Documentation from the Workshop on Oversight and Resources of Partially and Fully Self-Financed Agencies
The workshop aimed to address topics concerning fully and partially self-financed agencies related to both BUDG and CONT committees’ competences.

With regards of the agencies’ resources, the workshop looked into the principles of fee setting, and 5% cut and the redeployment pool vs. the need to provide timely services to industry, which is paying for them.

From the point of oversight, items for discussion included the question of discharge procedure for fully self-financed agencies, provisions for prevention of conflict of interest in case of the fee collecting agencies, ECA financial audit outsourcing provisions, and the question of carryovers.

Points of interest for both BUDG and CONT remain the questions of performance, efficiency and effectiveness, such as indicators for measuring outputs and ways to compare them across the agencies, developing synergies and shared services, and possible grouping or clustering of the agencies.

This document can not constitute an authentic record of proceedings. The workshop was public and live webstreamed. The video record can be found under the following link: http://www.europarl.europa.eu/ep-live/en/committees/video?event=20170504-0900-COMMITTEE-CONT
CONTRIBUTING EXPERTS

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Mr Alberto SPAGNOLLI, Senior Policy Advisor, European Food Safety Authority (EFSA; EFSA chairs the EU Network of Agencies)
Prof. Ellen VOS, Leading project partner, The Academic Research Network on Agencification of EU Executive Governance (TARN)
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Original: EN

ABOUT THE EDITOR

Policy Departments provide in-house and external expertise to support European Parliament’s committees and other parliamentary bodies in shaping legislation and exercising democratic scrutiny over EU policies. To contact the Policy Department or to subscribe to its newsletter please write to:
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http://www.europarl.europa.eu/supporting-analyses

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OVERSIGHT AND RESOURCES OF PARTIALLY AND FULLY SELF-FINANCED AGENCIES

DATE
4 May 2017

TIME
10:00-12:30

ROOM
ALTIERO SPINELLI BUILDING 1G-3

Committee on Budgetary Control

CHAIRS:
Ingeborg Gräßle and Jean Arthuis

Committee on Budgets

RAPPORTEURS:
Derek Vaughan and Jens Geier

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WORKSHOP PROGRAMME
## Workshop on Oversight and Resources of Partially and Fully Self-Financed Agencies

Organised by the Policy Department on Budgetary Affairs for the Committee on Budgets and the Committee on Budgetary Control

***

Rapporteurs: Jens Geier and Derek Vaughan

Chairs: Jean Arthuis and Ingeborg Gräßle

***

Thursday, 4 May 2017
10:00 - 12:30

European Parliament, Brussels
Altiero Spinelli Building, Room ASP 1G3

### Workshop Programme

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<td>10:00 - 10:10</td>
<td>Opening remarks</td>
</tr>
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<td>Mr Jean Arthuis, MEP, Chair of the Committee on Budgets</td>
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<tr>
<td>Ms Ingeborg Gräßle, MEP, Chair of the Committee on Budgetary Control</td>
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<td>10:10 - 10:20</td>
<td>Introduction by</td>
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<td>Mr Derek Vaughan, MEP, Member of the Committee on Budgetary Control and rapporteur for the event</td>
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<tr>
<td>Mr Jens Geier, MEP</td>
<td></td>
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<tr>
<td>Member of the Committee on Budgets and rapporteur for the event</td>
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***
**10:20 - 11:10 Presentations**

10:20 - 10:30  **Mr Silvano Presa,**
Deputy Director General, DGBUDG DGA2, European Commission

10:30 - 10:40  **Mr Alberto Spagnolli,**
Senior Policy Advisor, European Food Safety Authority (EFSA; EFSA chairs the EU Network of Agencies)

10:40 - 10:50  **Prof. Ellen Vos,**
Leading project partner, The Academic Research Network on Agencification of EU Executive Governance (TARN)

10:50 - 11:00  **Mr Martin Ekvad,**
President of the Community Plant Variety Office (CPVO)

