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COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 13.11.2008
SEC(2008) 2792

COMMISSION STAFF WORKING DOCUMENT

Accompanying document to the

**COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN
PARLIAMENT AND THE COUNCIL**

**The European Centre for Disease Prevention and Control activities on Communicable
diseases: the positive outcomes since the Centre's establishment and the planned
activities and resource needs**

{COM(2008) 741 final}

Table 1: ECDC Annual Budgets 2007 -2013

Budget Line Position	2007*	2008**	2009***	2010****	2011	2012	2013
11 — Salaries & Allowances	7.886.906	14.541.490	20.500.000	25.000.000	26.100.000	26.900.000	27.600.000
12 — Expenditure relating to Staff recruitment	574.010	760.000	585.000	400.000	150.000	90.000	90.000
13 — Mission Expenses	800.000	870.000	1.000.000	1.200.000	1.300.000	1.350.000	1.350.000
14 — Sociomedical infrastructure	26.840	75.000	130.000	340.000	420.000	450.000	500.000
142 — Professional development	207.079	460.000	500.000	550.000	600.000	600.000	600.000
17 — Reception & Events	33.000	30.000	35.000	40.000	45.000	50.000	50.000
Total Title 1 Staff	9.527.835	16.736.490	22.750.000	27.530.000	28.615.000	29.440.000	30.190.000
20 — Rental of Building & associated costs	1.740.106	2.970.000	3.100.000	3.300.000	3.350.000	3.350.000	3.350.000
21 — Information & Communication Technology	2.549.890	1.735.000	2.000.000	2.200.000	1.700.000	1.700.000	1.700.000
22 — Movable property & Associated costs	687.642	70.000	200.000	335.000	200.000	200.000	200.000
23 — Current Administrative expenditure	111.686	395.000	450.000	450.000	500.000	500.000	550.000
24 — Postage & Communications	268.960	420.000	450.000	500.000	550.000	600.000	650.000
25 — Statutory meeting Expenses	556.528	470.000	500.000	450.000	400.000	450.000	450.000
Total Title 2 Administration	5.914.812	6.060.000	6.700.000	7.235.000	6.700.000	6.800.000	6.900.000
3000 Surveillance and data collection	2.548.030	4.158.000	5.500.000	6.300.000	6.570.000	6.600.000	6.700.000
3001 Preparedness, response and emerging health threats	1.053.169	1.105.000	1.350.000	1.450.000	1.600.000	1.600.000	1.700.000
3002 Scientific opinions and studies	1.836.259	2.100.000	2.700.000	2.900.000	3.000.000	3.100.000	3.200.000
3003 Technical assistance and training	2.061.391	1.860.000	2.200.000	2.450.000	2.550.000	2.600.000	2.650.000
3004 Publications and Communications	911.726	1.950.000	2.200.000	2.400.000	2.450.000	2.500.000	2.650.000
3005 ICT to support projects	1.747.881	2.650.000	3.200.000	3.250.000	3.000.000	2.800.000	2.800.000
3006 Build up and maintenance of the Crisis Centre	498.520	185.000	200.000	200.000	250.000	250.000	250.000
3007 Translations of scientific and technical reports	265.000	400.000	500.000	600.000	640.000	660.000	660.000
3008 Meetings to implement the work programme	1.314.027	2.130.000	2.200.000	2.250.000	2.300.000	2.300.000	2.300.000
3009 Country cooperation and partnership	368.822	600.000	800.000	850.000	880.000	900.000	900.000
3010 Scientific Library and Knowledge Services	261.078	300.000	400.000	435.000	445.000	450.000	450.000
30 — OPERATIONAL EXPENDITURE	12.865.903	17.438.000	21.250.000	23.135.000	23.685.000	23.760.000	24.260.000

17 03 03 01 — Administrative Expenditure

17 03 03 02 — Operations

Total Budget	28.308.550	40.234.490	50.700.000	57.900.000	59.000.000	60.000.000	61.350.000
Required Community Contribution	27.704.350	39.100.000	48.100.000	56.450.000	57.500.000	58.700.000	59.800.000
EEA/ EFTA contribution	604.200	935.000	1.000.000	1.450.000	1.500.000	1.530.000	1.550.000
Assigned revenues	0	200.000	1.600.000	Not known yet	Not known yet	Not known yet	Not known yet

* 2007: Actual execution of the 2007 budget.

