

**LEGISLATIVE FINANCIAL STATEMENT FOR THE SETTING UP OR EXTENTION OF  
THE LIFETIME OF AN EXECUTIVE AGENCY**

*Version of 09 september 2004*

*The original language is French*

**1. NAME OF THE PROPOSAL :**

Executive agency for the public health programme

**2. ABM / ABB FRAMEWORK**

Policy Area(s) concerned and associated Activity: **Health and Consumer Protection (SANCO, Title 17) – Public Health**

**3. BUDGET LINES**

3.1. Budget lines

**3.1.1.**Subsidy line(s) for the Executive Agency (article ... 01 04), including headings

**ABB 17 01 04 30 (new line) : Public health –Operating subsidy to the Executive Agency for the Public Health Programme ?**

This line will receive appropriations from the line 17 01 04 02 : Public Health – Administrative Expenditure.

**3.1.2.**(for information purposes) Technical and administrative assistance line(s) (article 01 04, ex- B.A lines), including headings :

ABB 17 01 04 02 : Public Health – Administrative Expenditure

The appropriations allocated on this line enable DG SANCO to preserve the implementation of certain administrative expenditure, financed by the programme, after the creation of the Executive Agency.

**3.1.3.**(for information purposes) Operational line(s) to be implemented by the Executive agency:

ABB 17 03 01 01 : Public Health : this entire line will be executed by the Agency

3.2. Duration of the Agency and duration of the programme managed by the Agency:

The Agency will operate from 1 January 2005 to 31 December 2010. The Public Health programme duration is from 1 January 2003 to 31 December 2008.

The setting up of the Agency can be defined in two stages:

- The first months following the adoption of this proposal for a Decision creating the Agency constitute a preparatory period during which the Agency will mainly complete administrative tasks such as recruiting temporary and contractual personnel, define the needs as regards the

computer systems and the equipment necessary for the implementation of its tasks. The draft annual work programme, and the estimate of income and expenditure concerning the operational budget will be prepared and the work of the Management committee of the Agency will be organised. The management and internal control systems, adapted to the tasks entrusted to the Agency will be set up. Finally, the Agency will concentrate a large part of its technical activity on promoting the Public Health programme, in organising the information day on the calls for proposals as well as the necessary logistics for the evaluation of the proposals/offers. These tasks should be carried out by the director and the seconded staff intended to fill the posts of responsibility of the Agency.

- After this first preparatory phase, the Agency should be in a position to begin to fulfil the objectives and tasks listed in the draft decision, in the act of delegation of the Commission and in its annual work programme. With regard to the management of the projects, it should be able to manage the projects in relation to strand 3 of the programme (health determinants), and those relating to tissues, cells, organs and blood (strand 1, actions n° 2.6 and 2.7 of the annex to the programme) as from 2005. In 2006, the agency will fulfil all its objectives and tasks.

### 3.3. Budgetary characteristics of lines listed under point 3.1 :

Budget lines	Type of expenditure		New	EFTA contribution	Contributions from applicant countries	Heading in financial perspectives
17 01 04 30	Non-comp	Non-diff <sup>1</sup>	YES	YES	YES	No 3
17 01 04 02	Non-comp	Non-diff	NO	YES	YES	No 3
17 03 01 01	Non-comp	diff	NO	YES	YES	No 3

## 4. SUMMARY OF RESOURCES

### 4.1. Financial resources (Mio€)

#### 4.1.1. Summary of the financial cost of setting up the executive agency (Mio€)

	Section no.		2005	2006	2007	2008	2009	2010	Total
<b>Subsidy to the agency - Administrative expenditure within reference amount</b>									
<b>Budget of the agency (NDA)</b>	8.1	a	4,756	5,752	5,652	5,652	4,078	2,339	28,229

<sup>1</sup> Non-differentiated appropriations hereafter referred to as NDA

#### 4.1.2. Financial resources freed by the creation of the executive agency (Mio€)

	Section no.		2005	2006	2007	2008	2009	2010	Total
<b>Operational expenditure</b>									
Commitment Appropriations (CA)	8.2.1	a	0	0	0	0	0	0	0
<b>Administrative expenditure within reference amount</b>									
Technical and administrative assistance (NDA)*	8.2.2	b	2,037	2,037	2,037	2,037	1,426	0,851	10,426
<b>Administrative expenditure <u>not</u> included in reference amount</b>									
Human resources and associated expenditure (NDA)*	8.2.3 C)	c	1,967	1,967	1,967	1,967	1,745	1,413	11,026
Administrative costs, other than human resources and associated costs, not included in reference amount (NDA)**	8.2.4	d	0,056	0,056	0,056	0,056	0,048	0,024	0,296
<b>TOTAL OF FINANCIAL RESOURCES FREED BY THE CREATION OF THE AGENCY</b>									
Commitment Appropriations (CA)		<b>a+b+ c+d+</b>	<u>4,060</u>	<u>4,060</u>	<u>4,060</u>	<u>4,060</u>	<u>3,219</u>	<u>2,288</u>	<u>21,748</u>

