

Management Board
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Brussels

Subject :	Budget execution and year end forecast	
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		Discussion
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Administration Directorate

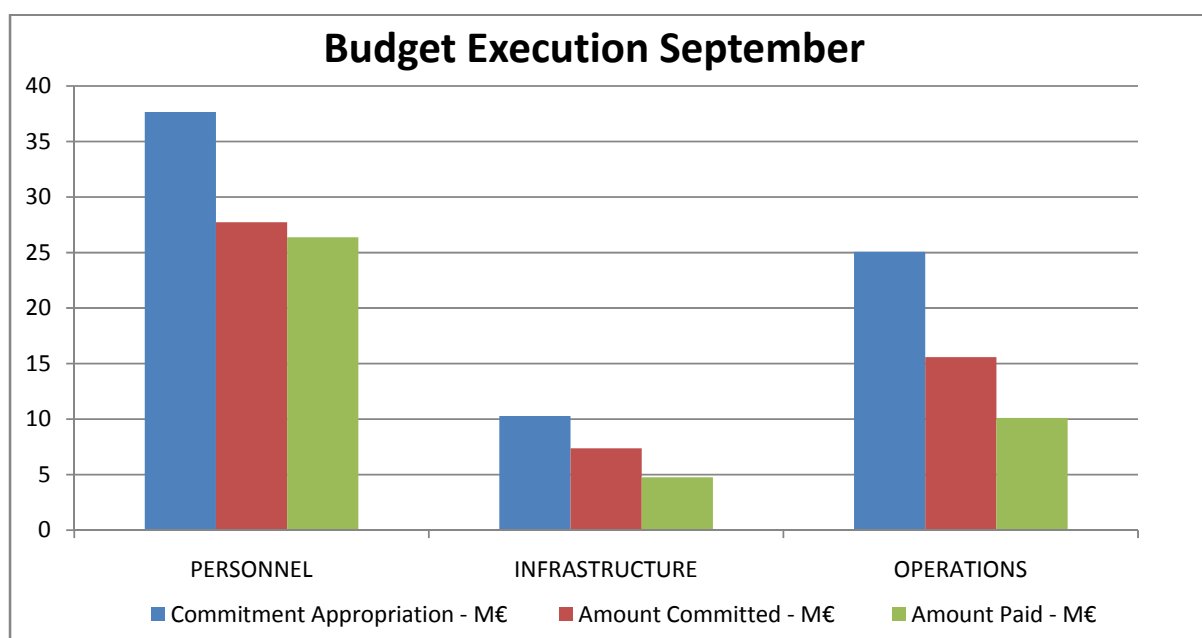
BUDGET EXECUTION SEPTEMBER 2010 & YEAR END FORECAST

1. Budget execution

As of 30 September 2010,

- EUR 50.70 million or **69.5 %** of the EUR 73.00 million budget was committed. The commitment level stands 11 % below the target set for September (EUR 56.80 million) mainly due to postponement in launching and thereby committing data collection, scientific cooperation and networking activities (Activity 3). Whereas the launch of the grants and procurements is back on track, this does not reflect yet at commitment level. Out of the EUR 8.2 million scientific cooperation program, EUR 1.8 million was committed to date.
- EUR 41.26 million or **55.8 %** of the total payment appropriations were paid. This payment level stands 18 % below the target (EUR 50.24 million) for the reason mentioned hereinabove.

Title	Commitment Appropriation	Amount Committed	% Committed	Payment Appropriation	Amount Paid	% Paid
PERSONNEL	37.656.600	27.738.337	73,66%	37.656.600	26.376.251	70,04%
INFRASTRUCTURE	10.283.400	7.373.022	71,70%	10.283.400	4.765.522	46,34%
OPERATIONS	25.056.000	15.590.922	62,22%	25.999.000	10.114.524	38,90%
Total:	72.996.000	50.702.281	69,46%	73.939.000	41.256.296	55,80%



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The following table and chart report the budget appropriations and executions along with the four operational activities and governance & administration functions (Activity Based Budgeting):

- Activity 1. Provision of scientific opinions and advice and risk assessment approaches
- Activity 2. Evaluation of products, substances and claims subject to authorisation
- Activity 3. Data collection, scientific cooperation and networking
- Activity 4. Communication and dialogue
- Govern 5. Governance and administration functions

In EUR	Commitment Appropriation	%	Amount Committed	%	Payment Appropriation	Amount Paid	%	RAL
Activity 1	12.806.931	17,54%	9.817.324	76,66%	12.826.931	7.242.549	56,46%	2.574.774
Activity 2	19.540.824	26,77%	15.154.421	77,55%	19.540.824	12.311.555	63,00%	2.842.866
Activity 3	21.618.842	29,62%	12.004.522	55,53%	22.541.842	10.689.045	47,42%	1.315.476
Activity 4	8.069.813	11,06%	5.674.776	70,32%	8.069.813	4.330.343	53,66%	1.344.433
Govern 5	10.959.590	15,01%	8.051.238	73,46%	10.959.590	6.682.804	60,98%	1.368.435
Total	72.996.000	100 %	50.702.281	69,46%	73.939.000	41.256.296	55,80%	9.445.985

