



REPORT ON BUDGETARY AND FINANCIAL MANAGEMENT IN 2009

INTRODUCTION

The purpose of this report is to present a synthesis of the budgetary and financial management of appropriations managed by the Authority in 2009.

1. LEGAL BASIS

Article 76 of the Authority's Financial Regulation stipulates that the accounts of the Authority shall be accompanied by a "report on budgetary and financial management during the year".

2. CONTENTS OF THE 2009 REPORT

This report is composed of five chapters.

Chapter 1 summarises the stages of the budgetary procedure 2009, from the budget requested by the Authority to the voted budget made available at the beginning of the year 2009.

Chapter 2 describes the evolution of the total authorised appropriations during the financial year, in particular the main adjustments made to the voted budget (carry-overs, amending budgets, transfers) and the reasons for these adjustments. This chapter includes the appropriations arising from earmarked revenue.

Chapter 3 analyses the budget implementation per budget title.

Chapter 4 presents an analysis of the evolution outstanding commitments.

Chapter 5 concludes the report by summarising the budgetary implications of the transfer of activities from the GSA to the European Commission.

CHAPTER 1

ESTABLISHING THE BUDGET 2009

1 FROM THE PRELIMINARY DRAFT BUDGET TO THE VOTED BUDGET

Table 1: Evolution of the Authority's budget 2009 – commitment and payment appropriations are identical – figures in €

Budget line	Heading	Requested by the Authority	Budget 2009 voted by Parliament and Council
	REVENUE		
2000	Operating subsidy from the Commission	11,880,000	7,410,000
	Total revenue	11,880,000	7,410,000
	EXPENDITURE		
	Title 1 - Staff		
1100	Staff expenditure	5,390,000	2,970,000
1200	Recruitment costs	40,000	60,000
1300	Missions and travel	500,000	200,000
1400	Training expenditure	100,000	80,000
1700	Representation expenditure	10,000	10,000
	Total for title 1	6,040,000	3,320,000
	Title 2 - Administrative expenditure		
2000	Rental of buildings	700,000	490,000
2100	Data processing	480,000	390,000
2200	Movable property	20,000	20,000
2300	Current administrative costs	140,000	120,000
2400	Postage and telecommunication costs	p.m.	p.m.
2500	Expenditure on meetings	200,000	160,000
2600	Other administrative expenditure	p.m.	p.m.
	Total for title 2	1,540,000	1,180,000
	Total for titles 1 and 2	7,580,000	4,500,000
	Title 3 - Operational expenditure		
3100	Expenditure on studies	4,200,000	2,830,000
3200	Publication and translation costs	100,000	80,000
	Sub-total for lines 3100 and 3200	4,300,000	2,910,000
	Total expenditure	11,880,000	7,410,000

The Administrative Board approved the Draft Statement of Estimates of Revenue and Expenditure for 2009 on 11 March 2008. However, following the adoption by the European Parliament and the Council of Regulation (EC) No 683/2008 on the further implementation of the European satellite navigation programmes (EGNOS and Galileo), the European Commission decided, on 23 July 2008, (decision C (2008) 3923) to take

over some of the activities (i.e. Certification and Technical Departments) and 30 (54%) staff members of the GSA. Consequently, the European Commission presented the draft budget to the Budgetary Authority after making a downward adjustment mostly to the staff (Title 1) and operational expenditure (Title 3), taking into account the above-mentioned decision. On 20 November 2008 the Administrative Board adopted the Budget 2009.

After the second reading, the Budgetary Authority finally established the 2009 subsidy for the Authority at €7,410,000, split into €4,500,000 for administrative expenses and €2,910,000 for operational expenses. Additionally, the European Parliament voted a further amount of €390,000 "on reserve" on title 3. This subsidy was not totally in line with what had been anticipated in the budget previously adopted by the Administrative Board and the budget was amended consequently.

2 CARRY-OVERS FROM 2008

In accordance with Article 10, paragraphs 1 and 3 of the GSA Financial Regulation, appropriations in the amount of €130,000 were carried over from 2008. This non-automatic carry-over was approved by the GSA Administrative Board on 23 January 2009, through written procedure; it concerned the contract for the Galileo Signals Performance Tool, awarded in 2008 to the Universität der Bundeswehr München.

CHAPTER 2

EVOLUTION OF THE BUDGET 2009

1 OVERVIEW

The changes of the Authority's budget 2009 that took place during the year are summarised in Table 2.

The budget underwent three amendments by the Administrative Board described in detail in section 2 of this chapter. Additionally, by decision of the Executive Director, three transfers were made from one budget line to another as detailed in section 3.

Also in the context of the delegation received from the European Commission for the implementation of the 7th Framework Programme of R&D (FP7), the budget had to be amended to include the amount of appropriations made available by the Commission. This is detailed in section 4 of this chapter, presenting the final authorised appropriations of the year 2009.

The final amount of subsidy made available to the Authority was €7,410,000. The Authority also received further €33,530,575 from the European Commission under the delegations for the implementation of FP6 3rd call (€2,000,000) and FP7 (€31,530,575).

