1) State of play *de jure* and in practice

Any organisation performs a variety of so-called administrative tasks necessary to run and maintain an organisation, usually including building maintenance, running IT systems, human resource management among others.

Administrative tasks of agencies typically comprise (non-regulated) administrative support tasks and so called "administrative burden" which consists in the administrative tasks aimed at complying with specific regulations. EU agencies' administrative burden is mainly caused by the EU framework Financial Regulation (No 2343/2002), EU Staff Regulation (No 31 (EEC)), and EU Financial Regulation (No 1605/2002) as well as the general Implementing rules thereto (No 2342/2002).

Administrative support tasks cover any other non-regulated, non-operative tasks performed by EU agencies, typically covering costs for facilities, premises and logistics, IT services, security and costs for library, archives and documentation. Overall, some 30% of EU agencies' staff deal with administrative tasks.

There exists a substantial number of services available to EU agencies, some of which are provided on a legally binding basis (e.g. internal audit by the IAS, certain services provided by the Paymaster Office - PMO), but there is also a large number of "optional" services available to decentralised agencies. Some of the optional services are delivered against a fee, other for free. Most of these services are provided directly by the EU Commission DGs (e.g. DG HR) or its internal services, such as the European Personnel Selection Office (EPSO) or the Paymaster Office. The current state of play of existing Common Support Services at EU level is presented in annex, together with the existence and characteristics of existing Service Level Agreements (SLAs).

In total, nine service providers for decentralised EU agencies within the European Commission can be identified (see the table below and the annex). At present, the Translation Centre for the Bodies of the European Union (CdT) and the Publications Office (OPOCE) are the only centralised service providers to decentralised agencies other than the Commission. There are also some examples for decentralised shared service delivery via horizontal cooperation among EU agencies themselves, such as opening internal training courses to other agencies.

In its special report "Agencies of the Union: getting results" from June 2008, the Court of Auditors notes that the agencies are not fully aware of the services provided to them by the Commission.

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1 According to EU agencies' annual accounts.
2 According to the Court of Auditors' annual specific reports.
# Table: overview of support services offered to EU agencies

<table>
<thead>
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<th>By Commission’s services</th>
<th>Services</th>
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| **Paymaster Office (PMO)**                                                             | • calculation of salaries  
• medical costs reimbursements within the framework of sickness insurance and occupational disease insurance  
• calculation and payment of pensions  
• calculation and payment of various allowances  
• preparation of validation for various expenses (e.g. mission expenses)  
• call for tenders for various insurances  
• various advice services (e.g. helpdesk, information sessions with PMO staff within the agencies) |
| **European Personnel Selection Office (EPSO)**                                         | • staff selection (officials, temporary agents, contract agents), also ad-hoc  
• access to laureate and candidate lists (electronic data bases)  
• test administration  
• third language testing  
• validation of diplomas  
• advice on staff selection procedures  
• use of EPSO framework contracts |
| **Directorate-General for Personnel and Administration (DG HR)**                       | • training courses  
• assistance with developing Staff Policy  
• assistance with the implementing rules for the Staff Regulation |
| **Directorate-General for Budget (DG BUDGET)**                                         | • advice and coordination of the implementation of the new accounting system ABAC  
• helpdesk (IT, Financial Regulations)  
• advice in establishing internal audits |
| **Directorate-General for Personnel and Administration – Security Directorate (HR DS)** | • advice on IT Security  
• providing access badges to agencies in and outside Brussels |
| **Directorate-General for Information Technology (DIGIT)**                            | • TESTA2 connection,  
• CITRIX terminal servers  
• hosting of information systems  
• ICT training  
• participation in framework contracts |
| **Directorate General for Interpretation (DG INTERPRETATION)**                         | • interpretation services |
| **European Administrative School (EAS)**                                               | • training courses/staff development |
| **Internal Audit Service (IAS)**                                                       | • advice on setting up internal audit functions  
• internal auditing |
| **Office for Infrastructure and Logistics in**                                         | • advice on facilities and logistics |
2) Critical analysis of the issue at hand