11:00 - 11:10  **Mr Jean-Michel Mastio,**
Deputy Director of Resources and Support, Head of Finance and Procurement Department of the European Aviation Safety Agency (EASA)

***

**11:10 - 12:10 Debate**

Questions & Answers and general debate

***

**12:10 - 12:30 Conclusions and Closing remarks**

12:10 - 12:20  **Concluding remarks**
**Mr Jens Geier, MEP**
Member of the Committee on Budgets and rapporteur for the event

**Mr Derek Vaughan, MEP,**
Member of the Committee on Budgetary Control and rapporteur for the event

12:20 - 12:30  **Closing remarks**
**Ms Ingeborg Gräßle, MEP,**
Chair of the Committee on Budgetary Control

**Mr Jean Arthuis, MEP,**
Chair of the Committee on Budgets

***
BIOGRAPHIES OF SPEAKERS
Mr Silvano PRESA
Deputy Director General, DG BUDG DGA2, European Commission

Silvano Presa is Deputy Director-General in DG Budget at the European Commission.

He previously held different positions within DG Budget (Director for expenditure, Head of Unit for the multiannual financial framework, and administrative expenditure), in the EU Delegation in Hungary, and in the Directorate General for Economic and Financial Affairs.
Since May 2016 Alberto Spagnolli has been Senior Policy Advisor to the Executive Director of EFSA. Between January 2015 and April 2016 he was Acting Head of EFSA’s Communications Department responsible for implementing EFSA’s risk communication strategy, with the overall goal of providing effective, consistent, accurate and timely information on EFSA’s scientific advice.

Alberto was also Head of EFSA’s Executive Director office. His team supported the Authority’s Executive Director on corporate management matters such as the organisation of the Executive Director’s agenda, relations with Italian and local institutions, the weekly activities of EFSA’s management team, and the secretariat for EFSA’s Management Board.

Alberto has worked in EFSA since 2010, initially as an external expert in the area of regulated products, then as Head of the Unit responsible for institutional relations, planning and monitoring and quality management.

Prior to his presence in EFSA, Alberto worked for 18 years in the European Commission. His career spans numerous fields including EU State aid, anti-trust policy, international trade and WTO issues, and maritime policy and fisheries. In the latter field, he was Head of Unit responsible for economic issues and EU structural funding for the fisheries and aquaculture sectors and coastal areas. Between 1990 and 1993, Alberto worked as Assistant to the CFO of Fochi Energia, a multinational company operating on large engineering and construction projects in the energy sector.

Alberto holds a degree in Economics from the University of Bologna.
Prof. Ellen VOS
Leading project partner, The Academic Research Network on Agencification of EU Executive Governance (TARN)

Ellen Vos is Professor of European Union Law at the Law Faculty of Maastricht University. She is co-director of the Maastricht Centre for European Law of Maastricht University (MCEL) and the Centre for European Research in Maastricht (CERiM).

She coordinates the Jean Monnet Academic Research Network on Agencification of EU Executive Governance (TARN) in which scholars from ARENA, University of Oslo, Birkbeck College, University College London, European University Institute, Hertie School of Governance Berlin, Institute for Advanced Studies, Vienna, Luxembourg University, Science-Po, Paris, and Maastricht University, participate.

Ellen Vos studied law at the Universities of Utrecht and Bologna. She was a trainee at the European Commission, the European Consumer Organisation and the European Court of Justice. She wrote and obtained her Ph.D. in Law at the European University Institute in Florence. She was a Jean Monnet fellow at the Robert Schuman Centre of the European University Institute (Florence). From September 2001 until September 2005 she served as the Director of the advanced master programme in comparative, European and International law, Magister Iuris Communis programme of the Law Faculty of the Maastricht University.

Ellen’s main areas of interest are EU law and governance (comitology and agencies), market integration and EU risk regulation (precautionary principle, food safety, pharmaceuticals nanotechnology). She has published extensively in these areas. She supervises (and has supervised) numerous master and PhD theses in these areas.