\* Correspond to 10 posts freed in 2005 (calculation on the basis of the standard cost, as the grades are not yet defined) and 8 posts frozen (calculation on the basis of the real cost)

\*\* Details in the annex

#### 4.1.3. OVERALL FINANCIAL EFFECT (\*) (Mio€)

		2005	2006	2007	2008	2009	2010
<b>Total financial cost</b>	<b>Total 4.1.1</b>	4,756	5,752	5,652	5,652	4,078	2,339
<b>Total of financial resources freed</b>	<b>Total 4.1.2</b>	4,060	4,060	4,060	4,060	3,219	2,288

**\* IMPORTANT:** it should be noted that, even if the cost of the agency could seem higher than the amount of resources directly freed, there is **no real increase in expenditure**. In fact, an amount corresponding to the needs of the agency will be freed within the line for administrative expenditure and transferred to the specific line of the agency. The total administrative expenditure of the programme (both allocated to the agency and directly managed by the Commission) will therefore respect the financial framework already approved by the Budget Authority.

Moreover, the **operational budget of Public health Programme will remain fully available** for implementation, as it will not contribute to the financing of the agency.

#### 4.1.4. Effects of the setting up of the Agency on the headings of the financial perspectives

Mio€

Financial perspectives	2005	2006	2007	2008	2009	2010
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heading/years						
<b>3 Internal policies (*)</b>	2,719	3,715	3,615	3,615	2,652	1,488
<b>5 Administration</b>	-1,967	-1,967	-1,967	-1,967	-1,745	-1,413

(\*) This amount only indicates the rough effect on heading 3. Taking into consideration the amount available on the line for administrative expenditure, **the creation of the agency has no real effect on the level of expenditure on heading 3**, which will remain unchanged. The operational budget is not concerned.

#### 4.2. Estimate of Human Resources necessary for the setting up of the agency (including seconded officials, temporary and external staff) – see detail under point 8.1.1

Annual requirements for the executive agency	2005	2006	2007	2008	2009	2010
Temporary staff –Seconded officials (FTE) from the Commission	8	8	8	8	6	3
Temporary staff - Agency	0	1	1	1	0	0
Contractual staff	16	28	28	28	20	12
Other external staff	-	-	-	-	-	-
<b>Total human resources necessary</b>	<b>24</b>	<b>37</b>	<b>37</b>	<b>37</b>	<b>26</b>	<b>15</b>

#### 4.3. Human Resources freed/frozen following the transfer of tasks from the Commission to the Executive Agency – see detail under point 8.2.3

Human Resources freed	2005	2006	2007	2008	2009	2010
Officials (FTE) and temporary agents	10	10	10	10	10	10
Contractual staff						
Other support staff						
<b>Total human resources freed</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>

<b>Officials (FTE) frozen</b>	8	8	8	8	6	3
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The 10 posts to be given back to the central pool will be taken from the Directorate-General on its whole.

## 5. MONITORING AND EVALUATION

### 5.1. Monitoring system

The implementation of the Community programme "Public health 2003-2008" entrusted to the executive Agency is subject to the control of the Commission and this control is exerted according to the methods, the conditions, the criteria and the parameters which it lays down in the act of delegation defined by Council Regulation (EC) N° 58/2003 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes<sup>2</sup>, Article 6 (3).

With regard to the budgetary implementation, the director of the Agency exercises, for the administrative budget the authorising officer's function. In exercising this function, he shall comply with the *standard financial regulation* (Article 15 of the Regulation n° 58/2003). The director of the Agency exercises, for the operational budget, the authorising delegated officer's function. In exercising this function, he shall conform to the general financial regulation. The Agency and its director, are subject to controls provided for in the general financial regulation and in the specific financial regulation in their respective fields, as well as to the framework regulation for Agencies.

The Director of the Agency gives an account of the execution of the operational appropriations for which the executive agency is an authorising delegated officer according to the rules applicable to the authorising officers delegated of the Commission.

In addition, he forwards once a month to the Management Committee detailed facts and figures, aggregated at least at chapter level, on the execution of the administrative budget, concerning both income and expenditure relating to all the appropriations. This data also contains information concerning the use of deferred appropriations.

