

Management Board
17 March 2011
Parma

Subject :		Budget execution 2010	
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			Discussion
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EXECUTIVE SUMMARY

2010 has been, from a budget execution viewpoint, showing further progress on the level of the utilisation of financial resources, the completeness in launch of scientific cooperation program and in terms of recruitment.

- 99 % of the 2010 Budget was committed and 85 % paid out. This shows a continued improvement over past years (97 % consumption and 76 % payment in 2009). In nominal terms, this represents an 8 % increase in commitments and a 16 % increase in payments compared to the year before.
- In budget terms, the commitment rate reached the 99 % target whereas the payment rate failed however to reach the target with EUR 7 millions not paid within the year mainly because late initiation in the year of several scientific, IT or other projects.
- In activity based logic, the commitment rate reached 99 % or over for all Activities except for Activity 3 (data collection and networking) which achieved 98 % of commitment.
- At year end, 433 posts were occupied and 21 job offers had been sent to selected candidates bringing the total to 454 posts out of the planned 460 posts filled-in. The vacancy rate at year end stood at 1 % only.

Administration Directorate

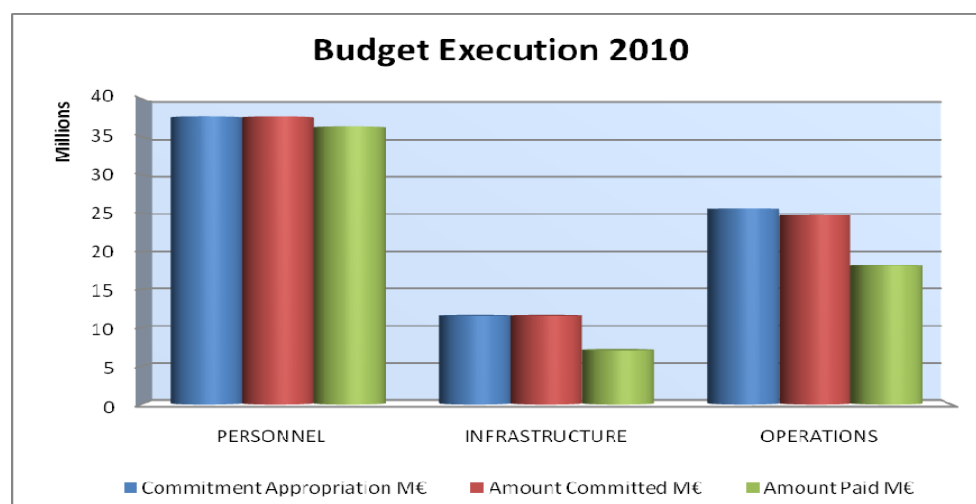
BUDGET EXECUTION 2010

1. Budget execution

In 2010,

- EUR 73.8 million or **98.8 %** of the EUR 74.72 million budget (after integration of the EFTA contribution to EFSA budget) was committed. The commitment level stands close to the target set for the year (EUR 74.0 million, 99%). Under Title I Personnel and Title II Infrastructure, the budget was fully executed. Under Title III Operations, the execution rate reached 96.5 % with, in particular, the commitments under the scientific cooperation program having reached 95.3 % of the EUR 8.2 million appropriations available at year end.
- EUR 61.6 million or **83.5 %** of the EUR 73.78 payment appropriations (after global transfer and EFTA contribution to EFSA budget) were paid. This payment level stands 11 % below the target (EUR 68.7 million, 93%) for the reasons expressed in page 3:

Title	Commitment Appropriation	Amount Committed	% Committed	Payment Appropriation	Amount Paid	% Paid	Amount to be Paid
PERSONNEL	37,573,452	37,570,152	100.0%	37,573,452	36,350,027	96.74%	1,220,125
INFRASTRUCTURE	11,538,018	11,537,644	100.0%	11,538,018	7,070,946	61.28%	4,466,698
OPERATIONS	25,603,650	24,700,316	96.5%	24,670,130	18,195,968	73.76%	6,504,348
Total:	74,715,120	73,808,112	98.8%	73,781,600	61,616,941	83.51%	12,191,171