Table 2: Evolution of the Authority's Budget in 2009 (commitment and payment appropriations) – figures in €

Table 2 continues on the following two pages

Budget line	Heading	Adopted budget 2009 (AB18)		Changes between initial budget and 1st amending budget (19/02/09)		1st amending budget 2009		Transfer 01/2009 (27/03/09)		Budget after transfer 01/2009	
		CA	PA	CA	PA	CA	PA	CA	PA	CA	PA
	REVENUE										
2000	Operating subsidy from the Commission	7,810,000	7,810,000	-400,000	-400,000	7,410,000	7,410,000			7,410,000	7,410,000
2008	Operational funds from the Commission										
2009	Transfer from the Galileo Joint Undertaking										
9000	Miscellaneous revenue										
	Total revenue	7,810,000	7,810,000	-400,000	-400,000	7,410,000	7,410,000			7,410,000	7,410,000
	EXPENDITURE										
	Title 1 - Staff										
1100	Staff expenditure	2,970,000	2,970,000			2,970,000	2,970,000			2,970,000	2,970,000
1200	Recruitment costs	60,000	60,000			60,000	60,000			60,000	60,000
1300	Missions and travel	200,000	200,000			200,000	200,000			200,000	200,000
1400	Training expenditure	80,000	80,000			80,000	80,000			80,000	80,000
1700	Representation expenditure	10,000	10,000			10,000	10,000			10,000	10,000
	Total for title 1	3,320,000	3,320,000			3,320,000	3,320,000			3,320,000	3,320,000
	Title 2 - Administrative expenditure										
2000	Rental of buildings	520,000	520,000	-30,000	-30,000	490,000	490,000			490,000	490,000
2100	Data processing	390,000	390,000			390,000	390,000	110,000	110,000	500,000	500,000
2200	Movable property	20,000	20,000			20,000	20,000			20,000	20,000
2300	Current administrative costs	120,000	120,000			120,000	120,000			120,000	120,000
2400	Postage and telecommunication costs										
2500	Expenditure on meetings	160,000	160,000			160,000	160,000			160,000	160,000
2600	Other administrative expenditure	370,000	370,000	-370,000	-370,000						
	Total for title 2	1,580,000	1,580,000	-400,000	-400,000	1,180,000	1,180,000	110,000	110,000	1,290,000	1,290,000
	Total for titles 1 and 2	4,900,000	4,900,000	-400,000	-400,000	4,500,000	4,500,000	110,000	110,000	4,610,000	4,610,000
	Title 3 - Operational expenditure										
3100	Expenditure on studies	2,830,000	2,830,000			2,830,000	2,830,000	-110,000	-110,000	2,720,000	2,720,000
3200	Publication and translation costs	80,000	80,000			80,000	80,000			80,000	80,000
	Sub-total for lines 3100 and 3200	2,910,000	2,910,000			2,910,000	2,910,000	-110,000	-110,000	2,800,000	2,800,000
3900	6th Framework Programme - 3rd call										
3901	Concession activities										
3902	In-Orbit Validation phase	p.m.	p.m.			p.m.	p.m.			p.m.	p.m.
3903	EGNOS	p.m.	p.m.			p.m.	p.m.			p.m.	p.m.
3904	6th Framework Programme - 2nd call										
3905	MEDA										
3906	Galileo Security Monitoring Centre (GSMC)										
3907	International activities										
3908	Joint Research Centre										
3909	Technical support provided by ESA										
3910	Certification activities										
3911	Matimop										
3912	NRSCC										
3913	7th Framework Programme	p.m.	p.m.			p.m.	p.m.			p.m.	p.m.
3914	Deployment phase Galileo	p.m.	p.m.			p.m.	p.m.			p.m.	p.m.
3915	EGNOS second grant										
3916	MEDA II										
	Sub-total for operational activities										
	Total for title 3	2,910,000	2,910,000			2,910,000	2,910,000	-110,000	-110,000	2,800,000	2,800,000
	Total expenditure	7,810,000	7,810,000	-400,000	-400,000	7,410,000	7,410,000			7,410,000	7,410,000

Budget line	Heading	Changes between budget after transfer 01/2009 and 2nd amending budget (CA: 14/07/09, PA: 23/07/09)		2nd amending budget 2009		Transfer 02/2009 (10/09/09)		Budget after transfer 02/2009		Transfer 03/2009 (01/10/09)	
		CA	PA	CA	PA	CA	PA	CA	PA	CA	PA
	REVENUE										
2000	Operating subsidy from the Commission			7,410,000	7,410,000			7,410,000.00	7,410,000.00		
2008	Operational funds from the Commission	37,008,957	9,376,244	37,008,957	9,376,244			37,008,957.00	9,376,244.00		
2009	Transfer from the Galileo Joint Undertaking										
9000	Miscellaneous revenue										
	Total revenue	37,008,957	9,376,244	44,418,957	16,786,244			44,418,957.00	16,786,244.00		
	EXPENDITURE										
	Title 1 - Staff										
1100	Staff expenditure			2,970,000	2,970,000	-55,462.45	-55,462.45	2,914,537.55	2,914,537.55	-13,000	-13,000
1200	Recruitment costs			60,000	60,000			60,000.00	60,000.00		
1300	Missions and travel			200,000	200,000			200,000.00	200,000.00		
1400	Training expenditure			80,000	80,000			80,000.00	80,000.00		
1700	Representation expenditure			10,000	10,000			10,000.00	10,000.00		
	Total for title 1			3,320,000	3,320,000	-55,462.45	-55,462.45	3,264,537.55	3,264,537.55	-13,000	-13,000
	Title 2 - Administrative expenditure										
2000	Rental of buildings			490,000	490,000	55,462.45	55,462.45	545,462.45	545,462.45		
2100	Data processing			500,000	500,000			500,000.00	500,000.00		
2200	Movable property			20,000	20,000			20,000.00	20,000.00		
2300	Current administrative costs			120,000	120,000			120,000.00	120,000.00	13,000	13,000
2400	Postage and telecommunication costs										
2500	Expenditure on meetings			160,000	160,000			160,000.00	160,000.00		
2600	Other administrative expenditure										
	Total for title 2			1,290,000	1,290,000	55,462.45	55,462.45	1,345,462.45	1,345,462.45	13,000	13,000
	Total for titles 1 and 2			4,610,000	4,610,000			4,610,000.00	4,610,000.00		
	Title 3 - Operational expenditure										
3100	Expenditure on studies			2,720,000	2,720,000			2,720,000.00	2,720,000.00		
3200	Publication and translation costs			80,000	80,000			80,000.00	80,000.00		
	Sub-total for lines 3100 and 3200			2,800,000	2,800,000			2,800,000.00	2,800,000.00		
3900	6th Framework Programme - 3rd call										
3901	Concession activities										
3902	In-Orbit Validation phase			p.m.	p.m.			p.m.	p.m.		
3903	EGNOS			p.m.	p.m.			p.m.	p.m.		
3904	6th Framework Programme - 2nd call										
3905	MEDA										
3906	Galileo Security Monitoring Centre (GSMC)										
3907	International activities										
3908	Joint Research Centre										
3909	Technical support provided by ESA										
3910	Certification activities										
3911	Matimop										
3912	NRSCC										
3913	7th Framework Programme	37,008,957	9,376,244	37,008,957	9,376,244			37,008,957.00	9,376,244.00		
3914	Deployment phase Galileo			p.m.	p.m.			p.m.	p.m.		
3915	EGNOS second grant										
3916	MEDA II										
	Sub-total for operational activities	37,008,957	9,376,244	37,008,957	9,376,244			37,008,957.00	9,376,244.00		
	Total for title 3	37,008,957	9,376,244	39,808,957	12,176,244			39,808,957.00	12,176,244.00		
	Total expenditure	37,008,957	9,376,244	44,418,957	16,786,244			44,418,957.00	16,786,244.00		



