

DECISION

ADB(D) 5-2007

THE ADMINISTRATIVE BOARD OF THE SESAR JOINT UNDERTAKING,

Having regard to Articles 5.1(c) and 15 of the Statutes and Article 16.1 of the Administrative Board's rules of procedure;


In its ordinary meeting of 3 July 2007, has adopted the following decision:

Article 1

The Provisional budget of the SESAR Joint Undertaking for the year 2007, annexed to this decision with reference SJU(BUD)2007.01, is hereby adopted.

Done at Brussels, 3 July 2007

The Chairman,



Daniel Calleja

2007 PROVISIONAL BUDGET

(Adopted by the Administrative Board on 3 July 2007)

GENERAL REMARK ON THE PRESENTATION OF THE BUDGET

In line with Article 15 of the Statutes, the budget for 2007 of the SESAR Joint Undertaking (SJU) is hereby presented. In the light of the recent set-up of the SJU, this budget is related to the ongoing year, i.e. 2007 and is provisional.

The budget gives a complete image of the presently foreseen activities during the relevant year. It contains all incomes and expenditures in line with good accounting principles and reflects clearly the sources of income and the allocation of expenditures.

It is based on a gradual start of the activities with the first recruitment of staff foreseen in September 2007.

Budget Structure

The budget is presented in line with Article 9 and Chapter 2.2 of the financial regulations of the SJU. It is subdivided between income and expenditures as follows:

Title 1 – Statement of income:

- A1 - Contribution from European Commission under the 7th Research and Development Framework Programme;
- A2 - Contribution from European Commission under the Trans-European Network-Transport MIP Programme;
- A3 - Contribution from EUROCONTROL;
- A4 - Contribution from other Members;
- A5 - Other sources of contributions and revenue.

Title 2 - Statement of expenditure:

The commitment and the payment appropriations made available for the financial year in question, divided into Chapters and Articles as follows:

Chapter 1 - Operational costs

- A1 - Staff costs
- A2 - Running expenditures
- A3 - Technical facilities
- A4 - Capital expenditures

Chapter 2 - Studies and development costs

- A5 - Studies and development conducted by the Joint Undertaking
- A6 - Studies and development conducted by the Members;

Details of the Income budget

In 2007, an amount of 10 million euros will be committed and paid by EC under the 7th Research and Development Framework Programme.

The budget will also include the interests yielded on pre-financing made on Community grants to the SJU which will have to be reimbursed to Commission (zero effect on the budget).

Details of the Expenditure budget**A1. Staff costs**

The SJU staff that is recruited is subject to the Belgian tax and social security systems. A provision is included in the budget to that effect.

It is expected to reach a staffing level of 15 staff by the end of the year. The provisional staff establishment plan corresponds to the estimated needs of the SJU and is divided into the estimated staffing for the initial set up in 2007 (administrative setup, staff recruitment, membership negotiations) and a forecast for further recruitment in 2008.

The indicative distribution of posts is indicated in the following table. The grades are based on the conditions of employment of other servants of the European Communities as foreseen in Article 8 of the SJU's Statutes:

Post	Grade	2007	2008
Executive Director	A14	1	
Directors of Division	A13	2	
Security Expert	A7		1
PR and Communication	A7		1
Technical experts	A6-A11	2	14
Legal and contract head of section	A8	1	
Financial and budget head of section	A8	1	
Human resources	A7	1	
Logistics assistant	AST 5	1	
Administrative assistant	AST5		1
Contract and legal officers	A6-A7	1	2
Accounting assistant officer	AST6	1	
Financial and budget assistant	AST5		1
Project control	A7-A8		2
Secretaries	AST 4- 6	4	
Total		15	22

The budget includes all other staff related costs, such as recruitment, secretariat social, social security insurances, legal expertises, taxes etc...

A2. Running expenditures

Running expenditures include mission costs, the site services (cleaning, security, switchboard maintenance, repairs), the administrative costs (printing, copiers, translation, publications), utilities (water, electricity, telecommunications costs), building rental and associated charges, legal consultants (for example: evaluation of the in-kind contributions), insurance and all taxes not related to staff. This post also includes costs related to the establishment of the fiscal status of the SJU.

A building rent guarantee made by the bank is being established as well. Only the cost of such guarantee is included in the budget and not the guarantee itself.

The 2007 budget includes one month of rent for December 2007 under the assumption that a contract will be signed with effect from 1 December 2007.