Before the implementation of tasks by the Agency, the Director-General of DG SANCO responsible for the "Public health" programme ensures, the setting up within the Agency, in accordance with the rules of the sound financial management:

- a. procedures and in particular concerning contracts and grants,
- b. internal control systems and procedures,
- c. if necessary, accountancy systems.

The Director-General of DG SANCO carries out the necessary reviews in case of any substantial change of procedures or of systems. The Agency sends him, within thirty days, information which is required of him and informs him without delay of any substantial modification of its procedures or systems.

The Director-General of DG SANCO responsible for the "Public health" programme is entitled to ascertain within the agency, on documents and on the spot, of the existence of management and internal control systems and their smooth operation, in order to guarantee the respect of the principle of sound financial management, and of the legality and regularity of the acts carried out by the Agency.

He can perform ex-ante and ex-post controls on the operations of the Agency, including with contract and grant beneficiaries. The contracts and conventions signed by the Agency expressly mention that beneficiaries commit to accepting the carrying out of these controls, and those of the Court of Auditors and of OLAF.

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<sup>2</sup> OJ L 11, of 16.1.2003, p.1.

The Director-General of DG SANCO responsible for the "Public health" programme "informs the Commission and particularly OLAF, according to applicable specific regulation, of any fraud or irregularity which would be brought to its attention."

## 5.2. Evaluation

### 5.2.1. Mandatory ex-ante evaluation/Cost benefit analysis (according to Art. 3 of Regulation EC no 58/2003)

A cost benefit study was carried out by EUREVAL (final report of 25 July 2002).

The report reviewed all the activities which had to be carried out in relation to the new public health programme (in accordance with the relevant decision) and worked out a number of criteria likely to be used to determine the activities which could be externalised. These criteria include: the envisaged duration of the actions; their routine nature, foreseeable character or not; the nature of the tasks (production or management), their technicality (expertise in public health) and the characteristics of the expected results.

It concludes that almost two thirds of the activities can be externalised, and recommends in particular:

- to set up an executive agency (with a staff of approximately 34 people);
- to give this agency a technical profile, in particular to strengthen the links between the programme and the community of health expert in the Member States;
- to refine the expected results of the programme to allow the Commission to focus more on these results

### 5.2.2. Measures taken following previous evaluation (lessons learned from relevant experiences in the past)

The final evaluation of the eight previous programmes is being completed. The results of this study will be taken into account by the Commission once available.

### 5.2.3. Terms and frequency of future mandatory evaluations (according to Art. 25 of Regulation EC no 58/2003)

An external evaluation report covering the first three years of operation of the Agency will be carried out by the Commission and will be submitted to the Steering committee of the executive Agency, to the European Parliament, to the Council and to the Court of Auditors. This report will comprise a cost/benefit analysis of the externalisation. This evaluation will then be renewed every three years under the same conditions. Following the evaluation reports, the executive Agency and the Commission will take any appropriate measure to remedy any problems noted.

In addition to the mechanisms provided for in the previous paragraph, the Agency draws up a quarterly progress report intended for the Commission services and, inter alia, in order to inform the programme Committee.

## 6. CHARACTERISTICS AND OBJECTIVES

The executive Agency for the Public health programme, hereafter named Agency, will be asked, on the basis of the delegation of the Commission and under its control and its responsibility, to carry out certain tasks relating to the management of the Community action programme in the field of the public health (2003-2008).

In the current context and given the nature of the actions and projects foreseen, delegating a part of the management tasks of the public health programme, including budgetary tasks, to an executive Agency constitutes the best management instrument at the disposal of the Commission.

The Agency will be established in Luxembourg for an initial period of 6 years and two-months. The duration can be extended according to the provisions of Article 3, paragraphs 2 and 3 of Council Regulation (EC) N° 58/2003. As from 2009, the activity of the Agency under the Community action programme in the field of the public health (2003-2008) will be reduced and focused on managing the contracts undertaken throughout the programme.

In accordance with the Council Regulation n° 58/2003, a cost-benefit analysis of the possibility to externalise the management of the Public health programme, was carried out by an independent consultancy, . The report was given to the Commission in June 2002<sup>3</sup>.

The study includes an analysis of the various alternatives and externalisation instruments and concluded that an executive agency would be preferable. It considers that the management as such of the programme would require 76 people in SANCO/C and 30 people in the executive agency. It recommends an executive agency with a personnel of approximately 34 people (i.e. 30 people for the management of the programme plus 4 for administrative management), having a technical profile. The aim is firstly to improve the relations between the public health programme and the communities of health experts in the Member States, and secondly to refine the expected results of the programme so as to enable the Commission to concentrate on results when managing externalised tasks.