Budget line	Heading	Budget after transfer 03/2009		Payment appropriations for FP6 (16/11/09)		Changes between budget after transfer 03/2009 and 3rd amending budget (04/12/09)		3rd amending budget 2009		Payment appropriations for FP7 (22/12/09)		Final budget	
		CA	PA	CA	PA	CA	PA	CA	PA	CA	PA	CA	PA
	REVENUE												
2000	Operating subsidy from the Commission	7,410,000	7,410,000					7,410,000.00	7,410,000.00			7,410,000.00	7,410,000.00
2008	Operational funds from the Commission	37,008,957	9,376,244		2,000,000			37,008,957.00	11,376,244.00	22,154,331		37,008,957.00	33,530,574.83
2009	Transfer from the Galileo Joint Undertaking												
9000	Miscellaneous revenue												
	Total revenue	44,418,957	16,786,244		2,000,000			44,418,957.00	18,786,244.00	22,154,331		44,418,957.00	40,940,574.83
	EXPENDITURE												
	Title 1 - Staff												
1100	Staff expenditure	2,901,538	2,901,538			-450,000	-450,000	2,451,537.55	2,451,537.55			2,451,537.55	2,451,537.55
1200	Recruitment costs	60,000	60,000					60,000.00	60,000.00			60,000.00	60,000.00
1300	Missions and travel	200,000	200,000					200,000.00	200,000.00			200,000.00	200,000.00
1400	Training expenditure	80,000	80,000					80,000.00	80,000.00			80,000.00	80,000.00
1700	Representation expenditure	10,000	10,000					10,000.00	10,000.00			10,000.00	10,000.00
	Total for title 1	3,251,538	3,251,538			-450,000	-450,000	2,801,537.55	2,801,537.55			2,801,537.55	2,801,537.55
	Title 2 - Administrative expenditure												
2000	Rental of buildings	545,462	545,462					545,462.45	545,462.45			545,462.45	545,462.45
2100	Data processing	500,000	500,000					500,000.00	500,000.00			500,000.00	500,000.00
2200	Movable property	20,000	20,000					20,000.00	20,000.00			20,000.00	20,000.00
2300	Current administrative costs	133,000	133,000					133,000.00	133,000.00			133,000.00	133,000.00
2400	Postage and telecommunication costs												
2500	Expenditure on meetings	160,000	160,000					160,000.00	160,000.00			160,000.00	160,000.00
2600	Other administrative expenditure												
	Total for title 2	1,358,462	1,358,462					1,358,462.45	1,358,462.45			1,358,462.45	1,358,462.45
	Total for titles 1 and 2	4,610,000	4,610,000			-450,000	-450,000	4,160,000.00	4,160,000.00			4,160,000.00	4,160,000.00
	Title 3 - Operational expenditure												
3100	Expenditure on studies	2,720,000	2,720,000				450,000	2,720,000.00	3,170,000.00			2,720,000.00	3,170,000.00
3200	Publication and translation costs	80,000	80,000					80,000.00	80,000.00			80,000.00	80,000.00
	Sub-total for lines 3100 and 3200	2,800,000	2,800,000				450,000	2,800,000.00	3,250,000.00			2,800,000.00	3,250,000.00
3900	6th Framework Programme - 3rd call				2,000,000				2,000,000.00				2,000,000.00
3901	Concession activities												
3902	In-Orbit Validation phase	p.m.	p.m.					p.m.	p.m.			p.m.	p.m.
3903	EGNOS	p.m.	p.m.					p.m.	p.m.			p.m.	p.m.
3904	6th Framework Programme - 2nd call												
3905	MEDA												
3906	Galileo Security Monitoring Centre (GSMC)												
3907	International activities												
3908	Joint Research Centre												
3909	Technical support provided by ESA												
3910	Certification activities												
3911	Matimop												
3912	NRSCC												
3913	7th Framework Programme	37,008,957	9,376,244					37,008,957.00	9,376,244.00	22,154,331		37,008,957.00	31,530,574.83
3914	Deployment phase Galileo	p.m.	p.m.					p.m.	p.m.			p.m.	p.m.
3915	EGNOS second grant												
3916	MEDA II												
	Sub-total for operational activities	37,008,957	9,376,244		2,000,000			37,008,957.00	11,376,244.00	22,154,331		37,008,957.00	33,530,574.83
	Total for title 3	39,808,957	12,176,244		2,000,000		450,000	39,808,957.00	14,626,244.00	22,154,331		39,808,957.00	36,780,574.83
	Total expenditure	44,418,957	16,786,244		2,000,000		-450,000	43,968,957.00	18,786,244.00	22,154,331		43,968,957.00	40,940,574.83

2 AMENDMENTS

The 2009 budget, adopted by the Administrative Board on 20 November 2008, was amended three times.