** 2008: Final budget.

***2009: An amount of 8,218 M€ has been put in reserve

**** 2010: The foreseen amount according to the financial planning is 56,4 M€

Table 2: Preliminary Draft Activity Based Budget Allocation for 2008 - 2010

Budget 2008	Target 1	Target 2	Target 3	Target 4	Target 5	Target 6	Target 7	Governance/ Administration	Overhead Costs	Total
Staff - Title 1	2.134	2.580	2.023	1.689	798	1.800	602	3.785	1.325	16.736
Administration - Title 2	819	509	393	324	139	347	92	924	2.515	6.060
Operations - Title 3	4.305	4.138	1567	1813	1840	2520	1255			17.438
TOTAL	7.259	7.226	3.983	3.826	2.777	4.667	1.949	4.709	3.840	40.235
Budget 2009	Target 1	Target 2	Target 3	Target 4	Target 5	Target 6	Target 7	Governance/ Administration	Overhead Costs	Total
Staff - Title 1	3.406	3.526	2.924	2.441	994	2.682	703	4.824	1.250	22.750
Administration - Title 2	524	544	446	369	136	408	97	1.276	2.900	6.700
Operations - Title 3	5.312	5.502	2.061	2.255	2.168	2.898	1.055			21.250
TOTAL	9.242	9.572	5.431	5.065	3.298	5.988	1.855	6.100	4.150	50.700
Budget 2010	Target 1	Target 2	Target 3	Target 4	Target 5	Target 6	Target 7	Governance/ Administration	Overhead Costs	Total
Staff - Title 1	4.430	4.180	3.555	2.930	1.180	3.305	870	5.750	1.330	27.530
Administration - Title 2	612	576	486	396	144	450	108	1.278	3.185	7.235
Operations - Title 3	5.836	6.032	2.125	2.444	2.504	3.186	1.006			23.135
TOTAL	10.878	10.788	6.166	5.770	3.828	6.941	1.984	7.028	4.515	57.900

Budget 2011	Target 1	Target 2	Target 3	Target 4	Target 5	Target 6	Target 7	Governance/ Administration	Overhead Costs	Total
Staff - Title 1	4.632	4.371	3.719	3.066	1.239	3.458	913	6.003	1.215	28.615
Administration - Title 2	510	496	419	341	124	388	93	1.080	3.250	6.700
Operations - Title 3	6.015	6.097	2.290	2.482	2.500	3.263	1.038			23.685
TOTAL	11.157	10.964	6.427	5.889	3.863	7.108	2.044	7.083	4.465	59.000
Budget 2012	Target 1	Target 2	Target 3	Target 4	Target 5	Target 6	Target 7	Governance/ Administration	Overhead Costs	Total
Staff - Title 1	4.776	4.507	3.834	3.162	1.279	3.565	942	6.187	1.190	29.440
Administration - Title 2	519	488	412	336	122	381	92	1.151	3.300	6.800
Operations - Title 3	6.085	6.012	2.245	2.495	2.547	3.316	1.060			23.760
TOTAL	11.379	11.007	6.490	5.992	3.948	7.263	2.093	7.338	4.490	60.000
Budget 2013	Target 1	Target 2	Target 3	Target 4	Target 5	Target 6	Target 7	Governance/ Administration	Overhead Costs	Total
Staff - Title 1	4.895	4.619	3.929	3.239	1.307	3.653	963	6.348	1.240	30.190
Administration - Title 2	519	488	412	336	122	381	92	1.151	3.400	6.900
Operations - Title 3	6.217	6.077	2.294	2.567	2.594	3.452	1.060			24.260
TOTAL	11.630	11.184	6.634	6.141	4.023	7.486	2.114	7.499	4.640	61.350