#### 6.1. Nature of tasks entrusted to the Executive agency

The Agency will be asked to carry out, on the basis of the delegation of the Commission and under its control and its responsibility, certain tasks relating to the management of the Community action programme in the field of the public health (2003-2008).

The tasks of the executive Agency are summarised in three major sections, representing the totality of the operational appropriations of the programme:

- (a) managing all the phases in the lifetime of specific projects, in the context of implementing the programme on public health, on the basis of Decision No 1786/2002/EC and of the work plan provided for in that Decision and adopted by the Commission, and the necessary checks to that end, taking the relevant decisions where the Commission has empowered it to do so;
- With regard to the application of annual work plans, the agency will manage all phases of the public health programme cycle, in relation to specific projects. A whole range of

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<sup>3</sup> study "Cost-effectiveness assessment of externalisation of European Community's public health action programme" by Eureval-C3E, of 21.06.2002.

projects is connected with data collection and information management and dissemination, and it is worth pointing this out. The executive agency will thus assist with the implementation and technical management of the health portal, developed under the information strand of the programme. It will also contribute to the dissemination of information on health determinants and disease prevention, including planning and logistical support in relation to awareness-raising campaigns decided upon by the Commission.

- (b) adopting the instruments of budget execution for revenue and expenditure and carrying out, where the Commission has empowered it to do so, all the operations necessary for the management of the Community programme and, in particular, those linked to the award of contracts and grants;
- (c) providing logistical, scientific and technical support, mainly by organising meetings, seminars and conferences.

The various tasks inside each aspect, as well as the conditions, criteria, parameters and procedures that the Agency has to respect in achieving these tasks will be defined by the Commission in the act of delegation referred to in Article 6 § 3 of Council Regulation (EC) 58/2003. Moreover, the annual work programme of the Agency referred to in Article 11 § 2 of the same Regulation will comprise of the detailed objectives for each task as well as performance indicators.

## 6.2. Advantages of delegating implementing tasks to an Executive agency versus direct management by the Commission services

The management of certain specific public health programmes had suffered in 1999 from the closure of a technical assistance office which employed 45 people.

The role of this technical assistance office was to provide the operational units with administrative, logistical and technical support for the management of the former programmes, by preparing the calls for proposals, and the files notably as regards the financial aspects (commitments, payments, refundings), by organising meetings and ensuring their follow-up etc... Its disappearance was not then compensated by any supplementary human resources within the Commission. The tasks it was carrying out have therefore been taken up by the existing staff inside the Commission, on top of their normal duties. Moreover, the staff had not necessarily the appropriate financial training. This situation caused major difficulties, and decreased the overall efficiency of the services

Since then, some of the Commission's institutional tasks relating to public health have been cut back or mothballed, in order to ensure completion of the priority tasks, including programme management. Thus, insufficient use has been made of the results of projects carried out in the context of the eight preceding programmes due to the lack of human resources. This situation is clearly untenable in the medium term.

When negotiating the new public health programme, the Council and the European Parliament stressed the need to strengthen significantly the technical and financial expertise for managing it. To facilitate the implementation of the programme, the basic Decision specifically lays down that *'the Commission shall ensure, through appropriate structural arrangements closely associating the Member States, the coordination and integration of networks for health monitoring and rapid*



*reaction to health threats*’ (Article 5(2)). These arrangements are to ensure “*the effectiveness and cohesion of measures and actions contained in the programme and promote[s] cooperation between the Member States*” (recital 16).

There is an initial overall budget of 312 million euro for the six years of the programme, which is the basis taken for the calculation of the cost benefit analysis, increasing to 354 million for enlargement. This represents an increase of 21% in the budget compared with previous programmes. Moreover, the 2003–2008 programme is aimed at 31 countries (25 Member States, EFTA/EEA, Bulgaria, Romania, Turkey) rather than 15, with the corollary of extended and more complex networks and actions, a greater need for coordination, and an increasing number of projects to evaluate (427 projects in 2003, asking for Community support of €500 million). The projects chosen will have to involve as many countries as possible, have a long-term vision, have a place in the current general public health context and offer sustainable results. In order to carry out this programme, appropriate resources are needed.

The way the annual cycle of the programme operates, makes it possible to differentiate well:

- its strategic aspects, which are upstream from this cycle (definition of the workplan, establishment of specifications) and downstream (use of the results of the projects)
- steps which can be delegated because they are non-decisional (management as such of the projects).

The executive agency will bring administrative, financial and scientific competences to the evaluation and management of the projects. The Commission will be able to devote itself to the definition and management of public health policies, by using in particular the results presented by the agency and the evaluation of the programme, and the strengthening of the links with the Member States. The Commission will also ensure regular control of the agency’s activities.