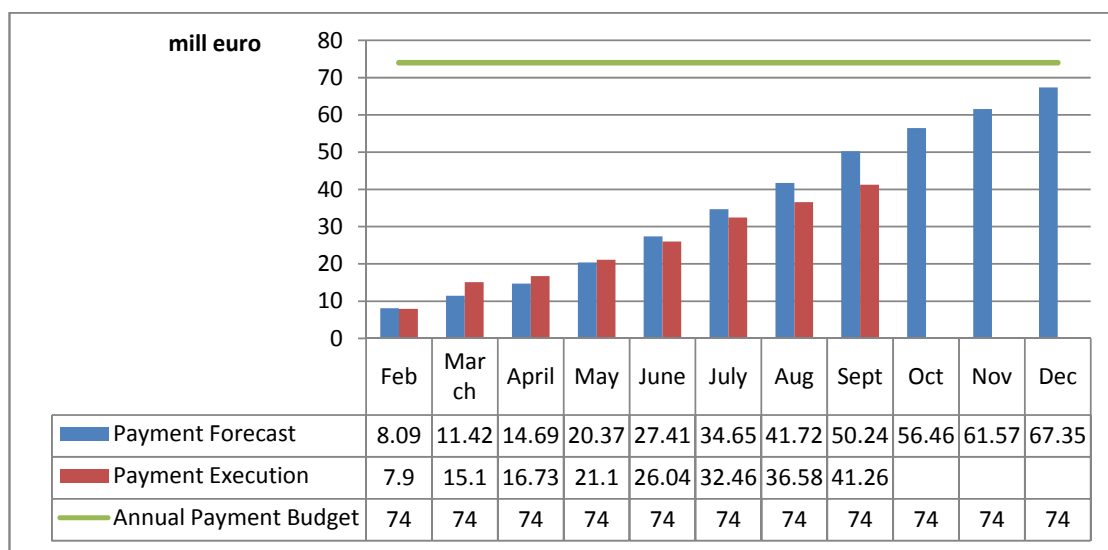
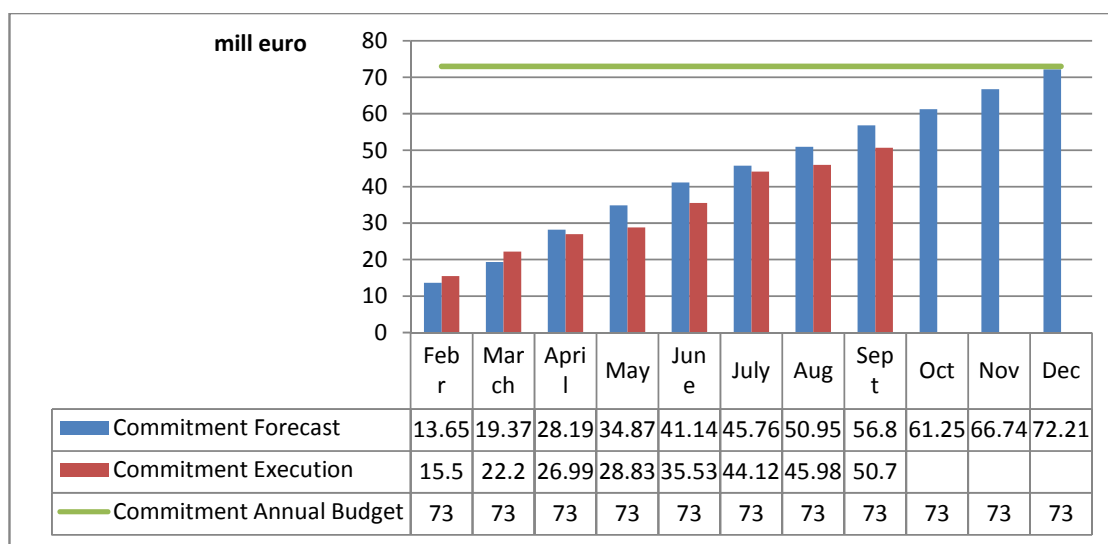
Activity 3 – data collection and networking - is, as mentioned before, lagging behind with a 55 % overall commitment level. This is mainly explained by delays observed in launching the contracts and grants program as submitted to the Management Board. The commitment level reached 70 % for communication activities. Activities 1 and 2 as well as the governance activity are mostly in line with the target, over a 74 % commitment level.

2. Year on year

Year on year, the budget execution increased by EUR 8.93 million over the same period which represents an increase of 21 % (while the budget itself has increased by 7 % from EUR 68.5 million last year to EUR 73.0 million this year). The payments increased by EUR 4.23 million compared to last year which represents a 11 % increase.

EUR	Commitment Sept 2010	Commitment Sept 2009	Increase	Payments Sept 2010	Payments Sept 2009	Increase
PERSONNEL	27.738.337	25.944.258	6,92%	26.376.251	24.664.019	6,94%
INFRASTRUCTURE	7.373.022	6.722.751	9,67%	4.765.522	4.427.833	7,63%
OPERATIONS	15.590.922	13.954.469	11,73%	10.114.524	7.931.839	27,52%
TOTAL	50.702.281	41.766.492	21,39%	41.256.296	37.023.692	11,43%

3. Budget Execution versus Target (Commitment and Payment appropriations from EU subvention)



4. Budget Execution Forecast

Overall, the 2010 expected budget execution would be higher than the achieved 97 % in 2009 without noticeable difference between activities. A 99 % budget execution estimate can still be achieved upon successful outcome of the EUR 6.4 scientific grants and procurements under evaluation and still to be awarded. Under Title I and Title II, the full budget execution objective remains realistic.

The integration of the EFTA contribution to be added through the adoption of an amended budget, if approved by the Management Board, is not expected to affect this estimate as the funds have been allocated to identified projects as reported in the Amending Budget document.