Relevant publications include:

Mr Martin EKVAD  
*President of the Community Plant Variety Office (CPVO)*

Martin Ekvad took office as President of the Community Plant Variety Office (CPVO) in 2011. Prior to his elevation to the position of President, he held the position of Head of the CPVO Legal Unit from 2003.

From 1996 to 2003 Mr. Ekvad worked as a lawyer (Advokat, Member of the Swedish Bar Association) in the law firm Linklaters, in Brussels and in the law firm Magnusson Wahlin Advokatbyrå, in Stockholm. Mr. Ekvad’s legal work concentrated on intellectual property and competition law.

Prior to working in private practice, Mr. Ekvad worked at a civil court in Sweden for two years.

Mr. Ekvad has a law degree from the University of Lund in Sweden 1993 and an LL.M. from King’s College in London UK 1994.
Mr Jean-Michel MASTIO,
Deputy Director of Resources and Support,
Head of Finance and Procurement Department of
the European Aviation Safety Agency (EASA)

Appointed in January 2015, Mr. Mastio is the Deputy Director of the Resources and Support Directorate responsible for working alongside to the Resources and Support Director to simplify the administration and improving the efficiency and flexibility of EASA support services. His primary focus is in the areas of financial and procurement matters, but also extends this work throughout the agency.

Mr. Mastio is committed to ensuring that the agency’s strategic developments are supported by an efficient and modern resource management system that takes the EU Regulation, Senior management’s and agency’s stakeholders expectations into account.

Mr. Mastio started his career as a financial auditor at the KPMG audit firm in Paris. He then moved to the public sector, where in different technical and management positions within the Directorate for Internal Audit, he supported the organizational evolution of the Group La Poste.

In 2001, Mr. Mastio joined the European court of auditors where he occupied various positions in particular auditing the European decentralized bodies and working on the audit of the modernisation of the accounting system of the European commission.

In January 2006, Mr. Mastio was seconded from the European court of auditors to EASA in order to build the management and internal control systems to support the growth of the agency and to ensure EU standards were met.

In May 2010, Mr. Mastio was appointed Head of the Finance Services department at EASA. Mr. Mastio was born in Strasbourg. He is a French national and is graduated in business and public management from the Ecole Supérieure de Commerce de Reims (currently Neoma), the Ecole Nationale Supérieure des Postes et Télécommunications and the Sorbonne University Paris 1. He is also Certified Internal Auditor.
PRESENTATIONS
First intervention:

Presentation by Mr Silvano PRESA

Deputy Director General, DG BUDG DGA2, European Commission
Oversight and resources of partially and fully self-financed EU agencies

EP Workshop
4 May 2017

Silvano Presa
DG BUDG

Fee-financed agencies

2 key issues related to agency resources

- Treatment of fee income in agencies’ budgets
- Staffing levels in fee-financed agencies
  Progress towards 5% staff reduction for agencies with different degrees of development
  Flexibility in responding to fluctuations in workload, conditional upon meaningful indicators
Fee-financed agencies

3 partially self-financed by industry
- European Medicines Agency (EMA)
- European Aviation Safety Agency (EASA)
- European Chemicals Agency (ECHA)
  ECHA-REACH, ECHA-PIC, ECHA-Biocides

3 partially self-financed by national authorities
- Financial supervision authorities (EBA, ESMA, EIOPA)

2 fully self-financed by industry
- Intellectual Property Office (EUIPO, former OHIM)
- Community Plant Variety Office (CPVO)

Treatment of fee income in agencies

Two main models for treatment of fee income in agency budgets

- Universal budgeting model
  No separation between fee-funded activities and EU-budget funded activities

- Assigned revenue model
  Clear distinction between fee-funded activities and EU-funded activities

- Both models work, but the universal budgeting model ranks better
  No unnecessary reserves
  Administratively lighter
Fee-financed agencies
Staff evolution 2007-2017

EASA pilot case: adapting resources to workload fluctuations

- Pilot case: Aviation Safety Agency (EASA)
- Purpose: identify indicators to timely adapt resources to changes in market demand
- Assumption: current fee level is the right one → look at variations and adjust accordingly
- Control mechanism: meaningful workload, efficiency and quality indicators in place
EASA pilot case: possible impact on staff evolution