The advantages of creating the agency compared to the other options for managing the programme can be summarised in the following way:

Identification of tasks justifying outsourcing	These tasks were initially defined in the cost-evaluation report. They relate to: - managing all phases of the public health programme cycle, in relation with specific projects, together with the necessary monitoring; this aspect includes preparation, then technical management of the health portal and dissemination of information on health determinants; - adoption of budgetary implementation measures for income and expenditure and execution of all operations necessary for the management of the programme, particularly those linked to the award of contracts and grants; - logistical, scientific and technical support.
Cost-benefit evaluation	The EUREVAL study presents a full estimate of costs, both qualitative, using criteria on the effectiveness of outsourcing, and quantitative, calculating the actual cost, including staff costs and the cost per action (annexes 4-7a of the report).
Possible savings within the framework of the	The EUREVAL study considers two possible options for outsourcing: option 1 presupposes that 2/3 of the staff of the executive agency would be recruited at market salary levels, while

general budget	option 2 increases this proportion to 90%. The outsourcing scenario is slightly more economical (-1.6% for option 1, i.e. 72.3 million for the "in-house" scenario and 72.3 million for the agency scenario / and -4.3% for option 2, i.e. 69.2 million for the agency scenario).
Effectiveness and flexibility in the implementation of outsourced tasks	Tasks will be rationalised by regrouping them in a specialised agency dedicated to these tasks. The agency will have the flexibility to organise its work depending on the profiles of the projects selected each year, thereby adjusting to requirements. In order to do this, it will be able to take on the necessary specialists, recruiting temporary or contract staff with the specific qualifications required.
Simplification of the procedures used	The agency will be subject to the same rules as the Commission with regard to implementing the operational budget, and particularly contracts and grants. Nevertheless, the structure of the agency provides for greater effectiveness, with particular regard to changes to the agency's organisation chart and staff management.
Proximity of the outsourced action to the final beneficiaries	The agency will be based in Luxembourg, like the competent departments of DG SANCO. The agency will manage projects, and will therefore be in direct and constant contact with beneficiaries in its everyday work. It will strengthen links with potential beneficiaries of the programmes managed by it in the European Union, particularly through use of the new public health portal.
Profile of the Community as a promoter of the Community programme concerned	The profile of the Community action through the acts of the executive agency will be guaranteed. The executive agency will specify in its contracts, agreements, documents and relations with third parties that it is acting on behalf of the Commission.
Maintenance of an appropriate level of know-how within the Commission	Technical and scientific staff will be retained in the Commission to ensure monitoring of the agency and to continue developing the parent Directorate-General's health policy, particularly on the basis of results obtained via projects managed by the agency.

The cost of the "agency" option is slightly lower than that of management of the programme by the Commission alone. Furthermore, this option allows the release of ten posts to be reassigned to other political priorities of the Commission

### 6.3. Theoretical comparison between the in-house implementation scenario and the executive agency scenario (in a fully operational year)

In this chapter, a comparison is made between the cost represented by the management of the programme in the Commission with an adequate number of officials and the cost of the management of the same programme with an executive agency. This comparison does not refer to the current situation at the Commission in which the number of officials allocated to the

programme does not allow satisfactory management; as such, it is therefore theoretical. This explains the composition of table 4.1.3 showing different figures which correspond to the real situation.

On the hypothesis of exclusive management by the Commission services, the number of additional posts allocated to the management of the programme should be of 29, thus in total 79 posts. The cost would amount to 8.532 M € for a full year (see table below). The operating and administrative management costs would be added. The overall total would amount to 13.462 M € per year.

On the hypothesis of management assisted by an executive agency, the personnel cost (Commission plus Agency) would represent an annual cost of 7, 615 M €. The 37 posts would be distributed as follows: 1 director, 1 deputy director, 1 accountant, 8 financial managers, 18 technical managers, and 8 secretaries.

Setting up the agency would represent a saving of 0,377 M€ a year. This scenario would not diminish the operational budget allocated to the programme insofar as the operating budget of the agency is entirely included in the budget planned for the technical and administrative assistance of the programme.

Comparison		In-house implementation		Executive agency or mixed	
	Total unit cost	No of posts	Cost	No of posts	Cost
<b>Commission</b>					
FTE and Temporary staff	0,108	79	8,532	42	4,536
Contractual staff					
Other external staff					
<b>Agency</b>		Not applicable			
Temporary staff	0,108			9	0,972
Contractual staff	0,075248			28	2,107
Other support staff					
<b>Total Staff and infrastructure</b>			8,532		7,615
<b>Administrative expenditure (or</b>			4,757		4,757
<b>Other management expenditure</b>			0		0,54
<b>TOTAL COST</b>			13,289		12,912
<b>Difference</b>			<b>-0,377</b>		

Comparison made on the theoretical basis of having the necessary staff within the Commission for the in house hypothesis. This does not reflect the current situation.

