

## ***European Aviation Safety Agency***

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### **EXPLANATORY NOTE TO THE 2008 BUDGET**

The Agency presents its 2008 Budget for adoption by the Management Board. This Budget is based on the Preliminary Draft Budget of 2008, presented to the Management Board in 2007, which was also the basis for the development of the Agency Business Plan.

The Budget is part of an integrated planning cycle, which includes the five-year Business Plan, multi-annual Staff Policy Plan and the annual work programme.

The 2008 Budget is prepared from a “bottom-up” detailed calculation of the Agency’s planned revenues and expenditures for 2008, which is then consolidated. By contrast, the Business Plan uses consistent assumptions to produce an Agency-wide, “top-down” view of the financial position over a five-year planning term. It is therefore to be expected that there are minor differences between the 2008 Budget and the financial forecasts contained in the Business Plan.

As a part of the development of the Agency’s planning operation, it is intended to undertake a quarterly re-evaluation of the Budget. This will take into account changes in activity and revision of assumptions throughout the year, to ensure the Agency is consistently able to react to changes and operate within its budgetary envelope in the event of such changes. If necessary, an amending Budget will be generated in mid-2008 to reflect any such changes which are significant in scale.