The first amendment was voted by the Administrative Board on 19 February 2009, by written procedure. It reflected the final decision of the Budgetary Authority on the GSA's 2009 subsidy, which involved a reduction of €400,000 in titles 1 and 2, with corresponding decreases on expenditure budget lines 2000 "Rental of buildings" of €30,000 and 2600 "Other administrative expenditure" of €370,000.

The second amendment was voted by the Administrative Board on 14 July 2009, by written procedure. It constituted an increase of the commitment appropriations on budget line 3913 "7th Framework Programme" by the amount of €37,008,957, reflecting the Amendment No. 1 of the FP7 Delegation Agreement signed by the European Commission and the GSA. This amendment also authorised inscription of the payment appropriations on this budget line upon the receipt of pre-financing payments from the European Commission.

The third amendment of the 2009 budget was adopted by the Administrative Board on 4 December 2009, by written procedure. On the one hand, it consisted of a reduction of both commitment and payment appropriations on budget line 1100 "Staff expenditure" by €450,000. On the other hand, it involved an increase of the payment appropriations of the budget line 3100 "Expenditure for studies" by €450,000. This amendment addressed the insufficiency of payment appropriations to cover payments on contracts signed in prior budgetary years, which was an effect of the substantial reduction of title 3 compared to the draft budget.

3 TRANSFERS

Three transfers were made in 2009 based on Article 23(1) of the GSA Financial Regulation.

On 27 March 2009, the Executive Director decided to transfer €110,000 from budget line 3100 "Expenditure on studies" to budget line 2100 "Data processing". This was done in order to concentrate all the costs of the information systems, thus improving the year-on-year comparability.

On 10 September 2009, the Executive Director decided to transfer €55,462.45 from budget line 1100 "Staff expenditure" to budget line 2000 "Rental of buildings". This transfer was necessary in order to close the gap between the budgeted office rental cost (€490,000) and the amount invoiced by the OIB (€545,462.45).

On 1 October 2009, the Executive Director decided to transfer €13,000 from budget line 1100 "Staff expenditure" to budget line 2300 "Current administrative expenditure". This transfer was made in order to close the gap between the budgeted current administrative expenses (€120,000) and the updated estimation for the year (€133,000), due to the increased use of interim staff replacing personnel on long-term sick leave.

4 EARMARKED REVENUE AND FINAL AVAILABLE APPROPRIATIONS FOR THE YEAR 2009

In the original 2009 budget adopted by the Administrative Board, token entries "p.m." appeared on budget lines 3902 "In-Orbit Validation Phase", 3903 "EGNOS", 3913 "7th Framework Programme" and 3914 "Deployment Phase Galileo", anticipating possible receipt of appropriations on these budget lines.

In July 2009, following the 2nd Amendment of the budget by the Administrative Board, the GSA inscribed €37,008,957 in commitment appropriations on budget line 3913 "7th Framework Programme". This amendment reflected Amendment no. 1 to the Delegation Agreement Implementation of the Specific Programme "Cooperation", theme nr. 7 "Transport including aeronautics", sub-theme Galileo, by the European GNSS Supervisory Authority, which increased the maximum appropriations to be transferred by the European Commission to the GSA under the Delegation Agreement to €77,008,957.

On 23 July and 22 December 2009, the GSA received pre-financing from the European Commission under the aforementioned Delegation Agreement amounting to €9,376,244 and €22,154,330.83 respectively. In accordance with Article 18 of the Financial Regulation, Article 10(2) of the Implementing Rules and the decision of the Administrative Board on the 2nd amended budget for 2009, the receipt of these earmarked revenues created payment appropriations on budget line 3913 "7th Framework Programme" (revenue line 2008 "Operational funds from the Commission").

As regards the pre-financing of €22,154,330.83 mentioned above, it should be noted that the amount was cashed in on 22 December 2009 but it was inscribed in ABAC as revenue only in early 2010, due to the Christmas holidays period.

On 16 November 2009, the GSA received pre-financing amounting to €2,000,000 from the European Commission in relation to the 6th Framework Programme under contract TREN/05/FP6TR/S07.50700. In accordance with Article 18 of the Financial Regulation and Article 10(2) of the Implementing Rules the receipt of these earmarked revenues created payment appropriations on budget line 3900 "6th Framework Programme - 3rd call" (revenue line 2008 "Operational funds from the Commission").

Table 3 shows the variance between the final budget and the actual appropriations created, based on the amounts received by the Authority.

The variance on line 9000 "Miscellaneous revenue" of €304,831.26 represents the interest received by the Authority on its bank accounts.