\* In the scenario with an executive agency, the Commission retains management of a part of the administrative expenditure.

## 7. ANTI-FRAUD MEASURES

In accordance with Council Regulation (EC) N° 58/2003, a significant number of financial and administrative control tools are envisaged:

- control carried out by the Commission according to the methods, conditions, criteria and parameters which it lays down in the act of delegation;
- the auditor's internal function is carried out in the Agency by the internal auditor of the Commission;
- the European Office of anti-fraud fight (OLAF) has the same power with regard to the Agency and its personnel as to the Commission services. As from its institution, the agency will be obliged to adhere, to the inter-institutional agreement of 25 May 1999 relating to the internal enquiries carried out by OLAF. The internal decision of the agency putting the latter into effect will have to introduce cooperation and information obligations not only with regard to the officials but also with regard to the staff members not subject to the Statute. The contracts with the non-statutory staff members will have to refer explicitly to the obligations arising from the internal decision;
- the Court of Auditors examines the accounts of the Agency, in accordance with Article 248 of the treaty.

Any act of the executive Agency, and in particular any decision and any contract that it concludes, shall expressly foresee that the internal auditor of the Commission, OLAF and the Court of Auditors can carry out on the spot controls, of all the contractors and subcontractors having benefited from Community funds within the framework of the programmes implemented by the Agency.

With regard to the implementation of its administrative budget, the Agency applies the provisions of the standard financial regulation for the executive agencies. The operational appropriations of the programme must be implemented by the Agency in accordance with the provisions of the financial regulation applicable to the general budget of the European Communities.

## 8. DETAILS OF RESOURCES

### 8.1. Budget of the Agency (management of all programmes; see point 4.1.1)

#### - SUMMARY

	2005	2006	2007	2008	2009	2010	Total
Staff and infrastructure expenditure (point 8.1.1)	2,351	3,247	3,247	3,247	2,264	1,282	15,639
Administrative expenditure (point 8.1.2)	1,150	1,150	1,150	1,150	0,805	0,495	5,900
Other management expenditure (point 8.1.3)	1,255	1,355	1,255	1,255	1,009	0,562	6,691
<b>TOTAL of the budget</b>	<b>4,756</b>	<b>5,752</b>	<b>5,652</b>	<b>5,652</b>	<b>4,078</b>	<b>2,339</b>	<b>28,229</b>

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#### 8.1.1. Staff and infrastructure expenditure - Number and type of human resources of the Executive Agency and related cost (indicative forecast)

Detail of calculation for the cost of the contractual agents

	Annual cost per unit	Total annual cost
<b>Salaries</b>		
<b>Number of posts</b>		
<b>6 GF IV</b>	87 014 €	522 084 €
<b>12 GF III</b>	51 140 €	613 680 €
<b>9 GF II</b>	40 037 €	360 333 €
<b>1 GF I</b>	34 771 €	34 771 €
<b>Total</b>		<b>1 530 868 €</b> <b>average : 54 674</b>
<b>Overheads*</b>	<b>19 985 €/agent</b>	<b>559 580 €</b>
<b>Total</b>	<b>74659 € / average</b>	<b>2 090 448 €</b>

\* Overheads expenses based on the average cost in the Commission.

Cost of Agency's staff

Mio€

Types of post	Staff of the agency and related costs							Total
	2005	2006	2007	2008	2009	2010		
<b>Temporary staff – Secondment of officials from the Commission*</b>	Number of posts	8	8	8	8	6	3	
	Cost	0,868	0,868	0,868	0,868	0,651	0,326	4,451
<b>Temporary staff - Agency*</b>	Number of posts	1	1	1	1	0	0	
	Cost	0,109	0,109	0,109	0,109	0,000	0,000	0,434
<b>Contractual staff</b>	Number of posts	16	28	28	28	20	12	
	Cost	0,875	1,531	1,531	1,531	1,093	0,656	7,217
<b>Other external staff</b>	Number of posts							
	Cost							0
<b>"Overheads" for all agents</b>	Cost	0,500	0,739	0,739	0,739	0,520	0,300	3,537
<b>TOTAL - Number of posts</b>		25	37	37	37	26	15	
<b>TOTAL - Costs</b>		<b>2,351</b>	<b>3,247</b>	<b>3,247</b>	<b>3,247</b>	<b>2,264</b>	<b>1,282</b>	<b>15,639</b>