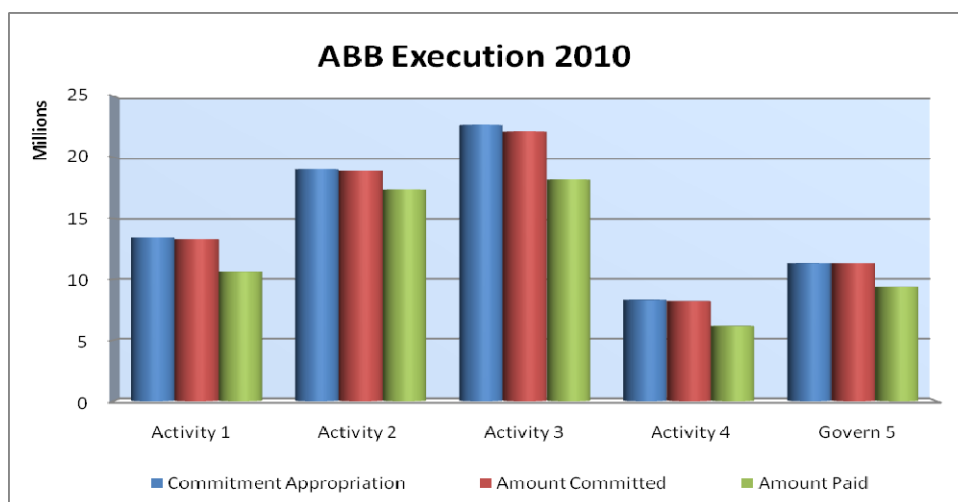


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The following table and chart report the budget appropriations and executions along with the four operational activities and governance & administration functions (Activity Based Budgeting):

- 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	%	Amount to be Paid
Activity 1	13,193,480	17.66%	13,049,143	98.9%	13,193,480	10,582,520	80.2%	2,466,623
Activity 2	18,712,141	25.04%	18,549,377	99.1%	18,712,141	17,355,991	92.8%	1,193,386
Activity 3	23,557,510	31.53%	23,058,340	97.9%	22,623,990	18,200,373	80.4%	4,857,967
Activity 4	7,946,120	10.64%	7,846,498	98.7%	7,946,120	6,132,305	77.2%	1,714,193
Govern 5	11,305,869	15.13%	11,304,754	100.0%	11,305,869	9,345,751	82.7%	1,959,003
Total	74,715,120	100.00%	73,808,112	98.8%	73,781,600	61,616,941	83.5%	12,191,171



