

EXECUTIVE OFFICE

Management Board
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Parma

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RESOURCES AND SUPPORT

EXECUTIVE SUMMARY

As of Mid September 2011, the budget execution is in line with the targets, be it at the level of the commitments (68 % utilised – on target) or payments (52 % paid – 5 % above target). The utilisation of financial resources is estimated to reach improved levels compared to last year.

In particular:

- 68 % of the 2010 Budget was consumed and 52 % paid out. This mirrors a constant improvement over years at this time in the year. In nominal terms, this represents an 14 % increase in commitments and a 3 % increase in payments compared to the year before.
- At the level of the activities, the execution rate already reached 77 % for Activity 1 (Provision of scientific opinions and advice and risk assessment approaches) and around 67 % for Activities 2 and 4 which were on target. Activity 3 (Data collection, scientific cooperation and networking) reached 56 % of execution. This activity is indeed traditionally committed later in the year after the award of the agreements and contracts launched in the first part of the year.
- The budget forecast for 2011 stands at 100 % for the commitments (99 % was reached in 2010) and 87 % for the payments (83 % was reached in 2010).

RESOURCES AND SUPPORT

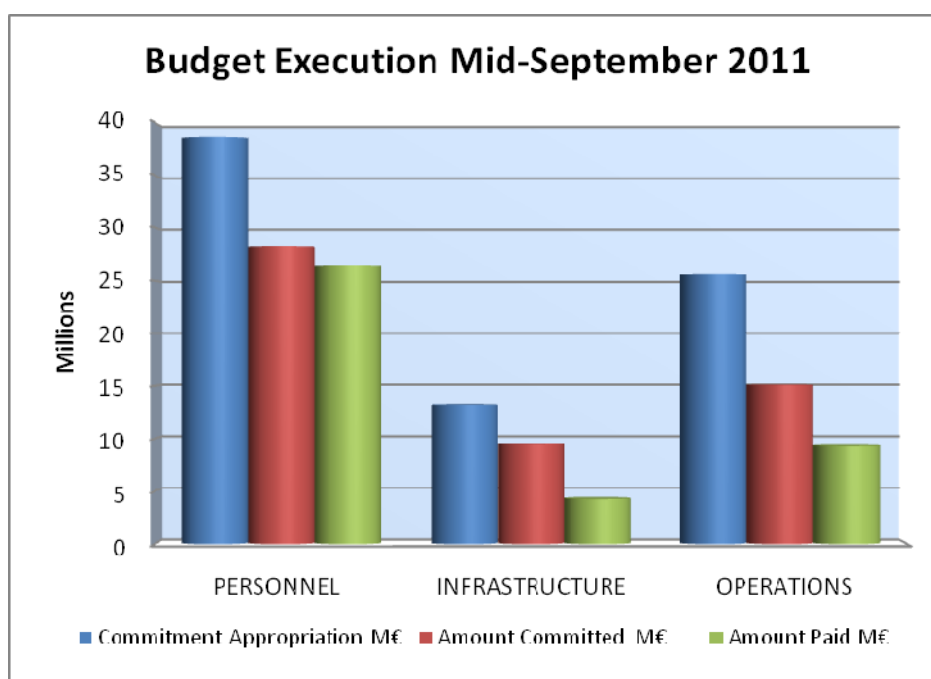
BUDGET EXECUTION AUGUST 2011 & YEAR END FORECAST

1. Budget execution

As of Mid September,

- EUR 52.74 million or **68.22 %** of the EUR 77.31 million budget was committed. This commitment level already included the September staff expenditure (EUR 3.3 million) and stands on the target set at the beginning of the year. Under Title II Infrastructure, the budget is, with 72 % committed, also in line with the objective. Under Title III Operations, the execution rate reached 59 % with, in particular, the commitments under the scientific cooperation program (EUR 1.57 million) being below the initial objective (EUR 2.75 million). The commitments related to scientific fora already reached 79% of available appropriations.
- EUR 40.07 million or **52.08 %** of the EUR 76.96 payment appropriations were paid. This payment level stands 5 % above the target. In July, payments were already observed 6 % above target.