Table 3: Final authorised appropriations of the Authority – figures in €

Budget line	Heading	Final budget for 2009		Final appropriations created in 2009		Variance	
		Commitment appropriations	Payment appropriations	Commitment appropriations	Payment appropriations	Commitment appropriations	Payment appropriations
	REVENUE						
2000	Operating subsidy from the Commission	7,410,000.00	7,410,000.00	7,410,000.00	7,410,000.00		
2008	Operational funds from the Commission	37,008,957.00	33,530,574.83	37,008,957.00	33,530,574.83		
2009	Transfer from the Galileo Joint Undertaking						
9000	Miscellaneous revenue				304,831.26		304,831.26
	Total revenue	44,418,957.00	40,940,574.83	44,418,957.00	41,282,635.09		342,060.26
	EXPENDITURE						
	Title 1 - Staff						
1100	Staff expenditure	2,451,537.55	2,451,537.55	2,451,537.55	2,451,537.55		
1200	Recruitment costs	60,000.00	60,000.00	60,000.00	60,000.00		
1300	Missions and travel	200,000.00	200,000.00	200,000.00	200,000.00		
1400	Training expenditure	80,000.00	80,000.00	80,000.00	80,000.00		
1700	Representation expenditure	10,000.00	10,000.00	10,000.00	10,000.00		
	Total for title 1	2,801,537.55	2,801,537.55	2,801,537.55	2,801,537.55		
	Title 2 - Administrative expenditure						
2000	Rental of buildings	545,462.45	545,462.45	545,462.45	545,462.45		
2100	Data processing	500,000.00	500,000.00	500,000.00	500,000.00		
2200	Movable property	20,000.00	20,000.00	20,000.00	20,000.00		
2300	Current administrative costs	133,000.00	133,000.00	133,000.00	133,000.00		
2400	Postage and telecommunication costs						
2500	Expenditure on meetings	160,000.00	160,000.00	160,000.00	160,000.00		
2600	Other administrative expenditure						
	Total for title 2	1,358,462.45	1,358,462.45	1,358,462.45	1,358,462.45		
	Total for titles 1 and 2	4,160,000.00	4,160,000.00	4,160,000.00	4,160,000.00		
	Title 3 - Operational expenditure						
3100	Expenditure on studies	2,720,000.00	3,170,000.00	2,720,000.00	3,170,000.00		
3200	Publication and translation costs	80,000.00	80,000.00	80,000.00	80,000.00		
	Sub-total for lines 3100 and 3200	2,800,000.00	3,250,000.00	2,800,000.00	3,250,000.00		
3900	6th Framework Programme - 3rd call		2,000,000.00		2,000,000.00		
3901	Concession activities						
3902	In-Orbit Validation phase	p.m.	p.m.	p.m.	p.m.		
3903	EGNOS	p.m.	p.m.	p.m.	p.m.		
3904	6th Framework Programme - 2nd call						
3905	MEDA						
3906	Galileo Security Monitoring Centre (GSMe)						
3907	International activities						
3908	Joint Research centre						
3909	Technical support provided by ESA						
3910	Certification activities						
3911	Matimop						
3912	NRSee						
3913	7th Framework Programme	37,008,957.00	31,530,574.83	37,008,957.00	31,530,574.83		
3914	Deployment phase Galileo	p.m.	p.m.	p.m.	p.m.		
3915	EGNOS second grant						
3916	MEDA II						
	Sub-total for operational activities	37,008,957.00	33,530,574.83	37,008,957.00	33,530,574.83		
	Total for title 3	39,808,957.00	36,780,574.83	39,808,957.00	36,780,574.83		
	Total expenditure	43,968,957.00	40,940,574.83	43,968,957.00	40,940,574.83		

CHAPTER 3

EXECUTION OF THE BUDGET IN 2009

1 BACKGROUND

Despite the extremely difficult conditions (changes in the governance of the Galileo programme, transfer of staff, activities and assets to the European Commission, shortage of personnel, etc.), the GSA achieved a very high performance of the budget in 2009.

2 OVERALL BUDGET EXECUTION

Table 4 provides an overview of the Authority's execution of the budget. Considering the part of the budget financed by the Community subsidy, Titles 1, 2 and 3 combined reached an execution of 97 percent for commitments and 91 percent for payments. This performance constitutes a further improvement compared to the 94 percent execution in commitments and 78 percent in payments achieved in 2008.

Table 4: Summary budget execution 2009 – figures in € and %

Heading	Final appropriations created in 2009 (or cumulative available appropriations in 2009 for Chapter 39 budget lines)		Execution in €*		Execution in %*		Execution in %* (2008)	
	Commitment appropriations	Payment appropriations	Commitment appropriations	Payment appropriations	CA	PA	CA	PA
EXPENDITURE								
Title 1 - Staff	2,801,537.55	2,801,537.55	2,742,176.08	2,618,676.38	98%	93%	98%	91%
Title 2 - Administrative expenditure	1,358,462.45	1,358,462.45	1,281,344.14	1,000,782.09	94%	74%	78%	65%
Total for titles 1 and 2	4,160,000.00	4,160,000.00	4,023,520.22	3,619,458.47	97%	87%	94%	86%
Sub-total for lines 3100 and 3200 financed by EC subsidy	2,800,000.00	3,250,000.00	2,732,835.26	3,160,509.58	98%	97%	94%	62%
Sub-total for operational activities (earmarked revenue)	266,874,137.04	241,395,754.97	240,813,124.84	189,721,371.92	90%	79%	70%	21%
Total for title 3	269,674,137.04	244,645,754.97	243,545,960.10	192,881,881.50	90%	79%	70%	22%
Total expenditure	273,834,137.04	248,805,754.97	247,569,480.32	196,501,339.97	90%	79%	71%	24%
For information: total expenditure financed by the operating subsidy	6,960,000.00	7,410,000.00	6,756,355.48	6,779,968.05	97%	91%	94%	78%