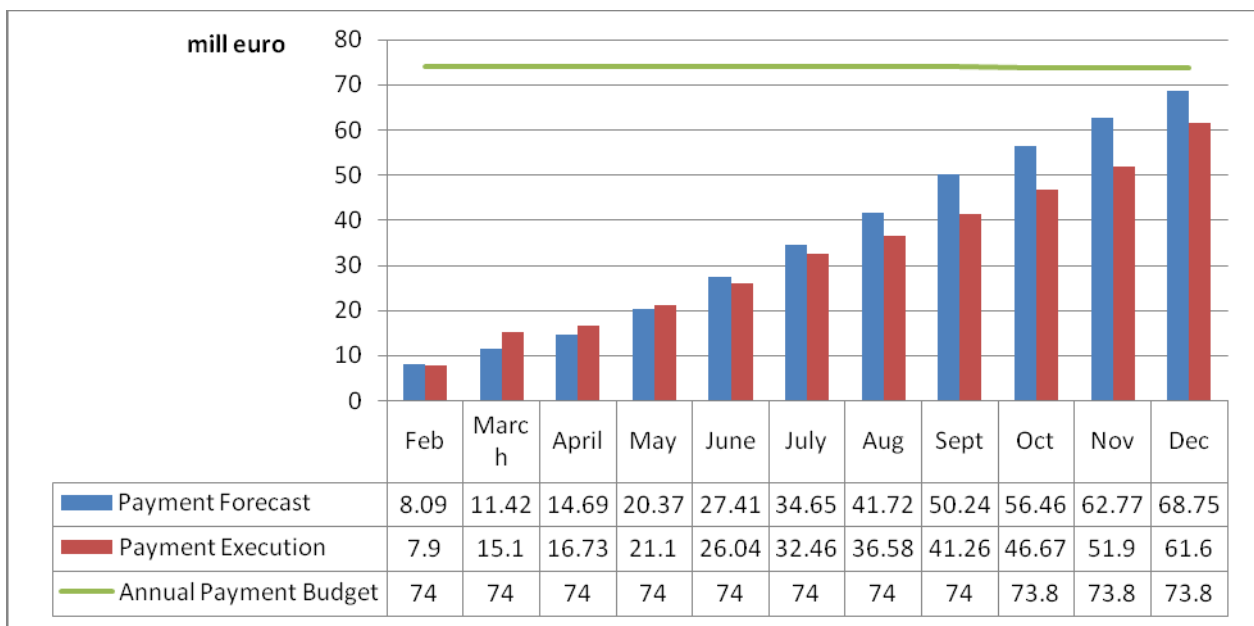
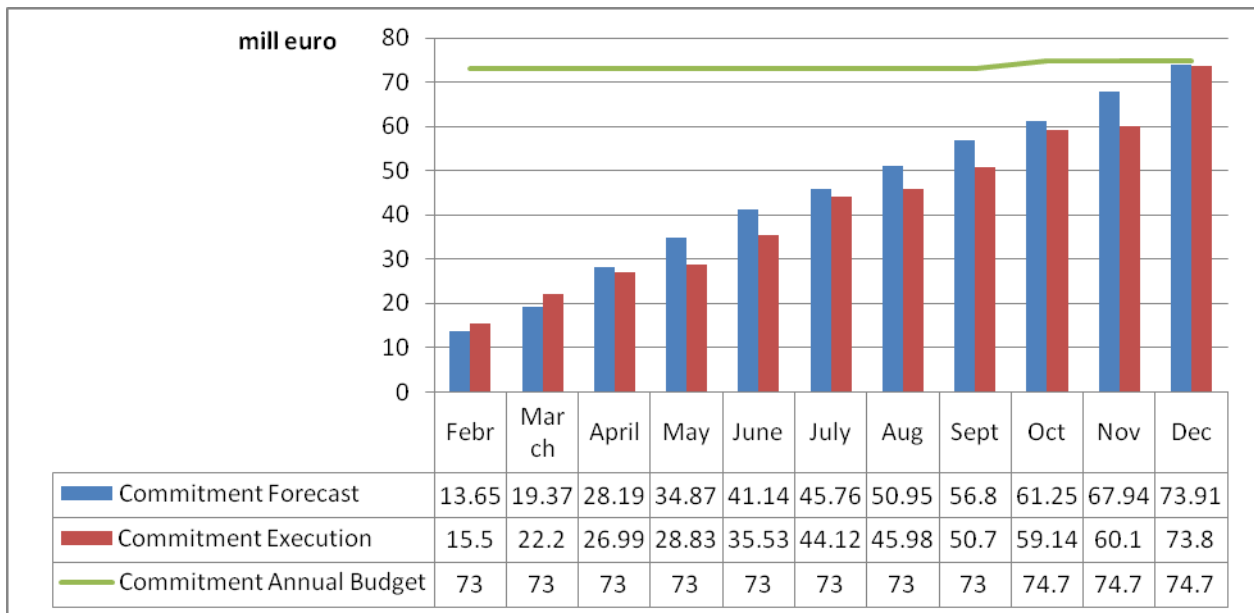
Activity 3 - data collection and networking – did not reach, with 97.9 %, the targeted commitment level. This is mainly due to the 95.3 % commitment level of the contracts and grants under the scientific cooperation program. The other operational activities reached 99 % execution while the administration and governance activities reached 100%.

2. Year on year

Year on year, the budget execution increased by EUR 5.2 million, which represents a 4 % progress. The payments increased by EUR 8.4 million compared to last year which represents a 15 % progress.

Title	Commitment 2010	Commitment 2009	Increase	Payments 2010	Payments 2009	Increase
PERSONNEL	37,570,152	33,813,425	11.11%	36,350,027	33,123,524	9.74%
INFRASTRUCTURE	11,537,644	10,693,242	7.90%	7,070,946	6,297,081	12.29%
OPERATIONS	24,700,316	24,070,453	2.62%	18,195,968	13,818,097	31.68%
Total:	73,808,112	68,577,120	7.63%	61,616,941	53,238,702	15.74%