A3. Technical facilities

This post includes the procurement of small IT equipment, IT maintenance, Data Base maintenance, software licenses and network costs.

A4. Capital expenditures

The amount included here is foreseen for procurements related to office furniture and IT infrastructure.

A5. Studies and Development activities conducted by the SESAR Joint Undertaking

Launch of a call for tender for support to the Joint Undertaking on the assessment and follow-up of members' contributions.

A6. Studies and Development activities conducted by the SESAR Joint Undertaking Members.

No activities are foreseen in 2007.

General comment on this budget of Income and Expenditure

1. Activities to be initiated before the entry into function of the Executive Director:

As foreseen in the Administrative Board's Rules of Procedure, until Executive Director is appointed and officially takes up his functions, the budget will be executed by the Chairman of the Administrative Board with the support of the "*Administrateur à titre provisoire*".

2. General comment on taxes and duties:

- The SJU will have to clarify its fiscal status with the Belgian authorities. In particular, taking into account the SJU's specific nature, the VAT status and the choice to be either submitted to the ISOC (Impôt des Sociétés) or to the IPM (Impôt des Personnes Morales) will have to be established. Another issue is the special tax status that could potentially be recognised by the Belgian authorities for staff recruited outside of Belgium. The final decision on these elements will have a considerable impact on the budget.

- All the other taxes are included (real estate tax, regional tax etc..).

3. Presentation of the budgets:

The budget is presented in the format used by the SJU.

SESAR Joint Undertaking Provisional budget for 2007

Title I INCOME		Commitment appropriations	Payment appropriations
A1	Contribution from the European Commission Community 7th Research and Dev Framework Programme	10.000.000	10.000.000
A2	Contribution from the European Commission Tran-European Network Programme	0	0
A3	Contribution from Eurocontrol	0	0
A4	Contributions from other Members	0	0
A5	Other sources of contribution and revenue A5.1 – interests on bank account	0	0
Total Income		10.000.000	10.000.000
TITLE II EXPENDITURES			
Chapter 1 Operational costs			
A1	Staff costs	520.000	520.000
	- employment contracts net salaries	161.000	161.000
	- employment contracts social security	146.000	146.000
	- employment contracts taxes	151.000	151.000
	- employment contracts social insurances and various	62.000	62.000
A2	Running costs	88.000	88.000
A3	Technical facilities	72.000	72.000
A4	Capital Expenditures	395.000	395.000
sub-total Operational Costs		1.075.000	1.075.000
Chapter 2 Studies & development costs			
A5	Studies & development conducted by the JU	<i>pm</i>	<i>pm</i>
A6	Studies & development conducted by the JU members	0	0
Sub-total studies and development cost		<i>pm</i>	<i>pm</i>
General Total of Expenditures		1.075.000	1.075.000

SESAR Joint Undertaking Provisional budget forecast 2007-2016

Title I. INCOME (in Million EUR)

Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	Total
A1 - Contribution from the EC 7th R&D Programme	10	50	65	65	60	50	50	0	0	0	350
A2 - Contribution from the EC TEN-T Programme	0	100	50	50	50	50	50	0	0	0	350
A3 - Contrib. from Eurocontrol	0	150	200	200	200	250	200	100	80	20	1400
A4 - Contrib. other Members											
Total income											2.100

Title II. EXPENDITURES (in k EUR)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Chapter 1:										
Operational costs										
A1 Staff Costs	520	6.530	9.220	9.635	10.068	10.522	10.995	11.490	12.007	12.547
A2 Running costs	88	1.633	1.783	1.841	1.901	1.962	2.026	2.092	2.160	2.230
A3 Technical facilities	72	340	283	292	302	311	322	332	343	354
A4 Capital Expenditures	395	50	75	78	80	83	85	88	91	94
sub-total										
Operational Costs	1.075	8.553	11.361	11.846	12.351	12.878	13.428	14.002	14.601	15.225
Total Operational Costs										184.340
Chapter 2:										
Studies & development costs										
A5 Studies & development conducted by the JU	<i>pm</i>	<i>pm</i>	<i>pm</i>	<i>pm</i>	<i>pm</i>	<i>pm</i>	<i>pm</i>	<i>pm</i>	<i>pm</i>	<i>pm</i>
A6 Studies & development conducted by the JU members	0	<i>pm</i>	<i>pm</i>	<i>pm</i>	<i>pm</i>	<i>pm</i>	<i>pm</i>	<i>pm</i>	<i>pm</i>	<i>pm</i>
Total Studies & development costs										1.915.660