

mb240620-i3



# Note to the 2nd Amending EFSA Budget 2024

Management Services Dept.



# NOTE TO THE 2<sup>ND</sup> AMENDING BUDGET 2024

## EXECUTIVE SUMMARY

Article 34 of EFSA Financial Regulation foresees that EFSA submits for approval to its Management Board any amendment to the budget. This amending budget is subsequently published in the EU Official Journal.

## SUBJECT OF THIS AMENDMENT

Release of differentiated payment appropriations and corresponding revenues in excess. In case of adoption the budget will be released during the global transfer procedure to be launched by DG BUDG at the beginning of July.

## JUSTIFICATION FOR THE RELEASE

The differentiated payment appropriation needs for the year N are calculated in October-November of the year N-2 and approved by the Management Board in December N-2 (Programming Document N-N+2). Subsequently, this demand enters the European Union budgetary approval cycle and is adopted by the European Parliament in December N-1.

The calculation of payment needs is based on:

- a) the payment schedule of the procurement contracts and grants agreement already in force,
- b) outstanding payments for contracts/agreements yet to be signed in the year N-2
- c) grant and procurement budget for the year N-1
- d) assumptions for the year N

All above-mentioned points, constituting the basis for the calculation of the differentiated payment needs, are subject to changes that have multiannual impacts such as: budget transfers from differentiated to non-differentiated credits and vice versa, different overall initial grants and procurement budget than originally estimated to address updated needs, ratio between grants and procurement (having different timeline of payments needs) as well as impact of the failed calls, longer duration of projects, contract amendments and delays in the implementation.

It is also worth recalling that the EFSA budget was increased by 100% (compared to the year 2019) to implement the provisions of Transparency Regulation. This impacted also the grants and procurement budget, that grew from approximately EUR 8.0 million in 2019 to - EUR 37.7 million in 2024, therefore the nominal impact of the above-mentioned factors is much greater.

The current plans that result in a surplus of EUR 3 million (out of total initial payment budget of EUR 32.9 million), are based on the updated estimations made in April and stem mainly from consolidated reprofiling of the payment needs, budget re-shuffling, and transfers over recent years (e.g. relevant budget shifts from other cost groups to grants and procurement), and ultimately adaptation to the implementation of - on average - of longer projects.

EFSA endeavours to continue the optimisation of forecasting in this area.