

European Aviation Safety Agency

ANNEX 1: 2011 First Amending Budget

Explanatory Note

1. Background

1.1 Pursuant to Article 28 of the Financial Regulation adopted on Management Board decision 9/03 the 26 August 2003, which was last amended by the Management Board decision 06-2009 of 9 June 2009:

“Any amendment to the budget, including the establishment plan, shall be the subject of an amending budget adopted by the same procedure as the initial budget, in accordance with the provisions of the Basic Regulation and Article 27”.

1.2 In light of the above legal framework the Agency is presenting an amending budget in order to properly reflect:

- A revision of the revenue from Fees and Charges (-€10.921.000);
- The adjustments to the provision for Fees and Charges funded activities in order to reflect the 2011 results (€6.251.000);
- An increase in funds to be received for technical assistance and cooperation projects managed by the Agency and funded by the Commission (€2.348.000).

1.3 This amending budget also details how the additional appropriations resulting from the amendments are to be implemented in terms of expenditure.

2. Income analysis

2.1 The income side of the budget includes the following amendments:

- A decrease of **€ 10.921.000** in F&C income to reflect the revised forecast in light of the most recent available information:

Activity	1st Amending Budget 2012	Budget 2012	Delta	Note
Third Country Operators	-	2.412.000	- 2.412.000	Activity delayed
OEB/ OSD	4.713.000	9.427.731	- 4.714.731	Activity performed by NAA not transferred to EASA
MRB	4.852.000	5.241.735	- 389.735	Revised forecast
CSV	1.085.000	1.971.040	- 886.040	Revised standards
TC-Der / Major change	7.984.000	10.208.000	- 2.224.000	Revised forecast
other net effect			- 294.495	Revised forecast
Total Income	82.900.000	93.821.000	- 10.921.000	

- Increase of **€ 6.251.195** on the balance of the Fees & Charges provision which reflects the positive net outturn from 2011.
- An increase of **€ 2.348.068** reflecting funds expected as earmarked funds for new projects due to commence in 2012 (i.e. ZAMBIA, CEMAC, IAAPA & SATA) as well as adjustments required to align estimated receipts with amounts actually received for current projects and the introduction of unused appropriations carried over from 2011:

Project	1st Amending Budget 2012	Budget 2012	Delta	Remarks
BL	420.389	240.000	180.389	Unused appropriations from 2011 carried
IPA	220.014	-	220.014	Unused appropriations from 2011 carried
IPA2	357.320	350.000	7.320	Excess received above amount originally
MASC	621.651	666.000	- 44.349	Amounts already committed and paid in 2011 (funds were received earlier than
TRACECA	822.690	833.000	- 10.310	Amount received below original
CEMAC	515.000		515.000	New project to be started in 2012
SATA	630.000		630.000	New project to be started in 2012
AATIP	805.000		805.000	New project to be started in 2012
ZAMBIA	45.000		45.000	New project to be started in 2012
Total	4.437.064	2.089.000	2.348.064	

3. Expenditure analysis

3.1 The expenditure appropriations have been amended in order to reflect the income decrease and to address specific needs. The major transfers are detailed below:

- **Staff expenditure:** decrease of **€ 1.500.000** among several lines of the Title 1. Almost €450.000 are due to postponement of recruitments in second part of the year while the remaining amount originate from the zero salary increase compared to the 2% forecasted in the Business Plan 2012- 2016.
- **Mission expenditures:** total decrease of **€ 399.000** detailed as follows:
a) line 1300 Administrative Mission expenditures - € 249.000; b) line 3700 Mission Expenses - € 150.000 limited to Certification activities.
- **Certification activities (NAA outsourcing):** decrease of Budget line 3000 by **€ 7.890.000**. This amount includes - € 6.500.000 linked to the OEB/OSD activities not transferred from the NAA and a - € 1.390.000 revision to the allocated working capital in line with revised forecasts.
- **Reception and events:** increase of Budget line 1700 by **€ 200.000** in order to cover costs for the Agency's 10th anniversary activities.
- **Development of Business Applications:** increase of budget line **3200** by **€ 932.000** in order to cover the cost of consultants needed to complete some major IT projects.

