



**ITEM 14 FINANCIAL
POSITION AND BUDGET -
BIENNIUM 2018-19**

PAPER ON THE FINANCIAL POSITION AND BUDGET

ADMINISTRATIVE (011) AND EMERGENCY AND TRAINING FUNDS (004)

BIENNIUM 2018-19

2018 and 2019 budgets (US\$) for approval by the 42nd General Session

For decision

1. On the proposal to leave the annual contributions unchanged, as per the 41st General Session in 2015 at which an increase was adopted and which came into force for contributions in 2016 and 2017.
2. On the proposal for the budget (expenditure) from the Administrative Fund in 2017, 2018 and 2019;
3. To waive the membership contributions of Iceland for the period during which they had been considered to have withdrawn from membership, a period in which they did not add to the costs of the Commission activities;
4. On the proposal for the budget (expenditure) from the Emergency and Training Fund (004), on the basis of the expected income (voluntary contributions from Member States and Others);
5. To extend the “not-to-exceed” (NTE) date of the EMERGENCY AND TRAINING FUND (004) to 31st December 2019.

Administrative Fund – MTF/INT/011/MUL

Categorization of Member States for Budget Contribution

1. The current scale of contributions was adopted at the 41st General Session in 2015, with five categories, based on a classification that used two equal criteria, a) the FAO contribution and b) livestock population (formula – 1 for cattle, 0.5 for pigs, 0.2 for sheep and goats). The data used in the assessment is given in Table 3 in this paper.
2. The Executive, at its 93rd Session in Vienna (March 2017), considered the questions arising from the 41st General Session on categorisation and recommended no change be proposed for the current biennium but that the issue be reconsidered by the Executive before the 43rd Session.

Budget Contributions proposed: 2018-19

3. The 41st General Session agreed an overall budget of 606,997 USD in contributions, and based on the tight control of expenditure in 2015 and 2016, the Administrative Budget has remained very close to the income, enabling the balance in the Fund to be maintained.
4. This situation avoids the need to request an increase the level of contributions in 2017, and some greater flexibility in the use of the reserve in the Fund to ensure administrative matters are sufficiently assured in the form of the composition of the administrative and technical team.
5. Previous Sessions have recommended a reserve of circa USD 200,000 be kept given the volatility of currency rates (which recently have swung by about 25%) and other contingencies in the biennium between Sessions.
6. The year-end position of MTF/INT/011/MUL was at **USD 356,695, which is better than was predicted (USD 212,164)**.
7. The income in 2015-16 was also assisted by the payment of arrears from MS of circa 75,000 USD in 2015 and 87,000 in 2016. As of 15th March, the outstanding arrears are circa 50,000 USD.
8. The outstanding contributions at 15th March 2017 comprised:
Outstanding contributions year 2016 USD 36,898 (Bulgaria -Luxembourg-Malta-Poland in process)
Outstanding contributions year 2015 USD 12,786 (Bulgaria)
Outstanding contributions 2015-16 **USD 49,684** (at 15-03-2017)

MS Contributions 2017	USD 606,997
Contributions outstanding at 15-03-2017 related years (2015-2016)	USD 49,684
MS Contributions owed 2015-2016-2017	USD 666,654
Received up to 15-03--2017	USD 87,125
MS with outstanding contributions greater than two times annual contribution:	
Bulgaria (2015- 12'786 & 2016 4'504)	USD 17'290.00

9. The Executive Committee considered the above financial position and the proposal of the Secretariat in respect of composition of staffing of the administrative and technical team, taking into account the agreement with the EC relating to their maximum level of support for project operations.
10. They endorsed the following positions for funding under the Administrative Fund:
 - **Professional positions**, as follows:
 - The position of Executive Secretary (P5), on an unchanged basis;
 - To support 20% of the position of Communications and Networks Officer (P2), with expectation the remainder would be supported under the EC (003) programme as per agreement with EC;
 - A new position of Chief Operations and Finance Officer, at a P1 level to manage the operational delivery and financial planning, as a new position, partly funded by savings after the departure of the Finance Officer who had resigned with effect from 17th March 2017.