Elements for revised approach

- Fluctuations in industry workload leading to adjustment of posts in EASA is neutral for other agencies (→ no impact)
- Triggering threshold: 2% annual efficiency gains to be achieved
- Introduction of a bandwidth outside which the number of posts are adapted:
  → For workload variations between -2% and +2%: no change

Questions for discussion

- How to strike the right balance between EU oversight, rigorous use of resources and provision of good quality services at the right price?
- Can the Institutions avoid responsibility for oversight/control over fee-financed agencies?
  → NB: today's decisions on agency's resources have long-term implications for the EU budget: e.g. pension expenditure
Second intervention:

Presentation by Mr Alberto SPAGNOLLI

Senior Policy Advisor, European Food Safety Authority
(EFSA; EFSA chairs the EU Network of Agencies)
OVERSIGHT AND RESOURCES OF PARTIALLY AND FULLY SELF-FINANCED AGENCIES

Mr Alberto Spagnolli
EU Agencies Network
4 May 2017, Brussels

- 45 Agencies/JU’s - 0.8% of EU’s Budget (ca. €1.2 billion)
- 6692 staff - 62% paid by EU subsidies, 38% paid by fees
EU AGENCIES’ RESOURCES AND GOVERNANCE: PAST AND PRESENT

DRIVERS:
Common Approach → Roadmap measures
MFF 2014-2020 → Staff cuts and budget freeze

ROADMAP IMPLEMENTATION

- End 2015 - 99.7% of actions initiated or implemented

2012 Start 2013 2014 2015 completed

POSITIVE OUTCOMES:
- Transparency and accountability
- Coherence and coordination among Agencies
- Collaboration between Agencies and with Commission

NEGATIVE OUTCOMES:
- Administrative burden
- Complexity and lack of flexibility (financial and staff rules)
- Undue shifting of costs (ECA audit)
- Excessive focus on “common” compliance issues (carryovers)
STAFF CUTS – “ONE SIZE FITS ALL” APPROACH

Evolution of staff in decentralised Agencies 2012-2017

<table>
<thead>
<tr>
<th>Staff Number</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>5769</td>
<td>6050</td>
<td>6023</td>
<td>5981</td>
<td>6172</td>
<td>6454</td>
</tr>
<tr>
<td>Total (without new tasks)</td>
<td>5769</td>
<td>5888</td>
<td>5796</td>
<td>5457</td>
<td>5493</td>
<td>5412</td>
</tr>
</tbody>
</table>

Positive outcomes:
- 5% exceeded
- Efficiency and collaboration among agencies
- Enhanced resource management approaches

Negative outcomes:
- De-prioritization de-linked from policy directions
- Tactical rather than strategic efficiency approach
- Outsourcing and precarious employment
- Polarized positions in budget debate (Commission, Council, EP, Agencies)

EU AGENCIES RESOURCE AND GOVERNANCE: FUTURE

VISION:
- Sharing of services and capabilities
- Performance focus
- Sectorial/thematic approach
- Simpler and flexible financial and staff rules
- Collaboration and trusted dialogue between institutions
SHARING OF SERVICES AND CAPABILITIES

- Disseminate knowledge/capabilities to other agencies (Catalogue)
- Pooling existing services (e.g. disaster recovery)
- Joint Procurement (e.g. Cloud services)
- Access to European Commission services

Enhance efficiency and effectiveness

PERFORMANCE FOCUS

Agencies Performance management Framework:
- Maturity model
- Common catalogue of Key Performance Indicators
- Evaluations

In line with Commission approach, ready for Performance budgeting pilot

Resource attribution based on performance, efficiency and results
Move away from headcount approach, enable long-term management focus
PERFORMANCE FOCUS

Broader sources of financing

- EFRAN work on fee financed Agencies
- Expand reflections on alternative sources of financing (fees, grants etc.) to cover all Agencies