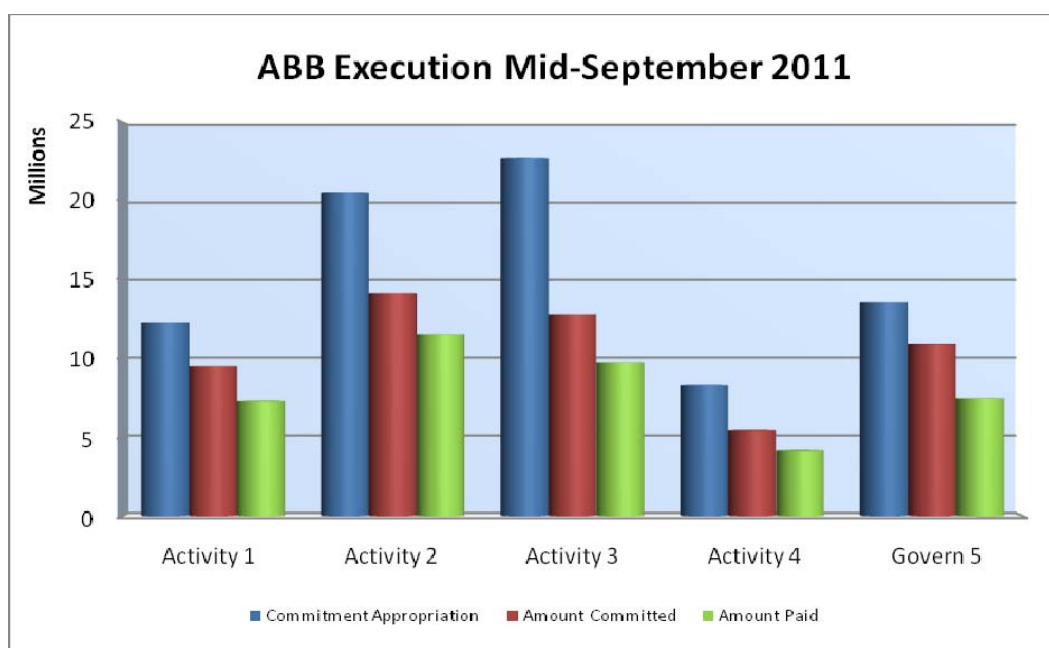
Title	Commitment Appropriation	Amount Committed	% Committed	Payment Appropriation	Amount Paid	% Paid	RAL
PERSONNEL	38,569,100	28,200,489	73.12%	38,569,100	26,483,248	68.66%	1,717,242
INFRASTRUCTURE	13,152,300	9,464,220	71.96%	13,152,300	4,298,037	32.68%	5,166,183
OPERATIONS	25,588,400	15,078,284	58.93%	25,236,900	9,295,250	36.83%	5,783,033
Total:	77,309,800	52,742,993	68.22%	76,958,300	40,076,535	52.08%	12,666,458



The following table and chart report the budget appropriations and executions along with the four operational activities and governance & support 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 support functions
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In EUR	Commitment Appropriation	%	Amount Committed	%	Payment Appropriation	Amount Paid	%	RAL
Activity 1	12,241,740	15.83%	9,466,311	77.33%	12,600,291	7,273,408	57.72%	2,192,903
Activity 2	20,478,598	26.49%	14,150,341	69.10%	19,063,527	11,539,230	60.53%	2,611,111
Activity 3	22,720,974	29.39%	12,775,567	56.23%	22,493,954	9,709,633	43.17%	3,065,934
Activity 4	8,302,081	10.74%	5,436,641	65.49%	7,758,053	4,124,131	53.16%	1,312,510
Govern 5	13,566,407	17.55%	10,914,133	80.45%	15,042,475	7,430,132	49.39%	3,484,001
Total	77,309,800	100.00%	52,742,993	68.22%	76,958,300	40,076,535	52.08%	12,666,458



At Mid September, all activities reached a commitment level in line or exceeding the target, except Activity 3.

- Activity 1 and Activity 2, with 77 % and 69 % respectively committed are on or ahead of schedule, in particular in the field of scientific meetings (see below).
- Activity 3 - data collection scientific cooperation and networking – stands below the initial target with a 56 % commitment rate. Commitments directly related to the scientific cooperation amount to EUR 1.57 million at Mid September or 42 % below the initial target at this time in the year. The progressive sliding of the launch program, the cancellation of projects subsequently replaced by others and the substitution of unsuccessful calls caused delays in committing the contracts or grant agreements.
- Activity 4 is fairly on target whereas Govern 5 stands over the target due to implementation earlier than initially anticipated of projects related to the re-organisation, the final seat or IT developments.

2. Year on year

Year on year, the commitments increased by EUR 6.68 million which represents a 14.5 % progress. The payments increased by EUR 1.16 million compared to last year which represents a 2.98 % progress.