\* Calculation of the average cost of a temporary agent in annex

8.1.2. Administrative expenditure

Mio€

Nature of expense	2005	2006	2007	2008	2009	2010	TOTAL
Meetings of the steering Committee	0,005	0,005	0,005	0,005	0,003	0,001	0,023
management	0,100	0,100	0,100	0,100	0,070	0,040	0,510
Missions	0,120	0,120	0,120	0,120	0,084	0,048	0,612
Conférences	0,060	0,060	0,060	0,060	0,042	0,060	0,342
Interpretation / Translation	0,265	0,265	0,265	0,265	0,186	0,106	1,353
Total	0,500	0,500	0,500	0,500	0,350	0,200	2,550
Stands	0,100	0,100	0,100	0,100	0,070	0,040	0,510
<b>Total</b>	<b>1,150</b>	<b>1,150</b>	<b>1,150</b>	<b>1,150</b>	<b>0,805</b>	<b>0,495</b>	<b>5,900</b>

Method of calculation: Meetings of the Steering committee: 6 meetings/year x 5 people x [ (100 € travel) + (150 € x 2 days of per diem) ] (5 members of the Steering committee except the director who will be on the spot). Missions: 15 people x 10 missions in Europe x 800 €/day. Interpretation, translation: 80 €/sheet \* 3,000 sheets + Interpretation 700 €/day x 36

As the Agency will start its work in November 2004, the figures for 2004 are considered at 1/6th of the annual costs considered for the meetings of the Board of Management, the experts' meetings, the missions, interpretation and translation expenses.

### 8.1.3. Other management expenditure

	<b>Mio€</b>						
Informations and publications	0,300	0,300	0,300	0,300	0,210	0,120	1,530
<b>Total</b>	<b>1,255</b>	<b>1,355</b>	<b>1,255</b>	<b>1,255</b>	<b>1,009</b>	<b>0,562</b>	<b>6,691</b>

Method of calculation: studies: 1 audit/3 years 100,000 €, 1 evaluation/year 100,000 €. Meetings: 36 meetings x 950 euros x 25 experts

The Agency shall continue its activities for at least 2 years, until 2010, to finalize the actions relating to the 2003-2008 Public health Programme. The phasing out is 70% of the costs of a full year in 2009 (except for the meetings of the Steering committee: 4 meetings), 40% in 2010.

**8.1.4 Draft establishment plan of the executive agency (statutory agents)**

Category/grade	2005	2006	2007	2008	2009	2010
A*16						
A*15						
A*14	1					
A*13						
A*12						
A*11	1					
A*10						
A*9						
A*8	2					
A*7						
A*6	1					
A*5						
<i>Total category A</i>	5					
B*11						
B*10						
B*9						
B*8						
B*7	1					
B*6						
B*5	3					
B*4						
B*3						
<i>Total category B</i>	4	4	4	4	3	0
C*7						
C*6						
C*5						
C*4						
C*3						
C*2						
C*1						
<i>Total category C</i>						
D*5						
D*4						
D*3						
D*2						
<i>Total category D</i>						
<b>Total Staff</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>6</b>	<b>3</b>



## 8.2. Total of financial resources freed/frozen by the creation of the executive agency (mio€)

### 8.2.1. Financial resources freed - Operational expenditure (see point 4.1.2 a))

Budget line / amounts	2005	2006	2007	2008	2009	2010	Total
17 03 01 01	0	0	0	0	0	0	0
Total							0

### 8.2.2. Financial resources freed - Administrative expenditure within reference amount (see point 4.1.2 b))

Budget line / amounts	2005	2006	2007	2008	2009	2010	Total
17 01 04 02	2,037	2,037	2,037	2,037	1,426	0,851	10,426
Total	2,037	2,037	2,037	2,037	1,426	0,851	10,426

### 8.2.3. Administrative expenditure not included in reference amount – Human resources and associated expenditure freed or frozen (see point 4.3)

A) Number and type of human resources freed by the transfer of tasks from the Commission to the Executive Agency

Types of post		Staff to be assigned to other priorities within the Commission services ( <b>number of posts</b> )					
		2005	2006	2007	2008	2009	2010
Officials staff and Temporary agents	A*Ad	3	3	3	3	3	3
	B* C*/Ass	7	7	7	7	7	7
<b>TOTAL</b>		10	10	10	10	10	10

B) Number and type of human resources frozen (seconded to the executive agency)