Agencies are submitted to various financial and administrative processes that could be considered as burdensome given the limited size of most agencies (e.g. arising from Staff Regulations, Financial Regulation). Despite some - often unused - margins for flexibility, these financial and administrative processes mobilise a significant part of agencies' resources\(^3\), sometimes to the detriment of their core tasks. In addition, the European Court of Auditors (ECA) regularly points out in its annual specific reports weaknesses in agencies' financial reporting and/or administrative processes.

Some difficulties have also been reported in using available services, for instance for putting ABM in place and monitoring results as compared to objectives.

Assessment of services currently provided by Commission to agencies

A substantial number of Commission services is already available to agencies today (see part 1 of this fiche). Analysis of current practice shows that large and medium-sized agencies tend to use fewer services than small agencies. Furthermore, in terms of agency functions, information gathering agencies tend to use more services than agencies with other functions\(^4\).

When it comes to the performance of the service providers from a "customer perspective", most service providers are evaluated rather positively by the agencies. However, a number of important outstanding problems have been identified, concerning for example the responses given to the complaints, the time taken to provide some services, the costs, the “fit” with agencies’ needs or the quality of the services\(^5\).

The explanations for these difficulties are numerous and include capacity problems of service providers towards agencies' specific characteristics (having the Commission as their main "customer"), a lack of detailed knowledge of regulations on the agencies' side, and the fact

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\(^3\) On average 30% according to the Court of Auditors' reports  
\(^4\) "Opportunity and feasibility of establishing common support services for EU agencies", study commissioned by the EP, April 2009., section 3.1.3, p. 55-56  
\(^5\) Ibid, section 3.1.3, p. 55-57, Box 1, p. 57-59
that some agencies blame the service provider for perceived shortcomings and complexities of EU-regulations.6

In response to complaints concerning support provided by PMO, a working group was set up, made up of representatives from PMO and several agencies. As a result, PMO has drafted an improved standard Service Level Agreement (SLA) with the agencies, taking into account the concerns raised by agencies. The revised SLA, which is not yet in force, aims *inter alia* at expanding the range of basic services provided to agencies, offering more tailored optional services and introducing a light dispute resolution procedure.

To improve its services, EPSO has launched the EPSO Development Programme. In the context of that programme, EPSO shall examine potential needs of agencies and define standards for selection procedures in order to better respond to agencies specificities.

**Insufficient or unavailable services**

Analysis of the current situation shows that common services are not available or they are insufficient in three areas where agencies are heavily loaded by administrative requirements: procurement, legal advice and budgetary process.

> **Procurement**

Procurement is a time-consuming and capacity-intensive administrative activity, particularly for smaller agencies, which in relative terms spend considerably more time than big agencies on carrying out procurement procedures7. One additional problem is that, concerning EU Commissions’ Framework Tenders, agencies need to explicitly be stated as participants in procurement tenders for being allowed to participate8.

So far, no common support service for EU agencies assisting in conducting procurement procedures exists. However, the Commission offers training for procurement procedures in which agencies can participate, as well as guidance documents.

It is worthwhile to mention that ECHA is using the services of the Finnish Public Procurement Agency (called Hansel), on the basis of article 74.5 of the Framework Financial Regulation applicable to Community bodies, as modified by Commission regulation EC, EURATOM No 652/2008, which states: "the Community Body may use joint procurement procedures with contracting authorities of the host Member State to cover its administrative needs. In such case, Article 125c of Regulation (EC, Euratom) N° 342/2002 shall apply *mutatis mutandis.*" ECHA can now use simplified procedures based on framework contracts established by Hansel to procure administrative services (e.g. water, heating, travel agent, IT, etc.). This has had a very positive impact on the agency.