Table 3: Evolution of Expenditure by Activity 2008-2013

				Increase in %				Increase in %
	2008	2009	2010	2008/2010	2011	2012	2013	2008/2013
Target 1	7.259	9.242	10.878	50%	11.157	11.379	11.630	60%
Target 2	7.226	9.572	10.788	49%	10.964	11.007	11.184	55%
Target 3	3.983	5.431	6.166	55%	6.427	6.490	6.634	67%
Target 4	3.826	5.065	5.770	51%	5.889	5.992	6.141	61%
Target 5	2.777	3.298	3.828	38%	3.863	3.948	4.023	45%
Target 6	4.667	5.988	6.941	49%	7.108	7.263	7.486	60%
Target 7	1.949	1.855	1.984	2%	2.044	2.093	2.114	8%
Governance/Admin	4.708	6.099	7.029	49%	7.083	7.338	7.498	59%
Overheads	3.840	4.150	4.516	18%	4.465	4.490	4.640	21%
Total Budget	40.235	50.700	57.900	45%	59.000	60.000	61.350	53%

small differences with table 2 figures due to roundings

I. Applied methodology and main underlying assumptions for the financial model of the European Centre for Disease Prevention & Control

1.1) Staff related Costs:

Applied average costs per staff category per annum:

AD staff (all)	€ 110 k
AST 5-11	€ 80 k
AST 4-11	€ 56 k
Contractual Agents	€ 40 k
SNE's / END's	€ 40 k
Interim Staff / Consultants	€ 40 k

The staff model development took into account the human resources required in order for the ECDC to be able to fulfil its obligations under its current mandate. In particular, the needs in 3 major areas were assessed

- 1) Operations: the necessary human capital that will enable the ECDC to deliver the outputs required by the current legislation as they are explained in the accompanying Communication to the Parliament and the Council. Additional capacity is allocated for the management and the professional development of these resources
- 2) In addition, the need for building partnerships, the development of the relations with the Member states and EU & international partners (WHO, EFSA, EMEA etc) were assessed
- 3) Finally the administrative functions have been examined; Resources are allocated to the Office of the Director, the Legal Department, Audit and Internal Control, Human Resources (HR), Procurement, Finance, Information Technology (IT), Building Management. Experience from the first 3 years of the Centre's operations has shown that sufficient capacity building in areas such as procurement and internal control lead to efficient management of the utilised financial resources. HR and Building Management capacities are essential for addressing the volatile needs of a growing Centre that aims to coordinate action throughout the Union. Finally additional IT capacity is essential for the support of scientific tools such as TESSy (European Surveillance System) and EWRS (Early warning and response system)

The main development challenge for ECDC is to assure coverage in expertise for all of the 55 disease fields for which ECDC has responsibility and which is currently not yet the case. It is therefore that a large part of additional staff resources for 2008-2010 are foreseen in the disease specific programmes while also the functional units capacity build up focuses on expertise in the disease fields. The expertise required for ECDC is moreover specialized, with mainly medical doctors, and hence proposals for appropriate grading and with technical and administrative support so that they can fully focus on their expertise role.

All the resources identified have been multiplied by the average annual cost by grade and that has led to the total staff costs. In addition, the weighting factor for Stockholm (117% as of July 2007 – cost of living adjustment applicable to all staff) has been applied. Other factors as indexation, promotions etc were also included in the calculations. Other costs of staff in active employment have been computed based on the applicable rates of the current staff regulation, e.g. recruitment, annual travels, taking up duty etc.

1.2) Other administrative expenditure: building, equipments and miscellaneous:

Building costs are driven by capacity: the average working space per person is calculated according to existing capacity. Also in concluding the contract with the current ECDC landlord the Management took into account the needs for meetings and conference space, staff assembly and the additional space for the deployment of the Emergency Operations Centre.

Significant funding is required for building up infrastructure that is needed to adequately address the responsibilities of the Centre. The calculations were done by taking in consideration the increased energy consumption, storage space for electronic data, additional server capacity.

The replacement rate of PCs, other ICT and office equipment is calculated at average of 4 to 5 years.

Additional resources are provided for the development and implementation of a Business Continuity plan.

