



SPECIFICATIONS FOR AN ANALYTICAL STUDY

For the Committee on Budgets

"Potential revenue from the extension of charging fees by EU Agencies"

IP/D/ALL/FWC/2015-001/LOT1

1. BACKGROUND

In its Draft Budget (DB) 2018, the European Commission recognises 33 decentralised agencies (see ANNEX for links to main Commission documents and EP workshop and studies). The EU agencies were mostly created by decision of the Council, or by decision of the Parliament and the Council, to meet specific needs, on a case-by-case basis starting from 1975.

The majority of the decentralised agencies are funded entirely by contributions from the EU budget. Some agencies, however, are fully or partially dependent on other revenue, such as revenue received from industry (fees). The DB 2018 classifies them as follows:

- Partially self-financed agencies: European Chemicals Agency (ECHA), European Aviation Safety Agency (EASA) and European Medicines Agency (EMA);
- Fully self-financed agencies: European Union Intellectual Property Office (EUIPO),
 Community Plant Variety Office (CPVO), Single Resolution Board (SRB) and Translation
 Centre for the Bodies of the European Union (CdT); and
- Agencies partially co-financed by national public authorities: European Banking Authority (EBA), European Insurance and Occupational Pensions Authority (EIOPA) and European Securities and Markets Authority (ESMA).

The DB 2018 set a total budget for decentralised agencies (excluding SRB) of 2 466.609 million EUR, of which the EU contribution was 1 363.846 million EUR. The establishment plan total was 6 502 posts.

In order to be able to provide services in times of budgetary restraint, more agencies could charge fees. This would ensure that services that are in demand are provided with a high level of quality and are financed directly by those who benefit from them (industry and Member States).

The potential advantages of this would:

- introduce flexibility in the adjustment of posts in Agencies that may be able to charge fees;
- reduce pressure on the EU Budget.

Services to industry:

The necessary conditions for charging fees are providing services to industry and/or carrying out surveillance of industry. Apart from the fully and partially self-financed agencies, currently there are six EU Agencies that are providing such services to industry, but are not charging fees: Agency for the Cooperation of Energy Regulators (ACER), EBA*, European Food Safety Authority (EFSA), EIOPA*, European Maritime Safety Agency (EMSA) and European Railway Agency (ERA).

Services to Member States:

There are clear limitations as regards charging the MS for services provided: for the areas of an Agency's mandate that have a broad public interest and which are their core tasks, an approach that EU MS should pay for the services they request from a specific Agency would not be suitable.

However, for additional services, such as the provision of operational information, data, publications, expertise, consultative support, and training etc. that fall within the remit of an EU Agency's activities, charging national authorities may be considered.

There are examples where Agencies already charge the MS for training (EASA) and data services such as satellite images for shipping (EMSA). However, there is no consistency from one Agency to the next. Therefore, it would be useful to analyse what services currently offered by EU Agencies to Member States are charged.

2. OBJECTIVES AND CONTENT OF THE STUDY

The objective of this study is to review a selected limited number of agencies (case studies) with the aim of identifying which types of work currently carried out by those EU Agencies could bring in revenue by charging fees.

The study will assess quantifiable budgetary and administrative savings resulting from an extension of charging fees by EU Agencies. The study shall consider the current and potential future tasks of the agencies selected for case studies.

The study should provide conclusions about the benefits of extending the fee-financed model to activities carried out by EU Agencies

3. METHODOLOGY

This study is an analytical study within the meaning of Article 4.1 of Annex I (Global terms of Reference) to the open invitation to tender IP/D/ALL/FWC/2015-001 (henceforth "FWC").

The contractor shall develop the appropriate methodology in order to collect all available literature, information and data required for this study as well as to generate new information or relevant data through targeted research and interviews. The study should build on the available studies and reports of the Commission (ordered by the Commission), the decentralised agencies, Member States, the European Court of Auditors, the academic community, and other. Desk research should include the consultation of all the available information on the internet sites of the diverse national/local administrative bodies.

The Contractor and the competent services of the European Parliament shall cooperate throughout the carrying out of the study to ensure the appropriateness of the methodological approach, the quality of the report and the relevance of its conclusions and, in the end, the proper means of informing the Members of the Committee on Budgets.

^{*} EBA and EIOPA have a mixed financing model, where part of the financing is provided by the MS (and it can be considered that it is charged to the industry on the MS level).

The methodology and all the details on the content of the study should be discussed and clarified during an inception meeting, the date of which is to be agreed between the contractor and the European Parliament.

The Contractor's attention is drawn to the fact that their report could undergo a plagiarism detection process and/or an external peer review.

The Contractor bears sole responsibility for the results of their work.

4. TIMETABLE

An inception meeting will be held after the signature of the contract, at a date agreed with the selected contractor, in the premises of the EP in Strasbourg or Brussels or by means of video conference or conference call.

The interim report should be delivered by 16 April 2018. It should contain a presentation of methodology and first findings.

The final draft report should be delivered by 28 May 2018.

5. PRESENTATION OF THE STUDY

The contractor shall give an oral presentation of the study for the Members of the Committee on Budgets in Brussels or Strasbourg, at the date set by the Committee secretariat. A discussion with the Members of the Committee in the form of a question and answer session might take place after this presentation.

A Power Point presentation might be required of the expert in order to visualise his/her oral presentation. In that case, the contractor shall use a MS PowerPoint Template which will be provided in electronic form by the European Parliament.

The presentation shall be carried out by the most adequate person, guaranteeing a lively, high quality oral presentation, using the most appropriate technical support and communication tools. If this person is different from the author, then the latter should also be present in order to reply to questions from Members.

Unless otherwise agreed with the European Parliament, the speaker is encouraged to use his/her mother tongue - rather than English - in order to guarantee full compliance with the linguistic quality criteria. Where PowerPoint slides are used they shall always be provided in English.

6. DRAFTING, FORMAT, SUBMISSION, AND COPYRIGHT ISSUES

The study report will be overseen, edited and published by the Policy Department for Budgetary Affairs. While preparing the report, the author(s) shall ensure efficient communication and exchange of views with the Policy Department. The formal approval of the final product by the European Parliament requires that all observations have been taken into full account.

As far as possible the study **shall not exceed 60 pages** excluding the following appendices which shall be attached: any necessary detailed annexes; a bibliography including references to websites; an executive summary of a maximum of 2 pages; a list of abbreviations and acronyms; a list of tables and a list of figures.

The final report should be drawn up in English, checked by a native speaker.

All data used for the production of charts shall be provided in Excel sheets for editing purposes. The draft and the final study shall be submitted in editable MS Word format by electronic mail to: poldep-budg@europarl.europa.eu

Special attention is drawn to the clauses concerning copyright (Article II.9 of the FWC). Any intellectual property rights associated with the study shall belong to the European Parliament. The contractor or the author shall not reproduce or publish the study under his own name except after being authorised to do so by the Parliament in writing. If such authorisation is given, any publication of the study shall clearly indicate that the study has been commissioned by the respective Committee of the European Parliament.

ANNEX

I. European Commission:

1. EC main decentralised agencies webpage:

https://europa.eu/european-union/about-eu/agencies/decentralised-agencies_en

2. 2012 Overhaul:

https://europa.eu/european-union/about-eu/agencies/overhaul_en

3. Budget 2018

Working document Part III - Bodies set up by the EU having legal personality and Public-Private Partnership

http://ec.europa.eu/budget/library/biblio/documents/2018/DB2018_WD03_en.pdf

II. EU agencies network

Webpage:

https://euagencies.eu/

III.EP: workshop and studies:

4. Workshop on "Oversight and resources of partially and fully self-financed agencies":

Joint BUDG and CONT committees' workshop on 4 May 2017: http://www.europarl.europa.eu/RegData/etudes/STUD/2017/572719/IPOL_STU%282017%29572719_EN.pdf

5. Study on "The Cost of Non-Agencies with Relevance to the Internal Market" 1

October 2016

Abstract:

This study assesses the 'cost of non-agencies', i.e. the savings to MS from the existence of the EU's decentralised agencies. The study examines seven partially of fully self-financed agencies having key roles in the Internal Market. The research suggests that it is considerably less costly to carry out the tasks assigned to the agencies at the EU level than by the MS. The most significant potential impacts of a 'non-agencies' situation would be on companies seeking to trade across the EU in the Single Market. The research also confirms that added value of the agencies is widely recognised by national authorities, concerned third parties and internationally

6. Study on "Partially self-financed EU Agencies and the principle of fee setting"²

March 2014

Abstract:

This study examines the budget structure and cost allocation, fee determination as well as treatment of

¹ http://www.curoparl.europa.eu/RegData/etudes/STUD/2016/572702/IPOL_STU(2016)572702 EN.pdf

² http://www.europarl.europa.cu/RegData/etudes/etudes/join/2014/490689/IPOL-JOIN_ET(2014)490689_EN.pdf

surpluses/deficits and potential financial reserves of the partially selffinanced EU agencies (i.e. the agencies which carry out public tasks for the EU and provide services to clients from industry and are not co-financed by national public authorities), namely the European Aviation Safety Agency (EASA), the European Chemicals Agency (ECHA) and the European Medicines Agency (EMA). The study identifies and analyses the characteristics of the two mutually exclusive approaches – the "assigned revenue model" (case of EASA) and the "universal budgeting model" (case of ECHA and EMA) – as well as the consequences of each model. Furthermore, the study discusses the potential for extending self-financing of EU agencies.

7. Study on "The income of fully self-financed Agencies and the EU budget"3

September 2013

Abstract:

This study analyses the determination of fees, the treatment of budgetary surpluses and the discharge procedure of the two fully self-financed EU agencies, namely the Community Plant Variety Office (CPVO) and the Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM). In this regard, it describes the current legal situation and discusses issues such as governance structures and rules on fee determination and the treatment of surpluses. The study presents and examines current proposals for review of the existing rules and procedures for fee determination, treatment of surpluses and budgetary discharge of fully self-financed EU agencies.

Full list of earlier EP studies:

http://www.europarl.europa.eu/committees/en/budg/supporting-analyses.html?method=search&wordSearchType=TITLE&content=agencies&author=&publicationNumber=&publicationType=&publicationFromDate=&publicationToDate=#supporting-analyses

³ http://www.europarl.europa.cu/RegData/etudes/etudes/join/2013/490677/IPOL-JOIN_ET(2013)490677_EN.pdf