➡️ Smarter budgeting approaches

SECTORAL/THEMATIC APPROACH

- Enhanced cooperation between Agencies by thematic area, in alignment with EU policy priorities
- Agencies’ budget allocation linked to whole EU expenditure in related policy areas
- Sectoral/thematic approach in scrutinizing budget execution, performance and in granting discharge

➡️ Strategic approach management of resources
SIMPLER AND AGILE FINANCIAL AND STAFF RULES

- Carryovers
- Planning and reporting
- Internal and external audits
- Staff regulation implementing rules
- Staff mobility between Agencies (common job market)

→ Enhance efficiency and adaptability
→ Strategic approach management of resources

COLLABORATION AND TRUSTED DIALOGUE BETWEEN INSTITUTIONS

- Common language and shared references for budget debate
- Transparent dialogue and mutual engagement
- Agencies (Network) seen as trusted partners

→ Reduce scope for tactical gaming, focus debate on strategic level
Thank you for your attention
Third intervention:

Contribution by Prof. Ellen VOS

Leading project partner, The Academic Research Network on Agencification of EU Executive Governance (TARN)
Today it is safe to say that agencification has become characteristic of the EU executive. The Academic Research Network on Agencification of EU Executive Governance, TARN, studies this phenomenon.

Jean Monnet Network TARN aims to promote multi- and interdisciplinary research about the agencification of EU executive governance and to encourage a dialogue between academia and practitioners. TARN is a research, information and agenda-setting network informing agency operation within the EU in a transnational setting. It brings together renowned and young academics and practitioners from various disciplines and policy areas and pools knowledge on research and legal provisions, policy documents and information on the practical operation of EU agencies.

TARN aims to fill two particular lacunae in current agency research by:
1. promoting in-depth multi- and interdisciplinary research on critical concerns about the position and operation of EU agencies and agency-like bodies to integrate isolated disciplinary approaches;
2. encouraging the dialogue between academia and practitioners that is needed to enhance the democratisation of the EU in scholarship and practice.

TARN focuses multi- and interdisciplinary research on four items:
- conceptualisation of agencification of EU executive governance;
- constitutionality, powers and legitimacy of EU agencies
- international dimension of agency activity;
- and functional operation and effectiveness.

TARN is committed to fostering dialogue between academics, policymakers, civil servants and other stakeholders to exchange experiences and expertise on topics related to EU agencies or agency-like bodies. It offers a platform for exchange of expertise and knowledge between practitioners and academics in annual round tables.
TARN publishes a working papers series and blog entries. TARN lecture series host renowned academics and practitioners to discuss salient issues of agencification of EU executive governance. These lectures are organised by the TARN partners in Berlin, Florence, London, Luxembourg, Maastricht, Oslo, Paris, Rome and Vienna.

TARN’s website includes a research database on agency literature and information on relevant agency news and provides for information sheets.

Having explained the mission and activities of TARN, I would now like to turn to reflect on democratic accountability of EU agencies, in particular the question of discharge procedure for fully self-financed agencies, an issue that was raised by the 2012 Common Approach. Research carried out by TARN scholars has revealed the need for better oversight of EU agencies, or better phrased, the need to streamline and/or rethink current accountability mechanisms, where academics have even observed an accountability overload.

Without doubt the European Parliament has an important role to play in securing oversight of EU agencies.

In the recent past, it has used the instrument of discharge to pinpoint an extremely problematic issue in relation to agencies: the independent of staff and experts agencies use. The use of this instrument by the Parliament has led agencies such as EMA and EFSA to address and develop a true policy as regards their independence, the manner they deal with conflicts of interests and the ‘revolving door’ problem.

In view of the proliferation of EU agencies in the EU’s institutional landscape and the agencification of EU executive governance more generally, it is important to submit all EU agencies, whether fully subsidised by the EU budget or partially or fully self-financed to oversight instruments. In view of their credibility, their commitment to transparency (and that of the EU more generally) as well as the need to enhance confidence in EU decision-making, the instrument of discharge seems a proper means of oversight that could be applicable to all EU agencies, as EU public bodies. This should be considered in the context of an assessment or re-assessment of other existing oversight mechanisms. TARN could encourage more academic research on issues of accountability as well as efficiency and effectiveness. At the
same time it could offer a platform for dialogue on these issues between academics and practitioners.