* Cumulative execution for the budget lines of Chapter 39

3 STAFF EXPENDITURE (TITLE 1)

Table 5: Summary budget execution 2009 for Title 1 – figures in € and %

Budget line	Heading	Final appropriations created in 2009		Execution in €		Execution in %		Execution in % (2008)	
		Commitment appropriations	Payment appropriations	Commitment appropriations	Payment appropriations	CA	PA	CA	PA
	EXPENDITURE								
	Title 1 - Staff								
1100	Staff expenditure	2,451,537.55	2,451,537.55	2,447,000.00	2,385,213.59	100%	97%	100%	96%
1200	Recruitment costs	60,000.00	60,000.00	31,330.00	27,922.28	52%	47%	76%	37%
1300	Missions and travel	200,000.00	200,000.00	200,000.00	176,532.42	100%	88%	93%	73%
1400	Training expenditure	80,000.00	80,000.00	61,153.65	27,598.16	76%	34%	41%	24%
1700	Representation expenditure	10,000.00	10,000.00	2,692.43	1,409.93	27%	14%	100%	60%
	Total for title 1	2,801,537.55	2,801,537.55	2,742,176.08	2,618,676.38	98%	93%	98%	91%

Table 5 provides a breakdown of the budget execution for Title 1. The 98 percent execution for commitments and 93 percent execution for payments build upon the good results achieved already in 2008.

The difference in commitment and payment appropriations execution of budget line 1300 "Missions and travel" stems from the number of missions that took place in November and December 2009, which were only invoiced in early 2010.

4 ADMINISTRATIVE EXPENDITURE (TITLE 2)

Table 6: Summary budget execution 2009 for Title 2 – figures in € and %

Budget line	Heading	Final appropriations created in 2009		Execution in €		Execution in %		Execution in % (2008)	
		Commitment appropriations	Payment appropriations	Commitment appropriations	Payment appropriations	CA	PA	CA	PA
	EXPENDITURE								
	Title 2 - Administrative expenditure								
2000	Rental of buildings	545,462.45	545,462.45	545,462.45	545,462.45	100%	100%	76%	76%
2100	Data processing	500,000.00	500,000.00	499,194.56	285,426.80	100%	57%	100%	75%
2200	Movable property	20,000.00	20,000.00	19,193.42	19,193.42	96%	96%	98%	98%
2300	Current administrative costs	133,000.00	133,000.00	133,000.00	111,394.02	100%	84%	94%	67%
2400	Postage and telecommunication costs	0.00	0.00	0.00	0.00	n.a.	n.a.	100%	100%
2500	Expenditure on meetings	160,000.00	160,000.00	84,493.71	39,305.40	53%	25%	41%	14%
2600	Other administrative expenditure	0.00	0.00	0.00	0.00	n.a.	n.a.	n.a.	n.a.
	Total for title 2	1,358,462.45	1,358,462.45	1,281,344.14	1,000,782.09	94%	74%	78%	65%

Table 6 provides a breakdown of the budget execution for Title 2. The 94 percent execution for commitments and 74 percent execution for payments follow the good results already achieved in 2008.

Line 2000 "Rental of buildings" was executed at 100 percent in 2009. The initially budgeted amount for this line was €490,000 which had to be reinforced by €55,462.45 transferred from budget line 1100 "Staff expenditure" (Transfer 02/2009) in order to cover the amount invoiced by the European Commission's OIB.

Budget lines 2100 Data processing and 2200 Moveable property also had almost full execution in terms of commitment appropriations.

The execution on budget line 2500 "Expenditure on meetings" was low, due mainly to the fact that more security committee's meetings were paid for by the European Commission than originally planned. The reimbursements of the Administrative Board members for their participation in the Administrative Board meetings were also less than planned.

5 OPERATIONAL EXPENDITURE (TITLE 3)

5.1 Operational expenditure financed by the Community subsidy (lines 3100 and 3200)

Table 7: Summary budget execution 2009 for lines 3100 and 3200 – figures in € and %

Budget line	Heading	Final appropriations created in 2009		Execution in €		Execution in %		Execution in % (2008)	
		Commitment appropriations	Payment appropriations	Commitment appropriations	Payment appropriations	CA	PA	CA	PA
	EXPENDITURE								
	Title 3 - Operational expenditure								
3100	Expenditure on studies	2,720,000.00	3,170,000.00	2,697,932.14	3,138,502.99	99%	99%	95%	62%
3200	Publication and translation costs	80,000.00	80,000.00	34,903.12	22,006.59	44%	28%	53%	54%
	Sub-total for lines 3100 and 3200	2,800,000.00	3,250,000.00	2,732,835.26	3,160,509.58	98%	97%	94%	62%

The execution rate for the operational expenditure financed by the Community subsidy was 98 percent for commitments and 97 percent for payments, which compares with 94 percent and 62 percent in 2008, respectively.

The utilisation of commitment appropriations of budget line 3100 "Expenditure on studies" reached the unprecedented level of 99 percent, despite the difficulties that affected the GSA in 2009. The 97 percent execution of payment appropriations is equally impressive. This performance largely resulted from the reorganization of the procurement and contract management activities in the beginning of the year and the thorough review of processes.

The commitment execution rate of 44 percent for "Publication and translation costs" is low because the need for translation of published documents, as required by the GSA Regulation, was lower than expected.

5.2 Operational expenditure financed by earmarked revenue (Title 3, budget lines 3900 to 3916)

Table 10 summarises the cumulative execution of the operational expenditure financed by earmarked revenue (Title 3, chapter 39). Cumulative execution here is defined as the execution of the available 2009 commitment and payment appropriations resulting from earmarked revenues irrespective of the year in which these appropriations were created (i.e. 2007, 2008 or 2009). Table 10 is also a follow-up of the earmarked funds (amounts received, executed and appropriations carried over to 2010). The outstanding balances on several of these budget lines will be transferred to the European Commission in 2010, as explained in chapter 5.