Project Description	Amount
Third Country Operators	310 K
Information Document Management	370 K
SAP Applicants Portal	141 K
HR Flexitime	95 K
New Remits Implementation	88 K

- **Title 2 reallocations:** A net adjustment of € **35.000** is required to align administrative costs with revised forecasts:

Title 2 Budget Line	1st Amending Budget 2012	Budget 2012	Delta	Remarks
2010	30.000	42.000	- 12.000	IRM specific contract
2020	165.000	180.000	- 15.000	Available for reallocation
2030	229.000	236.000	- 7.000	Available for reallocation
2050	810.000	834.000	- 24.000	equipment & projects
2051	87.000	38.000	49.000	FM projects incl. Advisory & software
2200	12.000	10.000	2.000	locking system; beamer bulbs (F.3)
2203	61.000	63.000	- 2.000	projects (repairs, refurb., BGV A3)
2210	155.000	95.000	60.000	tendering procedures for Cologne & Bxl
2211	4.000	6.000	- 2.000	repairs, painting
2300	197.000	207.000	- 10.000	supplies
2400	244.000	248.000	- 4.000	reserve mail charges
Total	1.994.000	1.959.000	35.000	

- **International Cooperation:** increase of Budget line 3601 by € **60.000** in order to conduct a Consultancy Study of the economic impact of the safety aspects of the ASEAN Single Aviation Market.
- **Translation of studies:** increase of Budget line 3500 by € **53.000** in order to cover additional needs.
- **Provision for Fees & Charges Funded Expenditure: € 3.839.195.** This adjustment is required to reflect the positive outturn in relation to Fees and Charges funded expenditure for 2011 of € 6.251.195 and to cover costs of the delayed Third Country operators activity of € 2.412.000. The provision has been increased by the net amount;
- **Technical Cooperation with Third Countries: € 2.348.068.** An increase on budget line 4000 to reflect expenditure appropriations resulting from the income adjustments detailed in paragraph 2.1 bullet 3 above.



FABS Committee 22 May 2012
WP04a Explanatory Note on the
2012 First Amending Budget

4. Summary of Amendments

4.1 A summary of the amendments contained in this amending budget are detailed in the table below:

Income						
Budget Line		1st Amending Budget 2012	Budget 2012	Transfers to date	Delta	Remarks
100	Revenue from fees and charges	82.900.000	93.821.000		- 10.921.000	Reflecting revised F&C income forecast
402	Technical Cooperation with Third Countries	4.437.064	2.089.000		2.348.064	Reflecting funds expected for new projects due to commence in 2012 (i.e. ZAMBIA, CEMAC, IAAPA & SATA) as well as adjustments required to align estimated receipts with amounts actually received for current projects and the introduction of unused appropriations carried over from 2011
702	Balance Fees & Charges on Outturn from Previous Year	25.225.865	18.974.670		6.251.195	F&C net result for 2011
					- 2.321.741	
Expenditure						
Budget Line		1st Amending Budget 2012	Budget 2012	Transfers to date	Delta	Remarks
T1	Staff Costs	68.165.000	69.425.000	- 60.000	- 1.500.000	Almost €450.000 due to postponement of recruitments in second part of the year while the remaining amounts originate from the zero salary increase compared to the 2% forecasted in the Business Plan 2012- 2016.
1300	Administrative Missions Expenditures	105.000	354.000		- 249.000	Revised in line with mission requirements
1700	Reception and Events	329.000	129.000		200.000	To cover costs for the Agency's 10 th anniversary
T2	Administrative Expenditure	130.000	95.000		35.000	To align administrative costs with revised forecasts
3000	Certification Activities	33.627.000	40.127.000		- 6.500.000	Budget Adjustment due to OEB Activities (New Remits)
3000	Certification Activities	32.237.000	33.627.000		- 1.390.000	reduction of the working capital on remaining activities
3200	Development of business applications	3.859.000	2.927.000		932.000	Renewal of consultant contracts for Cominfo approved projects
3500/R	Translation of studies, reports and other working documents	1.230.000	1.177.000		53.000	Additional requirements
3601	International Cooperation	408.000	348.000		60.000	Consultancy Study of the economic impact of the safety aspects of the ASEAN Single Aviation Market
3700/C	mission reduction	6.728.000	6.905.000	- 27.000	- 150.000	5% mission reduction
4000	Technical cooperation with Third Countries	4.437.064	2.089.000		2.348.064	To adjust available appropriations in line with income described above against income line 402.
5000	Provision for Fees & Charges funded expenditure	17.200.865	10.949.670		6.251.195	Adjustment of the Provision to reflect the 2011 net result
5000	Provision for F&C funded expenditure	14.788.865	17.200.865		- 2.412.000	Amount required from Provision to finance start up of new remits
					- 2.321.741	