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6 “Opportunity and feasibility of establishing common support services for EU agencies”, study commissioned by the EP, April 2009, section 3.1.4, p. 59-60
7 Ibid, section 3.5, p. 87-90
8 In contrast to Commission DGs that can automatically use any Framework Contract issued by another DG.
Legal advice

So far, common support services for agencies in the area of legal advice do not exist. However, the Commission provides for a free service of Help Desk for financial and legal questions to all agencies. The Help Desk is consulted very often and answers in a short term taking into account the specific situation of agencies. In quantitative terms, the number of requests treated by the Commission increased very substantially in recent years, more than doubling from 102 to 229 requests between 2005 and 2009. In 2009, Agencies now represent 26% of the activity of the Help Desk, as compared to a mere 8% in 2005.

Budgetary process

Agencies, especially small and young ones, are heavily loaded by the administrative requirements stemming from the regulations of the budgetary process. An analysis of the different phases of the budgetary process shows that the establishment of the budget is the most burdensome phase, followed by the presentation of the accounts, the external audit and the discharge. Support to agencies seems especially needed concerning the establishment of the budget and the presentation of the accounts. Furthermore, agencies consider that the existing support structure offered by the European Commission seems not to be sufficient to guarantee a timely execution of the budgetary process.

However, when considering the possibility of setting up common support structures, it should be taken into account that the establishment of the budget (estimate of revenue and expenditure) of agencies is a crucial element of agencies' autonomy, and encompasses the following elements, in accordance with Article 27 (3) of the Framework Financial Regulation:

- An establishment plan;
- Justification for a change in the number of posts in the establishment plan (if any);
- Quarterly estimate of cash payments and receipts;
- Information on the achievement of previously set objectives for the various activities, as well as new objectives measured by indicators.

All these elements are clearly dependent on a profound knowledge of the "core business" of individual agencies; in light of this the setting up of common support structures in practice would be very difficult, as they would require detailed knowledge of the specific tasks and characteristics of the agency in question. This applies equally to the presentation of the accounts of the agency, given the key role of the agency's Accounting Officer in this regard. Ultimately, this also links to the ability of the Director and the Board to carry out their management roles, drawing on "in house" expertise. "Common support" in practice would quickly be seen as "external" (also literally, given that agencies are spread across the Union), with limited added value compared to the services which are already provided on a large scale by the Commission, including the above-mentioned Help Desk for financial and legal questions.

9 "Opportunity and feasibility of establishing common support services for EU agencies", study commissioned by the EP, April 2009, section 3.6, p. 92-94
10 Ibid, section 3.3.5, p. 79-80
Informatics services related to s-TESTA Network

A number of key services provided by the Commission to agencies, such as ABAC, IAS Issue Track and MyIntracomm, require that agencies are connected to S-TESTA network (Trans European Services for Telematics between Administrations). S-TESTA is a network for information exchange between the European institutions, the national administrations and the agencies.

For some time agencies have been given unconditional access to S-TESTA. In 2008 Competent Commission services came up with a new interpretation of the conditions for use. They claimed that only access related to the agencies' core mission have to be covered by the funding allocated for this IT tool, and not use related to agencies’ internal administration. For the latter, agencies were asked to arrange for a separate agreement with the S-TESTA provider for the Commission (Orange) and bear the costs. This is done with the intention that such a new practice will contribute to the reduction and transparency of costs.

According to agencies, the cost for connection to S-TESTA has to continue to be included in the fees to be paid by agencies in accordance with the relevant service level agreements in force, notably as there has been no change in the legal framework which regulates this matter to justify this new approach. Furthermore, agencies claim that the recent attempt to charge agencies with extra fees for the above mentioned connection to s-TESTA network, will increase the financial burden on agencies and is likely to jeopardise the use of instruments which are essential for the functioning of agencies and the operations they carry out, as required by the IAS and Discharge Authority (namely for ABAC).