At the end of 2009, this operational expenditure shows an execution of 90 percent of the commitment appropriations and 79 percent of the payment appropriations available. Almost all of these appropriations originate in agreements/contracts taken over from the Galileo Joint Undertaking, which transferred to the GSA the funds for the discharge of the corresponding obligations.

It is worth mentioning that the activities related to lines 3901, 3902, 3903, 3908, 3909, 3910, 3914 and 3915 were transferred to the European Commission with an effective date 1 January 2009. Therefore, all the financial transactions on these budget lines were performed on request and on behalf of the European Commission, pending the transfer of the respective funds to the Commission that started being implemented later in the year.

As mentioned in chapter 2, section 4 of this report, the operational funds received from the European Commission created payment appropriations on budget line 3900 "6th Framework Programme – 3rd call" amounting to €2,000,000, commitment appropriations on budget line 3913 "7th Framework Programme" amounting to €37,008,957 and payment appropriations on the same budget line amounting to €31,530,574.83.

It should be noted that €1,183,459.40 corresponding to the balance of committed but still unpaid appropriations on budget line 3910 "Certification activities" was transferred to the European Commission along with the underlying contracts after the exchange of letters on the transfer of assets between the GSA and DG TREN and in accordance with the resulting Note from the Accountant of the European Commission (Ref. Ares(2009)396602) dated 22 December 2009.

Also in the context of the transfer of assets, the balance of €6,053,841.90 on budget line 3913 "7th Framework Programme" was transferred to the European Commission along with the underlying contracts in accordance with Note from the Accountant of the European Commission (Ref. Ares(2009)399098) dated 24 December 2009.

Table 8: Summary budget execution 2009 for lines 3900 to 3916 – figures in € and % - CA stands for "commitment appropriations" and PA for "payment appropriations"

Budget line	Heading	(a)		(b)		(c) = (a) - (b)			
		Appropriations made available before or in 2009		Appropriations executed before or in 2009		Cumulative execution 2009		2010 Estimated appropriations available for execution	
		CA	PA	CA	PA	CA	PA	CA	PA
	EXPENDITURE								
	Title 3 - Operational expenditure								
3900	6th Framework Programme - 3rd call	9,669,667	9,669,667	9,386,738	7,765,773	97%	80%	282,929	1,903,894
3901	Concession activities	4,058,924	4,058,924	1,740,738	1,640,738	43%	40%	2,318,186	2,418,186
3902	In-Orbit Validation phase	93,150,000	93,150,000	89,150,000	89,150,000	96%	96%	4,000,000	4,000,000
3903	EGNOS	5,759,868	5,759,868	5,690,015	5,690,015	99%	99%	69,852	69,852
3904	6th Framework Programme - 2nd call	47,387,312	47,387,312	45,819,219	42,003,562	97%	89%	1,568,093	5,383,749
3905	MEDA	2,651,655	2,651,655	2,651,370	1,542,641	100%	58%	285	1,109,014
3906	Galileo Security Monitoring Centre (GSMC)	699,570	699,570	699,570	699,570	100%	100%	0	0
3907	International activities ⁽¹⁾	1,256,769	1,256,769	1,246,769	966,769	99%	77%	10,000	290,000
3908	Joint Research Centre	63,000	63,000	31,008	31,008	49%	49%	31,992	31,992
3909	Technical support provided by ESA ⁽²⁾	4,169,598	4,169,598	4,167,664	2,167,664	100%	52%	1,934	2,001,934
3910	Certification activities	2,000,000	2,000,000	1,472,159	288,700	74%	14%	527,841	1,711,300
3911	Matimop	4,458,000	4,458,000	0	0	0%	0%	4,458,000	4,458,000
3912	NRSCC	40,818	40,818	5,176	5,176	13%	13%	35,642	35,642
3913	7th Framework Programme	77,008,957	51,530,575	68,752,697	27,769,755	89%	54%	8,256,260	23,760,820
3914	Deployment phase Galileo	0	0	0	0	n/a	n/a	0	0
3915	EGNOS second grant	10,000,000	10,000,000	10,000,000	10,000,000	100%	100%	0	0
3916	MEDA II	4,500,000	4,500,000	0	0	0%	0%	4,500,000	4,500,000
	Total expenditure funded by earmarked revenue	266,874,137	241,395,755	240,813,125	189,721,372	90%	79%	26,061,012	51,674,383

CHAPTER 4

ANALYSIS OF OUTSTANDING COMMITMENTS EVOLUTION

Table 9: Evolution of outstanding balances – figures in €, multiples and %

Heading	(a) Outstanding balances as of 1/1/09	(b) Payments on outstanding balances in 2009	(c) New commitments 2009	(d) Payments on new commitments 2009	(e) Decommitments 2009	(f) = (a) - (b) + (c) - (d) - (e) Outstanding balances as of 31/12/09
EXPENDITURE						
Title 1 - Staff	151,954.52	63,656.37	2,742,176.08	2,618,676.38	88,443.33	61,568.11
Title 2 - Administrative expenditure	197,273.24	109,847.43	1,281,344.14	1,000,782.09	87,425.81	280,562.05
Total for titles 1 and 2	349,227.76	173,503.80	4,023,520.22	3,619,458.47	175,869.14	342,130.16
Total for title 3*	3,191,119.63	2,580,315.31	2,732,835.26	580,194.27	120,046.16	2,643,399.15
Total expenditure	3,540,347.39	2,753,819.11	6,756,355.48	4,199,652.74	295,915.30	2,985,529.31

*Budget lines 3100 and 3200 only (excluding Chapter 39)

Table 9 summarises the evolution of outstanding commitment balances during the year by title. It should be highlighted that on title 3 the payments related to the outstanding balance at the beginning of the year accounted for 81 percent of all payments made during the year.

