%	8.560.000	99%
	INFRASTRUCTURE	1.720.589	2%	1.690.000	98%
	OPERATIONS	8.365.628	12%	8.220.000	98%
A2 Methodologies & scientific cooperation		18.766.517	27%	18.470.000	98%
Activity 3	PERSONNEL	4.305.196	6%	4.150.000	96%
	INFRASTRUCTURE	1.035.134	2%	1.020.000	99%
	OPERATIONS	4.522.787	7%	4.400.000	97%
A3 Risk communication & relationships		9.863.117	14%	9.570.000	97%
Activity 4	PERSONNEL	7.938.596	12%	7.650.000	96%
	INFRASTRUCTURE	2.101.265	3%	2.101.265	100%
	OPERATIONS	0	0%	0	0%
A4 Administration		10.039.861	15%	9.751.265	97%
GRAND TOTAL		68.959.190	100%	67.481.265	98%

The forecast includes the transfers done in September which aimed at adjusting the budget appropriations to real requirements were necessary.

This forecast is however is based on a certain number of assumptions:

- The call for grants and contract launched are successfully leading to awards before year end.
- The recruitment processes ongoing lead to employment offers that are accepted swiftly.
- The decision by the Council on retroactive salary adjustments expected to be taken in December are in line with planning assumptions retained.

Year on year, the budget execution is expected to increase by EUR 3.4 million representing an increase of 5 % 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	29,7	31,3	-5%
2- Risk assessment methodologies	18,5	14,3	29%
3- Communication and dialogue	9,6	7,6	26%
4- Management and Administration	9,8	11,0	-11%
TOTAL	67,5	64,2	5%

3. Partial release of the 2009 Budget Reserve

The 2009 EFSA budget was adopted by the European Parliament in December last with a 10 % reserve under Title I (EUR 2.5 million) and Title II (EUR 2.0 million) pending the provision by EFSA to the same of additional information about the results and implementing measures of its staff survey and working methods. Staff surveys conducted in 2007 and 2008 were designed to identify areas where improvements might be required. The results and recommendations of the surveys were duly taken into account and implemented over previous months..

EFSA invited the Commission to submit to the Budgetary Authority a request aiming at releasing the EUR 2.0 million reserve under Title II considering that the consumptions forecast on this title in particular is nearing 100 %. The procedure will not allow availability of the credits before end November.

This partial release will nonetheless allow EFSA to conduct the initially planned IT development and infrastructure projects which had been put on hold due to the reserve and saw since late 2008 their relevance confirmed. They are geared to enhance EFSA's core business processes and enhance capacity to measure costs and enhance efficiency.

No release is requested under Title I where EFSA strategy has been to postpone part of its recruitment plan and focused the available human and financial resources on priority actions. Whilst the recruitment procedures have now resumed and will result in the posts to be filled in early 2010, the availability of the funds in November will not be instrumental in this case.