Types of post		Number and type of human resources frozen ( <b>number of posts</b> )					
		2005	2006	2007	2008	2009	2010
Officials staff and Temporary agents	A*Ad	4	4	4	4	3	3
	B* C*/Ass	4	4	4	4	3	0
<b>TOTAL</b>		8	8	8	8	6	.3

C) Effect of the redeployment on the administrative expenditure

Types of post		Administrative expenditure freed by the redeployment of staff					
		2005	2006	2007	2008	2009	2010
Officials staff and Temporary agents		<u>1,967</u>	<u>1,967</u>	<u>1,967</u>	<u>1,967</u>	<u>1,745</u>	<u>1,412</u>
Support staff							
<b>TOTAL</b>		<u>1,967</u>	<u>1,967</u>	<u>1,967</u>	<u>1,967</u>	<u>1,745</u>	<u>1,412</u>

**8.2.4. Financial resources freed – Administrative expenditure not included in reference amount – Administrative costs, other than human resources and associated costs (see point 4.1.2 d)**

Budget line / amounts	Administrative expenditure					
	2005	2006	2007	2008	2009	2010
17.01.02.11	0,056	0,056	0,056	0,056	0,048	0,024
<b>TOTAL</b>	0,056	0,056	0,056	0,056	0,048	0,024

**8.2.5. Redeployment of human resources**

- Redeployment to priority activities within the same Policy area (including supervision of the executive agency)

The administrative resources released by the transfer of tasks that were previously carried out by the Commission services, to the Agency will allow staff to better focus on tasks connected with its institutional mission, overall monitoring and coordination, tasks which are insufficiently developed at present, and aiming, in particular, at the following aspects:

1. Developing new orientations for existing policies and adoption of new policies supported by the results of the projects financed by the Programme;
2. Improving the interface and coordination, in particular with the other Community policies, such as environment, research, and economy;
3. Strengthening the promotion of the Community legislative framework in the field of health and follow-up of its implementation (quality and safety of blood, tissues, cells, organs; tobacco control);
4. Evaluating and analysing the impact of the health programmes, in particular the improvement of the monitoring exercises, the development of performance indicators, and the analysis the management of the old programmes' as well as the lessons to be learned for the future Community programmes;
5. Strengthening the links with civil society: dialogue, consultation and information of the European citizens and of the organisations representing the interests of the various partners as regards health (European health forum).

Two people will be assigned to the actions of control, of monitoring and of evaluation of the activities undertaken by the agency and to the operational interface with it.

- Redeployment to other policy areas of the Commission

The creation of the Agency will allow reducing the FTE posts directly assigned to the management of the programme: 10 posts will be released in 2005. These resources will be reallocated within the framework of the annual procedure of resources allocation (APS/PDB).

- Posts frozen / secondment to the agency

8 posts will be detached to the Agency and notably the director, the deputy director and the accountant

- other (to be specified)

### 8.3. (For information purposes) Operational expenditure

#### 8.3.1. Description of the actions to be implemented by the Executive Agency and their financial cost

*Commitment appropriations in EUR million (to 3 decimal places)*

(Headings of Objectives, actions and outputs should be provided)	Type of output	Av. cost	2005		2006		2007		2008		2009		2010		TOTAL	
			No. outputs	Total cost	No. outputs	Total cost	No. outputs	Total cost	No. outputs	Total cost	No. outputs	Total cost	No. outputs	Total cost	No. outputs	Total cost
Health information and knowledge	Projets	0,7	24	19	25	20	20	25	20	25	20	-	-	74	78	
Health threats	Projets	0,7	10	8	19	15	15	19	15	19	15	-	-	67	60	
Health determinants	Projets	0,7	22	17,3	22	17,5	24	18,9	24	18,9				92	72,58	
<b>TOTAL COST (AGENCY)</b>			32	35,3	65	51,5	68	53,9	68	53,9				233	194,6	

#### 8.3.2. Description of the actions to be implemented by the Commission and their financial cost

*Commitment appropriations in EUR million (to 3 decimal places)*

(Headings of Objectives, actions and outputs should be provided)	Type of output	Av. cost	2005		2006		2007		2008		2009		2010		TOTAL	
			No. outputs	Total cost	No. outputs	Total cost	No. outputs	Total cost	No. outputs	Total cost	No. outputs	Total cost	No. outputs	Total cost	No. outputs	Total cost
Health information and knowledge	Projets	0,7	24	19										24	19	
Health threats	Projets	0,7	9	7										9	7	
Health determinants	Projets	0,7														
<b>TOTAL COST (Commission)</b>			33	26		0	0	0	0	0	0	0	0	33	26	
<b>GRAND TOTAL</b>			75	61,3	65	51,5	68	53,9	68	53,9				299	220,6	