- **Consultant contracts** three veterinary officers and two short term placements:
 - Training Programmes Manager (TPM), on an 11 month, consultant position basis, with potential for renewal; with responsibilities to supervise or directly manage the learning infrastructure and e-learning across the programme, and the development of new courses, and their quality of implementation, for training offered in Pillars II and III;
 - Contingency Planning Officer (CPO), on same basis, with responsibilities to supervise or directly manage the components relating to Greece, Turkey, Bulgaria, the Western Balkans and Moldova/Ukraine, and the development and delivery of training on contingency planning in all three Pillars;
 - FMD Risk Management Support Officer (RMSO), on a 6-11 month basis, with potential for renewal; considered as a position with senior level responsibilities who can supervise the other part of the Pillar I relating to the Networking for Emergency Management (Component 1.2), work towards sharing of critical resources at European level, manage the FAR Fund and support Biorisk Management Committee, and supervise the work in risk assessment and communication component, and support activities in Pillars II and III that assist in risk assessment
- **Two Short Term Placements (STP), on the same basis of secondments of 3 to 6 months** to the Secretariat, of junior-mid level veterinary officer from member states, on same basis as operated in 2013-17. The focus of the work of these STPs is on Pillar I components, supporting the training programme and work in South-East Europe.

11. On the above basis, and income from contributions of 606,000 USD per year in 2017, 2018 and 2019, the expenditure budget was proposed as follows:

Table 1 – Proposed Budgets for 2018 and 2019

	PROPOSED budgets for MTF/INT/011/MUL			
		2017	2018	2019
		Proposed 42 nd	Proposed	Proposed
Salaries (P Officers)		304,210	373,620	392,801
Three Consultants (TPM, CPO, RMSO) and two Short Term Placements (STPs)		254,564	268,317	282,115
Contracts				
Travel		10,000	10,000	10,000
Training				
Expendable equipment				
Hospitality				
Gen Operation Expenses				
Total		568,774	651,937	684,916
Income from MS Contributions		606,997	606,997	606,997

12. Note that

- In the upcoming period, all other administrative costs apart from staff costs and travel of the Secretariat (to EuFMD Sessions) would be charged to the programmes relating to the EC (where eligible) or Emergency and Training activities.
- The increase in Professional Salaries in 2018 relates to
 - i. The inclusion of a P1 officer in the budget, who would not be expected to be in position until mid-late 2017 thus only a part year salary is charged to 2017.

- ii. The relative undercharging to the 011 Fund of the P2 officer in 2017, since the months when the 20% is applied fall unevenly across the two-year period and are mainly in 2018.
- 13. The proposed level of expenditure would result in a reduction of circa USD 80,000 in the balance, being the expenditure over income for the three-year period. However, the balance is expected to stay above USD 200,000 throughout the period. The deficit could be offset by finding an additional 80,000 from income from other sources, for example charged against additional training activities. It is reasonable, based on history, to assume this amount can be found from other income.
- 14. Table 2 indicates the Level of Contributions per category and for each MS, for 2018-19. This is unchanged from the biennium 2016-17 and would achieve the required income of over USD 600,000 per annum, which will avoid depleting the fund below that indicated.

EMERGENCY AND TRAINING FUNDS –MTF/INT/004/MUL

- 15. In addition to the Administrative Fund, the Commission has managed additional Trust Funds through which funds have been received from member states and others, and disbursed for activities which are agreed with the Commission at its General Sessions or Executive Committee. The Fund current known as MTF/INT/004/MUL started in the first years of the Commission and in particular was important in the management of contributions for the fight against FMD in Thrace, before a specific fund was established with the EEC to relieve the burden on the EEC/EU members.
- 16. Since 2012, contributions to cover the costs of additional training courses requested by member states and others have been received and disbursed through MTF/INT/004/MUL and the use of funds will be reported to the Session, together with a projection of the committed and predicted contributions in 2017-19 and the outgoing expenditure expected.
- 17. On the basis of commitments to support the management of future training courses, for the Governments of Australia and New Zealand and others, and the benefits these courses provide in terms of cross-subsidising the training support for the Member States, and on the basis that the Fund is not predicted to be overspent as a result of the activities, the Secretariat proposes to extend the “not-to-exceed” (NTE) date of the EMERGENCY AND TRAINING FUND (004) to 31st December 2019.
- 18. The Full Paper for the Session will include Annexes with certified expenditures, and projected contributions and outgoing expenses until 2019.

