



5 October 2017
EMA/MB/573458/2017 Noted
Management Board meeting of 5 October 2017

Revision of budget structure from financial year 2018

The agency's budget structure was revised extensively in 2017, in particular with regard to expenditure, in order to reflect the new Financial Regulation and its provisions on multi-annual programming and in order to align it with the European Commission's guidelines for the programming document, including various templates.

It is now proposed to finalise this revision by amending the structure on the income side as well.

In addition, the commentary to a couple of expenditure items needs correction:

- travel expenses related to training courses will be covered by budget item 1300 rather than item 1500. This reflects the rules of the mission guide and European Commission practice.
- the cost of the Agency's participation in the co-ordination of the EU Agencies Network, now allocated to budget item 2501, where it fits better.

Budget item 3000R, 'EEA contribution'

Currently, budget item 3000R 'EEA contribution', covers contributions from EEA member states for their participation in the Single Market, pursuant to the Agreement on the European Economic Area.

This is expressed as a percentage which is added to the European Commission's contributions to the Agency's budget, both the general part and the part earmarked for the funding of fee reductions related to applications for orphan medicines products.

The percentage for 2018 is 2.37% and has been falling steadily over recent years (2017: 2.47%, 2016: 2.76%, 2015: 2.97%, 2014: 3.03%).

The aim of the proposed changes is:

- better match with the European Commission's budget structure, and clearer budget commentary to reflect the purpose of the budget items,
- easier and more transparent handling of the part of the EU contributions which originates in EEA member states.

As such, the following revisions to the budget nomenclature are proposed (new text in *italic*):

budget title/chapter/article/item	current text	proposed text
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INCOME		
Title 2	European Union contribution	European Union <i>and EEA</i> contribution
Chapter 20	European Union contribution	European Union <i>and EEA</i> contribution
Article 200	European Union contribution	European Union <i>and EEA</i> contribution
Article 201	Special contribution for Orphan Medicinal Products	Special contribution for Orphan Medicinal Products <i>from the EU budget and EEA contribution</i>
2000R	This appropriation covers the contributions provided for in item 17 03 12 01 of the statement of expenditure in Section III "Commission" of the general budget.	This appropriation covers the contributions provided for in item 17 03 12 01 of the statement of expenditure in Section III "Commission" of the general budget. <i>It shall include any contribution received from EEA member states for their participation in the Single Market, pursuant to the Agreement on the European Economic Area.</i>
2010R	This appropriation covers the special contribution provided for in item 17 03 12 02 of the statement of expenditure in Section III "Commission" of the general budget. In accordance with Council Regulation (EC) No 141/2000 of 16 December 1999 (OJ L 18, 22.1.2000, pg.1), Article 7.2, the contribution is to be used exclusively to compensate the Agency for fee exemptions for orphan medicinal products.	This appropriation covers the special contribution provided for in item 17 03 12 02 of the statement of expenditure in Section III "Commission" of the general budget. In accordance with Council Regulation (EC) No 141/2000 of 16 December 1999 (OJ L 18, 22.1.2000, pg.1), Article 7.2, the contribution is to be used exclusively to compensate the Agency for fee exemptions for orphan medicinal products. <i>It shall include any contribution received from EEA member states for their participation in the Single Market, pursuant to the Agreement on the European Economic Area.</i>
3000R	This appropriation covers the contributions from EEA states pursuant to the Agreement on the European Economic Area.	This appropriation covers the contributions from EEA states pursuant to the Agreement on the European Economic Area. Moved

		to budget items 2000R and 2010R.
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For reasons of transparency, and in addition to the budget nomenclature for items 2000R and 2010R, the cover note to future budgets shall include information about the annual percentage of EEA contributions received as part of the overall EU contributions.

Expenditure budget items

EXPENDITURE		
Article 130	<p>Duty travel expenses and incidental expenditure</p> <p>Staff Regulations of officials and Conditions of Employment of other servants of the European Union. This appropriation covers travel expenses, daily travel allowances and ancillary or exceptional expenses incurred in carrying out duty travel, including off-site meetings, by Agency staff covered by the Staff Regulations as well as trainees, interim staff and national or international experts or officials seconded to the Agency.</p>	<p>Duty travel expenses and incidental expenditure</p> <p>Staff Regulations of officials and Conditions of Employment of other servants of the European Union. This appropriation covers travel expenses, daily travel allowances and ancillary or exceptional expenses incurred in carrying out duty travel, including off-site meetings <i>and training courses</i>, by Agency staff covered by the Staff Regulations as well as trainees, interim staff and national or international experts or officials seconded to the Agency.</p>
Article 150	<p>Staff training</p>	<p>Staff Regulations of officials and Conditions of Employment of other servants of the European Union. This appropriation covers introduction courses for new recruits, staff development courses, retraining, courses on the use of modern techniques, seminars, information sessions on EU matters etc. The appropriation also covers the travel costs associated with training as well as the purchase of equipment, documentation, e-learning, pod casts and other new media and the hiring of training consultants. Previously item 1 1 2 0.</p>

Item 2500	Other meetings	This appropriation covers travel, subsistence, and incidental expenses of external experts invited for meetings not directly connected with the implementation of the Agency's work programme. It also covers the expenditure of organising such meetings where they are not covered by the Agency's own infrastructure, e.g. cost share for the Agency's participation in EU coordination meetings.
Item 2501	Memberships with professional bodies and organisations	<i>This appropriation covers fees for memberships with professional bodies or organisations in the interest of the Agency's activities, including the cost of participating in the EU agencies' coordination.</i>

These changes are proposed to reflect better the purpose of the relevant budget items.

The proposed changes shall come into effect as of financial year 2018.

Annex II – Details of changes

In accordance with Article 36 of the EMA Financial Regulation and Article 14 of the corresponding Implementing Rules, the 'statement of expenditure' must be set out on the basis of a nomenclature with a classification by purpose. It shall be determined by the Agency and shall make a clear distinction between administrative and operating expenditure.

The budget structure, i.e. Title/Chapter/Article/Item numbering, headings and remarks (=nomenclature) shall be revised as follows: