



24 January 2013

Speaking Note:

The Network's comments on the European Court of Auditors' reports on the discharge of the EU Agencies' budgets for 2011

Opening comments delivered by Dr Marc Sprenger, Director of ECDC, at the 24 January 2013 hearing of the European Parliament's Budgetary Control Committee on the discharge of the EU Agencies' budgets for 2011

Thank you Chairman for giving me the floor. Let me start by saying that the Network of EU Agencies shares this Committee's objective of achieving a high level of performance and cost-effectiveness from the EU system.

We view the discharge process, and this hearing, as an important opportunity to improve our performance. The Agencies don't always get everything right. It is valuable to have external scrutiny to help us identify mistakes – and then to learn from them.

So I look forward to hearing this Committee's feedback on the lessons we should take from 2011. I also hope we can have an open and constructive dialogue about some of the barriers to improving the Agencies' performance.

Over the last year, as Chairman of the Network of EU Agencies, I have spent a lot of time listening to my counterparts. All of us are being asked to deliver the same level of service with fewer staff. The established Agencies have had to cut posts. The newer Agencies have been given fewer posts than originally envisaged

This means the Agencies need to be careful about the amount of staff time they commit to administration. Indeed, when implementing the current staff cuts, we would prefer to cut back on administration, rather than cut back on delivery of our core services.

This is why the Network of EU Agencies advocates simplification of the administrative rules applying to the Agencies.

And this is why we strongly welcome the Roadmap on EU Agencies that the European Commission published in December. We particularly welcome the actions set out in Section IV of the Roadmap. These include:

- simplifying the financial rules applying to Agencies; and
- developing guidance on budget planning and implementation.

This is an agenda that can produce major efficiency gains, and remedy many of the administrative challenges identified by the Court of Auditors. The top priority of the Network of EU Agencies in 2013 is therefore to support the Commission in implementing the Roadmap.

Let me say a few words about budget carry overs. The majority of Agencies – including my own – have been criticised by the Court for carrying over budget from 2011 into 2012.

We want to do better, and to keep carry overs to a minimum. The Agencies are working with the Commission and the Court to find ways to do this.

One of the core challenges we face is in the area of operational spending – Title III of our budgets. Most Agencies – including ECDC – operate on the basis of multi-annual programmes. They have activities that last for several years, and these often need to be supported by contractors. It is very difficult to get this outsourced support without incurring carry overs.

There are ways to do this by using Framework Contracts. But you can also run into difficulties using Framework Contracts. I know this very well from my own experiences at ECDC.

And even with good Framework Contract and careful planning, there will always be some expenses incurred in the final months of one year that need to be paid in the following year.

For example, in common with the EU Institutions and many private companies, the Agencies outsource: Cleaning services; Security services; Catering; and ICT support

We also have to buy in utilities such as water, heating and electricity. These are services we need to use every week of the year, so there will always be some carry over from one year to the next.

As well as this, there are limits to what we can plan for. Agencies are relatively small, specialised organisations. It can sometimes be the case that a project is dependent on the input of one expert staff member. If that particular expert goes on sick leave for an extended period, or if they decide to leave the organisation, the project might be put on hold for many months.

The final example I will leave you with is that none of the Directors of EU Agencies know what level of salary they will be paying their staff by the end of 2013. This is because the Council and Commission are still in dispute over the annual salary adjustments for EU civil servants.

In 2012, we were told that the European Court of Justice would deliver an opinion in the autumn on the 2011 salary adjustment. All the Agencies planned for this, and made provision in case their staff salaries were adjusted upwards. Then in November the Commission informed us that the ECJ would not deliver its judgement until 2013.

I had nearly € 1 million reserved under ECDC's salaries budget. It is not possible to carry over salary budget, and it was too late in the year to transfer this money to another Title.

I am not making any criticism of the Court, or the Commission or the Council here. I am just saying there are limits to what we can plan for.

We will strive to do better, but we will never be perfect.

Annex:

- Network of EU Agencies – list of members

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Members

- ACER – Agency for the Cooperation of Energy Regulators (Ljubljana)
- BEREC – Body of European Regulators for Electronic Communications (Riga)
- CdT - Translation Centre for the Bodies of the European Union (Luxembourg)
- CEDEFOP – European Centre for the Development of Vocational Training Centre (Thessaloniki, Greece)
- CEPOL – European Police College (Bramshill, United Kingdom)
- CPVO – Community Plant Variety Office (Angers, France)
- EASA – European Aviation Safety Agency (Koln, Germany)
- EASO - European Asylum Support Office (Valletta, Malta)
- EBA – European Banking Authority (London)
- ECDC – European Centre for Disease Prevention and Control (Stockholm)
- ECHA – European Chemicals Agency (Helsinki)
- EEA – European Environment Agency (Copenhagen)
- EFCA - European Fisheries Control Agency (Vigo, Spain)
- EFSA – European Food Safety Authority (Parma, Italy)
- EIGE – European Institute for Gender Equality (Vilnius)
- EIOPA – European Insurance and Occupational Pensions Authority (Frankfurt am Main, Germany)
- EMA – European Medicines Agency (London)
- EMCDDA – European Monitoring centre for Drugs and Drug Addiction (Lisbon)
- EMSA – European Maritime Safety Agency (Lisbon)
- ENISA – European Network and Information Security Agency (Heraklion, Greece)
- ERA – European Railway Agency (Valenciennes, France)
- ESMA – European Security and Markets Authority (Paris)
- ETF – European Training Foundation (Turin, Italy)
- EU-OSHA – EU Agency for Safety and Health at Work (Bilbao, Spain)

EUROFOUND – European Foundation for the Improvement of Living and Working Conditions (Dublin)

EUROJUST – European Union’s Judicial Cooperation Unit (The Hague)

EUROPOL – European Police Office (The Hague)

EUSC – European Union Satellite Centre (Madrid)

F4E – European Joint Undertaking for ITER and the Development of Fusion Energy (Fusion 4 Energy) (Barcelona)

FRA – European Union Agency for Fundamental Rights (Wien)

FRONTEX – EU Agency for the Management of operational Cooperation at the External Borders (Warsaw)

GSA - European GNSS Agency (Brussels)

OHIM – Office for Harmonization in the Internal Market – Trade Marks and Design (Alicante, Spain)

Observers

EDA – European Defense Agency (Brussels) -

EIT – European Institute of Innovation and Technology (Budapest)

EUISS – European Union Institute for Security Studies (Paris)

FCH JU – Fuel Cells and Hydrogen Joint Undertaking (Brussels)