Table 2 indicates the proposed Level of Contributions per category and for each MS

Member Country	1997 Rank	2015 Rank	1997 cat. level	2010-11 contrib.	2012-13 contrib.	2015-15 (40GS) contrib.	2016-17 contrib.	2015 cat.level	2017	2017-18 (42 nd GS) PROPOSED Contribution
				38 th GS	39 th GS	40 th GS	41 st GS	Cat		Proposed
GERMANY	1	1	1	42,374	42,374	42,374	46611	1	1	46611
FRANCE	2	2	1	42,374	42,374	42,374	46611	1	1	46611
U.K	3	3	1	42,374	42,374	42,374	46611	1	1	46611
ITALY	4	4	1	42,374	42,374	42,374	46611	1	1	46611
SPAIN	5	5	2	21,260	21,260	21,260	23386	2	2	23386
TURKEY	6	6	2	21,260	21,260	21,260	23386	2	2	23386
NETHER.	7	7	2	21,260	21,260	21,260	23386	2	2	23386
POLAND	8	8	2	21,260	21,260	21,260	23386	2	2	23386
BELGIUM	9	9	2	21,260	21,260	21,260	23386	2	2	23386
DENMARK	10	10	2	21,260	21,260	21,260	23386	2	2	23386
SWEDEN	11	14	2	21,260	21,260	21,260	23386	2	2	23386
SWITZ	13	12	2	21,260	21,260	21,260	23386	2	2	23386
ROMANIA	12	16	2	21,260	21,260	21,260	15,650	3	3	15,650
AUSTRIA	14	13	3	12,786	12,786	12,786	15,650	3	3	15,650
IRELAND	15	11	3	12,786	12,786	12,786	15,650	3	3	15,650
GREECE	16	15	3	12,786	12,786	12,786	15,650	3	3	15,650
NORWAY	19	17	3	12,786	12,786	12,786	15,650	3	3	15,650
FINLAND	17	19	3	12,786	12,786	12,786	13,809	4	4	13,809
CZECH REPUBLIC	18	20	3	12,786	12,786	12,786	13,809	4	4	13,809
SERBIA	20	23	3	12,786	12,786	12,786	13,809	4	4	13,809
PORTUGAL	21	18	3	12,786	12,786	12,786	13,809	4	4	13,809

HUNGARY	22	21	3	12,786	12,786	12,786	13,809	4	4	13,809
SLOVAK R.	24	24	3	12,786	12,786	12,786	13,809	4	4	13,809
ISRAEL	26	22	4	4170	4170	4170	13,809	4	4	13,809
BULGARIA	23	29	3	12,786	12,786	12,786	4,504	5	5	4,504
LITHUANIA	25	25	4	4170	4170	4170	4,504	5	5	4,504
ALBANIA	27	30	4	4170	4170	4170	4,504	5	5	4,504
CROATIA	28	26	4	4170	4170	4170	4,504	5	5	4,504
LATVIA	29	32	4	4170	4170	4170	4,504	5	5	4,504
SLOVENIA	30	28	4	4170	4170	4170	4,504	5	5	4,504
ESTONIA	31	34	4	4170	4170	4170	4,504	5	5	4,504
FYROM	32	36	4	4170	4170	4170	4,504	5	5	4,504
LUXEMBOURG	33	33	4	4170	4170	4170	4,504	5	5	4,504
CYPRUS	34	35	4	4170	4170	4170	4,504	5	5	4,504
BOSNIA-H	35	31			4170	4170	4,504	5	5	4,504
ICELAND (withdrew from MS)	36		4	4170[2]					5	4,504
MALTA	37	37	4	4170	4170	4170	4,504	5	5	4,504
GEORGIA	Not ranked	27	4			4170	4,504	5	5	4,504
TOTALs as agreed by Session				547,352[3]	543, 182	551,522	606,997			611,501 (Assuming Iceland re-commits)

