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From:	General Secretariat of the Council
To:	Permanent Representatives Committee
No. prev. doc.:	6811/14 FIN 139 INST 124
Subject:	Interinstitutional working group on resources of decentralised agencies - <i>Adoption of the terms of reference</i>

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1. In the framework of the negotiations on the 2014 budget, the European Parliament, the Council and the Commission agreed on a joint statement on "*decentralised agencies*" establishing a specific interinstitutional working group to define a clear development path for EU agencies, as recorded in ANNEX 1.
2. On 21 January 2014, the European Parliament, the Council and the Commission informally met, in order to start discussing the terms of reference of this interinstitutional working group.
3. On 19 February 2014, the Budget Committee was able to support the draft terms of reference of the interinstitutional working group, as recorded in document 6811/14.
4. On 26 February 2014, the Permanent Representatives Committee entrusted a delegation composed of the Hellenic, Italian, Latvian and Lithuanian representatives, with a mandate to represent the Council in the first meeting of the interinstitutional working group.

5. The interinstitutional working group met at political level on 3 March and on 1 April 2014 and adopted its terms of reference during the second meeting. The interinstitutional working group will be convened again at political level in September this year.
  6. It is proposed that the Permanent Representatives Committee take note of the terms of reference of the interinstitutional working group, as adopted on 1 April 2014 and recorded in ANNEX 2.
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**Joint statement on decentralised agencies**

"The European Parliament, the Council and the Commission recall the importance to progressively reduce the staffing levels of all EU institutions, bodies and agencies by 5 % over five years, as agreed in Point 23 of the draft Interinstitutional Agreement on budgetary discipline, cooperation in budgetary matters and on sound financial management.

The European Parliament and the Council commit to pursue progressively the above-mentioned 5 % staff reduction for the period 2013-2017 while insisting as well on the proper functioning of the agencies so that they can fulfil the tasks they have been assigned by the legislative authority. In this respect, they consider that further measures, including structural ones, may be required to achieve this reduction for decentralised agencies. In this context, the Commission will continue its assessment of the possibilities to merge and/or wind-up some of the existing agencies, and/or other ways to achieve synergies.

Further to the work carried out by the Inter-Institutional Working Group, which resulted in the Common Approach on decentralised agencies agreed in July 2012, the European Parliament, the Council and the Commission agree on the need for a closer and more permanent scrutiny on the development of decentralised agencies to ensure a coherent approach. Without prejudice to their respective prerogatives, they agree to establish a specific interinstitutional working group with the aim of defining a clear development path for agencies, based on objective criteria. The Group should in particular discuss:

- Evaluation of establishment plans on a case-by-case basis;
- Ways to provide adequate appropriations and staff for additional tasks, assigned to individual agencies by the legislative authority;
- Treatment of agencies which are fully or partially fee-financed;

- Administrative structure of agencies, financing models, treatment of assigned revenues;
- Reassessment of needs; potential mergers/closures; transfer of tasks to the Commission.

The European Parliament and the Council will take into due account the results achieved by the interinstitutional working group in their deliberations as legislative and budgetary authority."

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Interinstitutional working group on resources of decentralised agencies

Terms of Reference

In the joint statement on decentralised agencies agreed on 12 November 2013 as part of the Conciliation on the 2014 budget, the three institutions have agreed on the establishment of a specific interinstitutional working group. In this regard, the European Parliament, the Council and the Commission agree on the following:

**1. Composition**

- The working group will be composed of a limited number of representatives of the three institutions, nominated according to their respective rules of procedure. Given that the working group will focus on agency resources and budget-related matters, the nominees will include representatives involved in the decision-making process on the annual budget.
- The working group will have a single configuration. It will meet at expert level to carry out technical analysis and preparation, which will feed into the work of the working group operating at political level. This arrangement will be tested in 2014 and could be reviewed later on if needed.
- The Commission will prepare the agenda and circulate it before the meeting for approval and it will chair the meetings. The secretariat of the working group will be provided by the Commission, in close cooperation with the European Parliament and the Council.

**2. Mandate and scope**

- As set out in the joint statement, the working group will look at ways to define a clear development path for agencies, based on objective criteria, to progressively reduce the staffing levels of decentralised agencies by 5% over five years, as agreed in Point 27 of the Interinstitutional Agreement on budgetary discipline, on cooperation in budgetary matters and on sound financial management of 2 December 2013.

- The working group will examine possible ways of achieving synergies and efficiency gains leading to the requested global result in terms of overall staff reductions. These may include more structural measures, such as potential mergers, closures or transfers of tasks. The working group will furthermore discuss ways to provide adequate appropriations and staff for additional tasks, assigned to individual agencies by the legislative authority.
- The working group will formulate recommendations, which the European Parliament and the Council as the two arms of the budgetary and legislative authority, and the Commission in its proposals, may take into account as appropriate in their deliberations, without prejudice to their respective prerogatives. In light of progress made, the working group may also suggest recommendations in relation to the annual budgetary procedure.

### 3. Working method

- The working group will identify a shortlist of cross-cutting issues – such as the administrative structure, contiguous or overlapping set of tasks, or geographical location of agencies – with the potential for reaching synergies and savings. It will also address the specificities of partially and fully self-financed agencies.
- On the basis of the list of items to be discussed, an analytical "*fiche*" will be developed for each item, in the first instance to make an assessment of the situation, with a critical analysis of the issue at hand. Secondly, the fiches should present possible solutions to address identified problems (including an assessment of advantages and disadvantages of each option), combined with possible ways to implement the viable solutions.
- Based on the experience gained with the previous Inter-Institutional Working Group on agency governance issues, the working method will be the following one. Before each meeting at the political level:
  - the Commission will transmit draft texts to the European Parliament and the Council at least two weeks in advance of meetings;
  - in turn, the European Parliament and the Council will send their comments in writing at the latest three working days in advance of meetings; if no comments are received by then, the draft texts are considered tacitly endorsed.

- The fiches will feed the discussions of the working group, who may validate some of the proposals and/or request additional inputs.
- The working group may invite, if needed, representatives of the agencies.

#### **4. Timetable**

- In order to take stock on a regular basis of the progress made towards reaching the 5 % staff reduction over five years, the working group will continue its work until the end of 2017, when the 2018 budget is expected to be adopted and the 5 % target achieved. A final meeting will be organised in 2018 to assess the accomplishment of the target.
  - In 2014, the working group will meet in April and September at political level.
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