3. Budget Execution versus Target

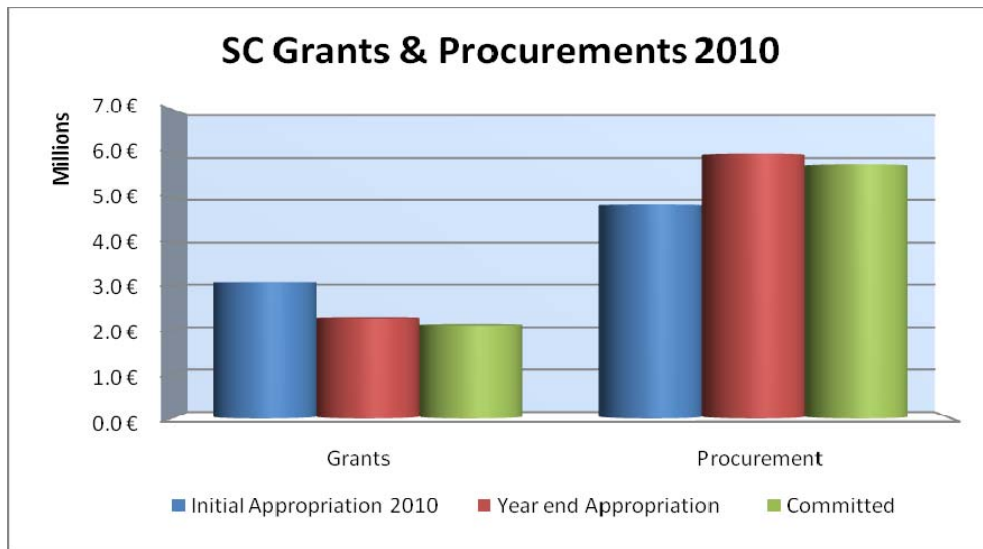


Whereas the 99 % commitment objective was reached, the 93 % payment objective was not met for three main reasons:

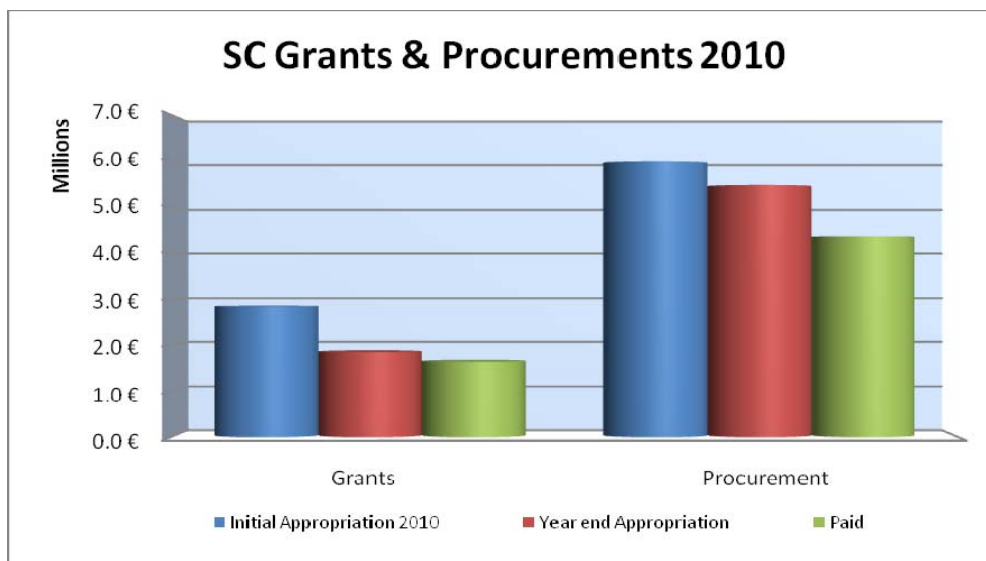
- Major data processing and IT operational support projects were initiated in November and will therefore trigger payments for an amount of EUR 4.3 million only in 2011.
- Delays in contracting the Scientific Cooperation Activities and lower payment levels under the existing grant & procurement program lead to an under-spent of the related differentiated credits amounting to EUR 1.3 million.
- Payments for an amount of EUR 1.1 million under specific projects in Administration and Communication were postponed to 2011

4. Scientific Cooperation program

The year-end commitments stood at EUR 7.86 million or 99.57 % of the initial EUR 7.9 million program.



In terms of payment appropriations under the grant & procurement program, EUR 6.0 million was paid out of the EUR 7.3 million available (82 %). Under the Grants, 89 % of the payment appropriations were consumed; 80 % under procurement. This reflects the late adoptions of the bulk of Scientific Cooperation which did not allow to disburse payment credit as expected at year start.



5. Staffing

At year end, 433 posts were occupied and 21 job offers sent to the selected candidates bringing the total to 454 posts filled-in out of the planned 460 posts.

Posts		Planning	Filled-in
Temporary Administrator Posts	Agents	203	200
Temporary Assistants Posts	Agents	152	145
Total Temporary Agents		355	345
Contract Agents		85	95
Seconded National Experts		20	14
Total staff		460	454

The vacancy rate at year end stood at 1 % cumulating all contract types. It is worth noting that the 2010 external turnover (Staff leaving EFSA) stood at 5.8 % with the internal turnover (staff changing post) reaching 3 %.

The contract agent posts were used to counterbalance more difficulty in attracting Second National Experts in particular considering the high budget constraints at Member States level.