Table 3. Livestock Populations (2013), Converted to Total Units (TU) by 1997 formula, % Contribution of the countries to UN system and position in the European scale based on an average of both (final column)

Area Code	Region	Area Name	Cattle2013 (Heads)	Goats 2013	Sheep 2013	Pigs 2013	Buffalo2013	Total Units (1997 formula)	%TU in Europe (A)	UN Contrib 2015	%European Cont FAO (B)	(A plus B)/2
125	E	Liechtenstein	6,350	368	4,000	1,800	-	8,124	0.00	0	-	0.00
64	E	Faroe Islands	2,300	-	70,000	-	-	16,300	0.01	0	-	0.00
134	E	Malta	15,220	4,598	10,930	49,450	-	43,051	0.01	0.016	0.04	0.03
273	E	Montenegro	84,000	-	207,000	18,000	-	134,400	0.04	0.005	.01	0.03
99	E	Iceland	68,014	877	463,807	26,033	-	173,967	0.06	0.027	0.06	0.06
154	E	The former Yugoslav Rep.of Macedonia	238,333	75,028	731,828	167,492	640	483,450	0.16	0.008	0.02	0.09
146	E	Republic of Moldova	191,200	128,900	695,100	410,400	-	561,200	0.18	0.003	0.01	0.10
50	E	Cyprus	57,000	243,130	347,000	357,900	-	353,976	0.12	0.047	0.11	0.11
63	E	Estonia	261,400	4,900	81,900	358,700	-	458,110	0.15	0.04	0.10	0.12
256	E	Luxembourg	193,623	4,456	8,582	87,518	-	239,990	0.08	0.082	0.20	0.14
1	E	Armenia	661,003	29,020	645,711	145,044	531	868,471	0.28	0.007	0.02	0.15
119	E	Latvia	393,000	13,300	83,600	355,200	-	589,980	0.19	0.047	0.11	0.15
80	E	Bosnia and Herzegovina	446,893	69,369	1,019,782	529,644	-	929,545	0.30	0.017	0.04	0.17
3	E	Albania	498,000	810,000	1,808,000	158,000	120	1,100,600	0.36	0.01	0.02	0.19
27	E	Bulgaria	526,112	293,639	1,361,545	30,945	9,212	1,122,621	0.37	0.017	0.04	0.20
198	E	Slovenia	460,063	26,351	114,152	296,097	-	636,212	0.21	0.101	0.24	0.23
73	E	Georgia	1,128,800	54,400	688,200	204,300	18,000	1,379,470	0.45	0.007	0.02	0.23
98	E	Croatia	442,000	69,000	620,000	1,110,000	-	1,134,800	0.37	0.047	0.11	0.24
126	E	Lithuania	729,200	13,600	82,800	807,500	-	1,152,230	0.38	0.074	0.18	0.28