CHAPTER 5

BUDGETARY IMPLICATIONS OF THE TRANSFER OF ACTIVITIES TO THE EUROPEAN COMMISSION

Further to Article 8 of Regulation (EC) No. 683/2008 ("GNSS Regulation") and the transfer of activities and staff with effect on 1 January 2009, the Administrative Board of the GSA, at its 19th meeting held on 19 March 2009, decided on the transfer of GSA-owned tangible and intangible assets created or developed under the EGNOS and Galileo programmes including all rights, obligations, titles and interest related to the aforementioned programmes to the European Community, represented by the European Commission (Doc. GSA-AB-09-03-19-09).

In December 2008, a special task force was created, with staff from the GSA and DG TREN, in order to prepare the legal and financial implementation of the transfer.

Following the conclusions of the task force, the GSA sent a letter to DG TREN (ref. GSA(2009)/OED/LO/FIN/D/779), on 3 July 2009, in which the GSA requested confirmation from the European Commission on the acceptance of the ownership of the assets subject to the transfer.

On 1 December 2009, the GSA received the European Commission's letter accepting the ownership of the assets subject to the transfer (ref. TREN/G5 JM 1b D(2009)71058).

Based on the instructions received from DG BUDG in late December 2009 (letters from Mr. Taverne ref. Budget/DLA/CS/EB/cb/D(2009)/441611 dated 22 December 2009 and ref. Budget/CS/EB/D(2009) dated 24 December 2009), the GSA executed in early January 2010 the transfer of outstanding balances on the commitments listed below.

Table 10: Commitments transferred to the European Commission in January 2010

	central key	local key	budget line	initial amount	open amount as at 31.12.2009
Commitments transferred					
1	6400462063	GSA.466	EGSA-B2009-B03910-R0-GSA	310,000.00	310,000.00
2	6400462127	GSA.471	EGSA-B2009-B03910-R0-GSA	873,459.40	873,459.40
3	6400415261	GSA.279	EGSA-B2009-B03100-C8-GSA	300,000.00	0.00
4	6400444287	GSA.413	EGSA-B2009-B03100-C8-GSA	59,700.00	29,700.00
5	6400467344	GSA.529	EGSA-B2009-B03100-C3-GSA	130,000.00	104,000.00
	SUBTOTAL			1,673,159.40	1,317,159.40
FP 7 commitments transferred					
1	6700103566	GSA.538	EGSA-B2009-B03913-R0-GSA	698,006.00	279,202.00
2	6700103416	GSA.537	EGSA-B2009-B03913-R0-GSA	1,999,390.00	799,756.00
3	6700103394	GSA.536	EGSA-B2009-B03913-R0-GSA	1,999,581.00	799,832.00
4	6400488499	GSA.635	EGSA-B2009-B03913-R0-GSA	1,999,930.00	799,972.00
5	6700103218	GSA.531	EGSA-B2009-B03913-R0-GSA	590,501.00	177,150.00
6	6400461656	GSA.463	EGSA-B2009-B03913-R0-GSA	699,220.00	524,415.00
7	6400461650	GSA.462	EGSA-B2009-B03913-R0-GSA	499,991.00	390,697.90
8	6400463349	GSA.465	EGSA-B2009-B03913-R0-GSA	499,997.00	374,997.00
9	6400462123	GSA.470	EGSA-B2009-B03913-R0-GSA	995,448.00	248,862.00
10	6400460453	GSA.460	EGSA-B2009-B03913-R0-GSA	498,697.00	398,958.00
11	6400461916	GSA.464	EGSA-B2009-B03913-R0-GSA	1,800,000.00	1,260,000.00
	SUBTOTAL			12,280,761.00	6,053,841.90
	TOTAL TRANSFERRED			13,953,920.40	7,371,001.30

Balances on FP7 commitments included in the table above were transferred with a retroactive effect for 2009 accounts. The transfer of FP7 commitments was performed centrally by DG Budget by de-committing the balances. As a result of de-commitments, the available commitment appropriations on budget line 3913 increased by 6,053,841.90 EUR, which in fact should have been decreased due to the transfer of the activities. This error was corrected in May 2010, affecting 2010 budget; the available commitment appropriations were reduced accordingly.

The GSA completed the transfer of assets in early 2010. The remaining funds transferred (budget lines 3901, 3902, 3903 and 3909) to the European Commission as per Commission Decision C(2009)8450 dated 5 November 2009 amounted to €6,917,812.18. Furthermore, the GSA transferred also the outstanding balances corresponding to budget line 3916, following a letter from the Commission (Ref. Ares(2010)168514) dated 30 March 2010, which amounted to €4,500,000. See Table 11 for further details.

Table 11: Payment appropriations transferred to the Commission in early 2010

Budget line	Description	Commitment appropriations available 31.12.2009	Payment appropriations available 31.12.2009	Transfer executed in 2010
3901	Concession activities	2,318,185.63	2,418,185.63	2,318,185.63
3902	In-Orbit Validation	4,000,000.00	4,000,000.00	4,000,000.00
3903	EGNOS	69,852.13	69,852.13	69,852.13
3909	Technical support provided ESA	1,933.82	2,001,933.82	1,933.82
3910	Certification of activities	527,840.60	1,711,300.00	527,840.60
		6,917,812.18	10,201,271.58	6,917,812.18
3916	MEDA II	4,500,000.00	4,500,000.00	4,500,000.00