1.3) Operational Expenditure

The Operational Expenditure are allocated to the 7 targets as defined in the Strategic Multiannual Programme 2007-2013, developed according to the provisions of Article 14.5.d of the Regulation (EC) No 851/2004 of the European Parliament and of the Council of 21 April 2004 and approved by the Management Board of the Centre in June 2007.

Target 1	Disease programmes
Target 2	Surveillance
Target 3	Scientific advice
Target 4	Preparedness and response
Target 5	Training
Target 6	Health communication
Target 7	Partnerships

Further analysis of the objectives and tasks related to the implementation of the aforementioned targets are provided in points 2.2 of the Communication

II. Reasons for change compared to the initial legislative financial statement

2.1) Increase in staff related costs:

In the financial statement for the creation of the Centre, the estimated average cost per temporary agent was set at 80 000 € which represents 72% of the Commission average. At the time of the proposal the Seat of the agency was not known and as a result the additional budgetary burden of the weighting factor for Sweden (117%) was not taken into account. The real average cost per TA is approaching 110 000 € which constitutes an increase of 25% comparing to initial calculations.

In addition, this initial financial statement was mentioning the following tasks to be undertaken by the Centre:

1) Scientific support & Training

2) Networking of organizations operating in the fields within the Centre's competence, collection and analysis of data, identification of emerging risks, and preparedness for crises

3) Early Warning & Response

4) Communications

5) Administration & Support

During the first three and a half years of operations the Centre focused in building up capacity to cover its core operational and administrative functions. Considerable outputs have been produced by the staff currently in place, as this is presented in chapter 2.1 of the communication. Nevertheless a lot remains to be done and a detailed path is already agreed in the frame of the Strategic Multiannual Programme 2007 - 2013.

The achievement of the targets presented in Strategic Multiannual Programme 2007-2013 with the current level of staffing is however doubtful:

- More than half of the 55 disease specific areas are not yet covered. It should be noted that since the starting of the operations additional 6 disease specific areas are now under the responsibility of the Centre (Art. 2, Decision 2119/98/EC).
- Following the results of the evaluation of the surveillance networks, activities such as the influenza and the legionella surveillance will be transferred to the Centre during 2009
- The increased flow of information that will be generated by the implementation of the European Surveillance System that became operational in 2008 and the Early Warning and Response System that is continuously evolving will require scientific resources for the analysis, evaluation and dissemination of the data received.
- Technical resources especially in the IT area are required to properly support the Centre's operations, of which many have a strong IT component (e.g. maintenance and further developments of the European Surveillance System and the Early Warning and Response System). Additional projects like Business continuity and 24/7 assistance in the event of emergency will require proper management from core staff.

More detailed analysis of the challenges that the Centre faces in the coming years are presented in Chapter 2.2 of the Communication. A summary of the Centre's staffing needs for the implementation of its Strategic Multiannual Programme 2007-2013 according to its current mandate are presented below. It should be mentioned here that 2010 is the year where the centre will reach its cruising speed. As a result the information presented below is restricted to years 2007 – 2010.

Number of Temporary Agent positions and total staff (including SNE, CA, interim staff and consultants).

Staff category	2005	2006	2007	2008	2009	2010
Temporary Agents	29	50	90	130	170	200
Total head count	40	80	180	250	300	350

As part of the analysis, an assessment of staffing requirements was made for each of the strategic target areas and which is overviewed below:

Target	Organization	Increase of staff posts in 2008-2010						% change 2008/2010	Annual average
		TA staff – establish- ment table 2007 - approved	TA staff – establish- ment table 2008 - approved	Proposed TA staff – additional In 2009	Total TA staff envisaged In 2009	Proposed TA staff additional In 2010	Total TA staff envisaged 2010		
Target 1	Disease programmes	12	18	9	27	7	34	89%	44%
Target 2	Surveillance	13	22	6	28	4	32	45%	23%
Target 3	Scientific advise	12	17	6	23	4	27	59%	29%
Target 4	Preparedness and response	11	14	5	19	3	22	57%	29%
Target 5	Training	5	6	1	7	1	8	33%	17%
Target 6	Health communication	7	15	6	21	4	25	67%	33%
Target 7	Partnerships	2	4	1	5	1	6	50%	25%
Internal Target	Governance, management, Administrative services	8	8	1	9	1	10	25%	13%
		20	26	5	31	5	36	38%	19%
Total		90	130	40	170	30	200	54%	27%