Upcoming TARN events:
- 27-28 June 2017: TARN conference *The external dimension of EU agencies and bodies*, Luxembourg
- 21 September 2017: TARN Dialogue event, Brussels
- 20 September 2017: TARN Young Researchers Workshop, Brussels

Latest TARN publications:
- TARN Working Paper 5/2017  *The international dimension of the EU agencies: Charting a legal-institutional ‘twilight zone’*, Florin Coman-Kund
- TARN Working Paper 2/2017  *Opening the black box of participation in the institutional practice of European agencies*, Sara Pernuš

Latest TARN blogs:
Fourth intervention:

Presentation by Mr Martin EKVAD

President of the Community Plant Variety Office (CPVO)
“Oversight and resources of partially and fully self-financed agencies”

The CPVO perspective

Martin Ekvad, CPVO President

Overview

• The CPVO view
  • Aligned with Heads of Agencies and EFRAN
• Discharge
• Reserve management
• Human Resources
• Technical issues
  • Carry-over
  • Financial Audit
• Key messages

Presentation to the European Parliament 4 May 2017
The CPVO

- Manages the **worlds largest** plant variety rights system
- Self-financed
- Positive evaluations

**Key figures**

- 60,000 applications managed
- 26,000 active titles
- +/- 3,500 applications per year
- 40,000 invoices **per year**
- Budget 18 million (2016)

**This is handled with 45 staff**
Specialised agency

- Agile and responsive to **client** needs
- Low staff turnover, high competence acquisition
- Highly respected in industry
- CPVO contributes to:
  - Efficiencies for applicants
  - Less administration for national authorities
  - Close co-operation between CPVO and MS on a technical level
  - Protection at reasonable prices

Governance and Discharge

**CPVO Governance**

- Audited by European Court of Auditors
- Discharge by Administrative Council (AC) in the presence of the Commission and clients organisations as observers
- AC acts also as budget Authority

**EP Relations**

- Advantage of EP discharge not clear and would bring unnecessary administrative burden
- Communication to EP already done but could be potentially enhanced
- CPVO budget separate from EU Budget, EP discharge not warranted
Reserve Management

- Aim for a **balanced budget**
- But...demand driven; which makes it necessary to achieve the balance over time
- Reserve mainly managed through fee reductions (**not discretionary spending**)
- Flexible fee changes possible (no competition with MS)

---

Treasury and Free Reserve

![Graph showing Treasury, Commitments, and Reserve over years 2003 to 2016](image.png)
Human resource management

• CPVO agrees with and have made 5% cut as requested by the Council

• Opposition to the extra 5% since the rationale for the redeployment does not apply

• The industry (who pay the fees) agrees to increase HR

Human resource management

• Efficiency gains
  • Use of central IT systems and support
  • Cooperation among agencies
Workload

Technical issues

• Carry-over
  • CPVO uses differentiated and non-differentiated credits
  • Carry-over is justified

• Financial Audit
  • ECA – makes much more sense
Summary of key messages

- Welcome EASA pilot approach but needs immediate application
- Governance – let’s get the level of control right
- Focus on sound management

Thank you for your attention!
Fifth intervention:

Presentation Mr Jean-Michel MASTIO

Deputy Director of Resources and Support, Head of Finance and Procurement Department of the European Aviation Safety Agency (EASA)
EASA: a mix funded Agency

EP Workshop on “Oversight and resources of partially and fully self financed agencies”

Jean-Michel MASTIO
Deputy Resources & Support Director
4 May 2017

Your safety is our mission.
An agency of the European Union

EASA at a glance

Established
2002
15 years
in operation

800+
aviation experts
& administrators

Headquarters in
Cologne
Office in
Brussels

32
EASA member states
= 28 + 4
EU +
Switzerland, Norway,
Iceland, Liechtenstein

Workshop on “Oversight and resources of partially and fully self financed agencies”
EASA’s Mission

➢ Ensure the highest common level of **safety protection for EU citizens**.

