



EASA MB 01/2008

MB Decision 01-2008 Annex 1 –

Explanatory note on the 2009 PDB and outline work programme

13 February 2008

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Cologne, 13 February 2008

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Explanatory note on the 2009 Preliminary Draft Budget, the Outline Work Programme and the Establishment Plan



European Aviation Safety Agency

**EXPLANATORY NOTE
TO THE 2009 PDB- OUTLINEWORKPROGRAMME AND ESTABLISHMENT PLAN**

The Preliminary Draft Budget 2009 represents EASA's initial assessment of the work it will undertake in 2009. EASA operates an integrated planning policy, following the adoption by its Management Board in December 2007 of a five year Business Plan, setting out the Agency's expected operations for the period 2008 to 2012.

This document provides an assessment of the expected workload in 2009 and the financial implications of that workload. It is entirely in line with the work-load identified in the Business Plan and in the Staff Policy Plan 2009-2011, which is also submitted for adoption at this Management Board.

The workload in respect of the existing remit of the Agency will have stabilised, as will the budgetary and resource requirements relating to those activities. The extension of the remit of the Agency contained in the extension to its Basic Regulation will, however, lead to a significant increase in work-load and associated budgetary and resource requirements. A number of Implementing Rules will be defined starting in 2008. This work-load requirement was identified during the business planning process, and the only significant increase in budgetary revenue and expenditure foreseen since the adoption of the Business Plan is the addition of revenue and associated expenditure of €3M each in respect of Operational Evaluation Board activities which may have to be taken over from the JAA during 2009.

The basis for the preparation of the outline work programme and preliminary draft budget is a "bottom-up" approach, which considers all potential areas of revenue and expenditure, providing justification line-by-line for each.



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Revenue structure:

The work programme and PDB have been prepared on the basis of the following revenue structure."

Revenue from fees and charges (incl Flight Standards)	68.436.000
European Community subsidy	33.200.000
Third countries contribution	1.793.000
CARDS project ¹	pm
Others	765.000
GRAND TOTAL	104.194.000

It must be noted that the two main sources of revenue are subject to external factors:

- the Fees and charges revenue depend on demand from "the aviation market". This is subject to annual fluctuation, placing a potential risk against revenues. The Agency believes the estimates in the Preliminary Draft Budget are a reasonable forecast of the expected income for 2009.
- The EC subsidy is subject to a long approvals process within the institutions. The initial budget envisaged for EASA has very recently (after completion of the work programme and PDB) been released, and is less than the amount identified in the table above. At this stage, the short-fall could only be made up from the "Romero" facility of funds not spent in previous years by the Agency. As the third countries contribution is directly linked to the subsidy, the reduction in subsidy also leads to a reduction in that contribution. Therefore the revenue structure identified at this point will be as follows:

Revenue from fees and charges (incl Flight Standards)	68.436.000
European Community subsidy	29.180.000
Third countries contribution	1.576.000
"Romero" facility	4.237.000
CARDS project ²	Pm
Others	765.000
GRAND TOTAL	104.194.000

² The CARDS project for which the MB adopted in September 2007 a revised 2007 budget may not be continued in 2009, this is the reason why it was not included in the prevision. Similarly, we have not included a revenue for EC –funded research projects as we have no indication there will be one in 2009. The lines stand there *pro memoria*.



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- The Agency does not believe at this stage that there will be sufficient funds available under the Romero facility to meet the requirements for 2009. It will therefore work closely with DG TREN to find a practicable solution on the subject, and will develop a contingency plan identifying the tasks which cannot be supported or which must be delayed in the event of a funding short-fall in 2009.

This preliminary draft budget will be the basis for the financial projections which will form part of the next iteration of the Business Plan, which will cover the period 2009-2013.

A detailed budget will be presented to the Management Board for its December meeting, once the EC budgetary process has been completed.