Title	Commitments Mid Sept 2011	Commitments Mid Sept 2010	Increase	Payments Mid Sept 2011	Payments Mid Sept 2010	Increase
PERSONNEL	28,200,489	26,374,416	6.92%	26,483,248	24,835,957	6.63%
INFRASTRUCTURE	9,464,220	7,126,084	32.81%	4,298,037	4,377,477	-1.81%
OPERATIONS	15,078,284	14,879,644	1.33%	9,295,250	9,703,206	-4.20%
Total:	52,742,993	46,058,008	14.51%	40,076,535	38,916,640	2.98%

3. Transversal Actions

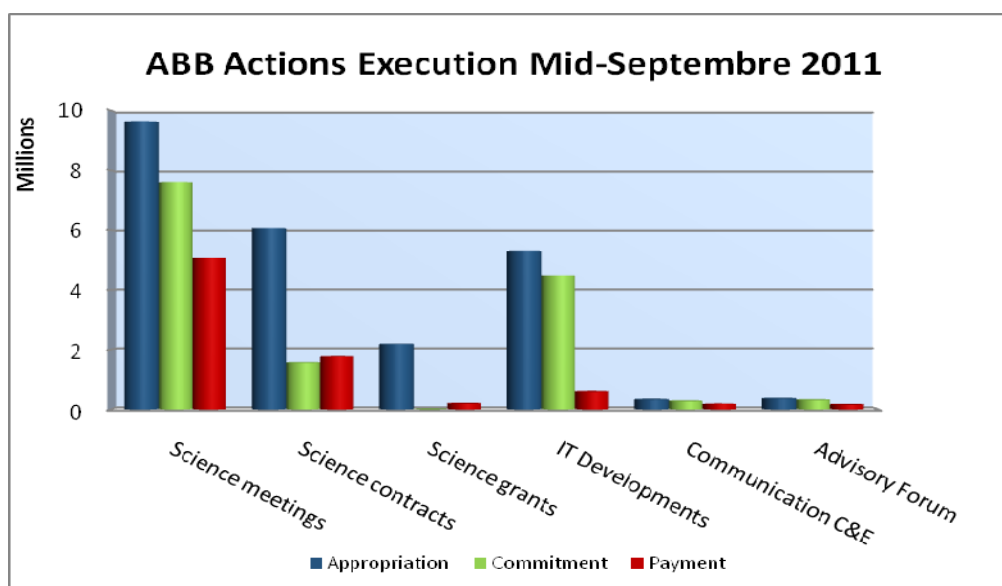
Scientific meetings are already at 79 % committed. Year on year, a 10 % increase of the number of scientific meetings (924 meetings committed until now) and a 4 % increase in the number of expert days (9.122 days) is observed.

Science contracts and grants are mostly in evaluation phase with a consequently low EUR 1.57 million commitment level achieved, below the initial EUR 2.75 million target. The gap is expected to be closed by year.

IT developments are on track after all lots under the new framework contract were signed, hence 84 % commitment rate in this area.

The Advisory Forum and Communication conference and events reached a commitment rate of 88 % and 86 % respectively. These commitment rates are after September transfers which in particular reduced the Communication C&E budget from EUR 515.000 to EUR 308.000.

Description Action	Appropriation	Commitment	%	Payment	% Paid	RAL
Science meetings	9,637,000	7,612,600	78.99%	5,091,654	66.88%	2,520,946
Science contracts	6,065,455	1,574,516	25.96%	1,772,451	112.57%	-
Science grants	2,178,500	0	0.00%	228,835	-	-
IT Developments	5,316,704	4,471,280	84.10%	620,306	13.87%	3,850,974
Communication C&E	363,000	312,152	85.99%	202,225	64.78%	109,927
Advisory Forum	395,870	349,157	88.20%	157,293	45.05%	191,864
	53,353,271	38,423,289	72.02%	32,003,771	83.29%	6,419,518



4. Budget Execution versus Target and 2011 year end Forecast

At Mid September, the budget execution is in line with the targets. Whereas the commitment target (EUR 52.77 million) was tackled, the payment objective was surpassed (+ EUR 1.8 million or + 5 %) mainly for reason related to the shortening of payment processing time.

The budget forecast for 2011 stands at 100 % for the commitments (99 % was reached in 2010) and 87 % for the payments (83 % was reached in 2010). The progress in payment execution is related to an even closer management of the differentiated credit appropriations and a planned decrease of the carry-forward to next year from 17 % to 13 %. The carry forward corresponds to the amounts not paid in 2011 corresponding to invoices received or meetings held late in the year as well as to projects committed in 2011 but to be finalised in 2012.