➢ Ensure the highest common level of **environmental protection**.

➢ **Single regulatory and certification process** among Member States.

➢ Facilitate the internal **aviation single market** & create a level playing field.

➢ Work with other international aviation organisations & regulators.

---

Partnership with EU Member States

Member states ➔ EASA

- Implementing EU Legislation
- Oversight of national organisations ➔ Production ➔ Maintenance ➔ OPS/Licencing ➔ Training ➔ ATM ➔ Aerodromes
- Implementing rules
- Oversight of Member States
- Aircraft and products certification
- Safety of non-EU operations
- Approval of non-EU organisations ➔ Production ➔ Maintenance ➔ Training ➔ ATM
EASA has 3 different sources of funds

2016 Budget: € 142M

- Fees & Charges: Certification & Related Activities: € 96M
- Subsidy: EU Subsidy Regulatory Activities: € 39M
- Earmarked: Multi annual special projects (mainly in international technical cooperation field): € 7M

EASA funds are managed according to the “Assigned Revenue” model*

- Model ensures strict separation of activities => funds utilised only for the activities they were planned for.

- Cost distribution between various revenue sources is dynamic and done via cost accounting system (SAP) => ensuring conformity with the highest international accounting standards.

- Introduced at request of aviation Industry => to ensure that their contribution (fees & charges) is used specifically for certification activities only.

- EASA has “multi annual” projects and as a consequence has planned and foreseeable carryovers in 2/3 funding sources (Fees and charges and earmarked funds).

*As defined in the study performed in 2014 by a consulting firm for the EP “Partially self financed EU agencies and the principle of fees setting” (PE 450 689)
Challenging system with benefits

- Implementation of the budget is complex and not flexible due to interdependency of budget sources.
- Year-end cost repartition keys are dynamic and result in year-end variances vs planned among segments => may result in a positive or negative Budget Result Account.
- Planning & reporting to the EC is complex.
- Any significant investment affecting both activities is restricted by limited subsidy resources.
- Use of the F&C surplus is restricted to F&C related activities => industry funds reinvested in industry activities.
- System requested by and facilitates ongoing relationship with the aviation industry.

EASA fully supports the EU efficiency efforts

- In the frame of the LEAP* project and in close cooperation with the Management Board and the European commission the Agency follows since 2017 a fully revised set of indicators aiming at improving the governance of the Agency through efficiency and effectiveness of its actions.
- The Agency dedicates 81% of its staff to operational activities

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<tr>
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<th>EASA 2016</th>
<th>2015 Average amongst EU Agencies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrative Support &amp; Coordination</td>
<td>12,5%</td>
<td>20,2%</td>
</tr>
<tr>
<td>Operational</td>
<td>81%</td>
<td>71%</td>
</tr>
<tr>
<td>Neutral</td>
<td>6,4%</td>
<td>8,9%</td>
</tr>
</tbody>
</table>

- At end 2016 the financial and resources indicators show a high budget implementation rate and full utilisation of statutory posts.

*LEAP : Lean Efficiency and Agility Programme (LEAP)
Thank you. Further Questions?

Your safety is our mission.
An agency of the European Union
The workshop aimed to address topics concerning fully and partially self-financed agencies related to both BUDG and CONT committees’ competences.

With regards of the agencies’ resources, the workshop looked into the principles of fee setting, and 5% cut and the redeployment pool vs. the need to provide timely services to industry, which is paying for them.

From the point of oversight, items for discussion included the question of discharge procedure for fully self-financed agencies, provisions for prevention of conflict of interest in case of the fee collecting agencies, ECA financial audit outsourcing provisions, and the question of carryovers.

Points of interest for both BUDG and CONT remain the questions of performance, efficiency and effectiveness, such as indicators for measuring outputs and ways to compare them across the agencies, developing synergies and shared services, and possible grouping or clustering of the agencies.

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