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2.2) Increase in administrative costs:

The initial financial statement acknowledges that the investment in administrative and building costs will largely depend on the decision regarding the Centre's headquarters. Indeed, the expenditure on the Centre's building rent was calculated at 172 €/m² when the actual amount is 270 €/m² (which corresponds to average rental costs in Sweden)

The substantial improvement of infrastructure in order to accommodate the increased technological requirements of the Centre (Early Warning & Response System, The European Surveillance System etc), as well as the deployment of the Emergency Operations Centre and the necessary additional building/infrastructure arrangements were not taken into account.

As a result the initial financial statement estimates a total of 2,076 million € for 2007 while 2007 execution resulted in 5,915 million € or 185% above the initial calculations.

The current level of administrative expenditure is expected to be sustained in the following years:

While basic infrastructure is currently in place, further developments are planned in the coming years. The implementation of a Business Continuity Plan will be prioritised as ECDC is required to guaranty a 24/7 operational response in emergency situations. Data from other agencies that have implemented similar plans indicate an annual range of expenditure from 1 to 2 million €.

The implementation of ABAC, the Commission developed budgetary and accrual accounting system, at ECDC in 2009, while it will increase synergies and will guaranty compliance with the Community statutory requirements will cost 0,25 million annually. Additional resources will be allocated to the development of a monitoring tool for activity based budgeting and work program follow up.

Maintenance and replacement of existing computer and telematic equipment will require 0,5 million per annum.

Postal, telecommunication and meeting costs are expected to be sustained in current levels

2.3) Operational Costs

The initial financial statement envisaged the level of operational expenditure to reach 21,5 million €by year 2007. According to actual data 2007 execution was 12,9 million, 2008 expenditure will approach 17,5 million and only in 2009 the Centre will reach the level foreseen (21,25 million €).

As it is explained above in 2.1 and 2.2 the priorities on staffing and infrastructure affected negatively the availability of funds for Operational activities. Nevertheless the activities of the Centre were not hampered: the results of the external evaluation of the Centre that was completed in August 2008 and is presented in 2.5 of the communication, confirm the significant contributions of ECDC in all its areas of involvement.

Establishment Table

Grade	Year 2007			Year 2008			Year 2009			Year 2010		
	Establishment Plan			Establishment Plan			Establishment Plan			Establishment Plan		
	Approved			Approved			Requested (Provisional Draft Budget)			Provisional planning		
	Perm	Temp	Total	Perm	Temp	Total	Perm	Temp	Total	Perm	Temp	Total
AD16								0			0	0
AD15		1	1		1	1		1	1		1	1
AD14		2	2		2	2		2	2		2	2
AD13									0		0	0
AD12					2	2		3	3		4	4
AD11		4	4		3	3		5	5		6	6
AD10		8	8		9	9		12	12		13	13
AD9		4	4		9	9		9	9		10	10
AD8		13	13		17	17		33	33		43	43
AD7		8	8		13	13		5	5		3	3
AD6		8	8		14	14		14	14		14	14
AD5		8	8		16	16		32	32		40	40
Total AD	0	56	56	0	86	86	0	116	116	0	136	136
AST11								0			0	0
AST10								0			0	0
AST9								0			0	0
AST8		2	2		1	1		1	1		2	2
AST7		4	4		2	2		2	2		3	3
AST6		2	2		4	4		8	8		10	10
AST5		15	15		7	7		7	7		7	7
AST4		3	3		12	12		22	22		34	34
AST3					5	5		0	0		0	0
AST2		8	8		3	3		2	2		3	3
AST1					10	10		12	12		5	5
Total AST	0	34	34	0	44	44	0	54	54	0	64	64

Total	0	90	90	0	130	130	0	170	170	0	200	200
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