199	E	Slovakia	471,091	34,823	409,570	631,464	-	875,702	0.29	0.172	0.41	0.35
113	E	Kyrgyzstan	1,404,168	960,391	4,680,823	51,777	-	2,558,299	0.84	0.002	0.00	0.42
208	E	Tajikistan	2,043,725	1,772,982	2,959,495	662	15,000	2,990,551	0.98	0.003	0.01	0.49
272	E	Serbia	913,144	225,073	1,616,000	3,144,215	-	2,853,466	0.93	0.04	0.10	0.51
105	E	Israel	465,000	100,000	540,000	176,900	-	681,450	0.22	0.398	0.96	0.59
52	E	Azerbaijan	2,444,500	651,115	7,979,424	6,495	260,889	4,173,855	1.36	0.04	0.10	0.73
97	E	Hungary	760,000	89,000	1,185,000	2,989,000	-	2,509,300	0.82	0.268	0.64	0.73
167	E	Czech Republic	1,352,822	24,042	220,521	1,586,627	-	2,195,048	0.72	0.388	0.93	0.82
67	E	Finland	911,847	4,509	135,546	1,300,385	-	1,590,051	0.52	0.522	1.25	0.89
213	E	Turkmenistan	2,250,000	2,290,000	14,000,000	29,000	-	5,522,500	1.80	0.019	0.05	0.92
174	E	Portugal	1,471,000	398,000	2,073,000	2,014,000	-	2,972,200	0.97	0.477	1.14	1.06
57	E	Belarus	4,367,000	73,200	59,900	4,242,900	-	6,515,070	2.13	0.056	0.13	1.13
162	E	Norway	849,984	62,800	223,661	848,063	-	1,731,308	0.57	0.856	2.05	1.31
183	E	Romania	2,009,135	1,265,676	8,833,830	5,234,313	-	6,646,193	2.17	0.227	0.54	1.36
84	E	Greece	679,000	4,250,000	9,520,000	1,077,000	1,750	3,971,500	1.30	0.642	1.54	1.42
210	E	Sweden	1,496,526	-	576,769	1,398,875	-	2,311,317	0.76	0.965	2.32	1.54
11	E	Austria	1,955,618	73,212	364,645	2,983,158	-	3,534,768	1.15	0.802	1.92	1.54
230	E	Ukraine	4,645,900	664,800	1,073,400	7,576,700	-	8,781,890	2.87	0.1	0.24	1.55
211	E	Switzerland	1,563,214	90,000	410,000	1,487,704	-	2,407,066	0.79	1.053	2.53	1.66
108	E	Kazakhstan	5,851,227	2,362,824	15,197,780	922,296	10,000	9,824,496	3.21	0.122	0.29	1.75
104	E	Ireland	6,902,600	8,700	5,110,600	1,552,000	-	8,702,460	2.84	0.42	1.01	1.93
54	E	Denmark	1,614,644	-	151,300	12,075,750	-	7,682,779	2.51	0.679	1.63	2.07
255	E	Belgium	2,454,704	40,473	114,407	6,592,978	-	5,782,169	1.89	1.004	2.41	2.15
235	E	Uzbekistan	9,966,600	2,681,500	14,077,500	94,500	-	13,365,650	4.37	0.015	0.04	2.20
173	E	Poland	5,859,541	81,727	249,481	11,162,472	-	11,507,019	3.76	0.926	2.22	2.99
150	E	Netherlands	3,999,220	412,550	1,033,570	12,212,300	-	10,394,594	3.40	1.663	3.99	3.69
223	E	Turkey	13,916,924	8,357,286	27,425,233	2,986	107,435	21,074,921	6.88	1.335	3.20	5.04
203	E	Spain	5,696,910	2,609,990	16,118,590	25,494,720	-	22,189,986	7.25	2.989	7.17	7.21

106	E	Italy	6,091,500	891,604	7,015,700	8,661,500	402,659	12,003,711	3.92	4.472	10.73	7.33
185	E	Russian Federation	19,930,354	2,118,697	22,061,282	18,816,357	6,002	34,174,528	11.16	2.451	5.88	8.52
229	E	United Kingdom	9,844,000	98,000	32,856,000	4,885,000	-	18,877,300	6.17	5.207	12.50	9.33
68	E	France	19,095,797	1,291,028	7,233,720	13,487,588	-	27,544,541	9.00	5.623	13.49	11.25
79	E	Germany	12,587,020	165,000	1,641,000	27,690,100	5,000	26,793,270	8.75	7.18	17.23	12.99
		TOTALs	162,267,226	35,989,938	218,191,684	186,043,808	837,238	306,125,454	100.00	41.67	100.00	100.00