

Maroš ŠEFČOVIČ

Vice-President of the European Commission

Responsible for Interinstitutional Relations and Administration

Hearing on 'Discharge to decentralised agencies: governance and operational effectiveness'

Check Against Delivery
Seul le texte prononcé fait foi
Es gilt das gesprochene Wort

European Parliament

Brussels, 21 November 2011

- I would like to thank you for your kind invitation to this hearing.
- Agencies do have a particular role and position in the EU institutional landscape:
 - First, they contribute significantly to the implementation of the Union's policies. By doing so, they help all the institutions, in particular the Commission, to concentrate on core policy-making tasks.
 - Second, they support EU decision-makers by pooling the technical expertise available at European and national levels, which also helps to enhance the cooperation between the Member States and the EU on key issues.
 - Third, their location in a number of Member States adds to the visibility of the Union.
- However, the development of EU agencies has not always been accompanied by an overall vision of their place in the Union's governance.
- The Inter-Institutional Working Group on regulatory agencies was therefore created in 2009 in order to develop a general agreement between the Commission, Parliament and Council representatives on how to make the agency system more efficient.
- This work is particularly relevant and necessary today, as the European Union is hit by a serious financial and economic crisis, and intensive efforts by all are required.

- EU Agencies are necessarily affected by this political reality; they need to work to increase their efficiency and accept the EU institutions' concerns that an overall improvement of the functioning of the agency system is needed.
- Coming back to the Inter-Institutional Working Group: after intense work, we now have at our disposal a complete state of play and critical analysis, identifying strengths and weaknesses of the Agencies system, as well as concrete proposals on how to improve the way agencies function. These proposals are often in line with the recommendations made by the European Parliament in the context of the discharge procedure of agencies. They cover a large number of topics, ranging from agencies' governance to the way they operate and are scrutinised.
- Let me give you some examples of conclusions already agreed by the Group:
 - New agencies should only be created following an objective impact assessment on the best options. Furthermore, all agencies' founding acts should include either a sunset or a review clause.
 - Overall evaluations should be regularly conducted to assess the opportunity to continue or not an agency's mandate; merging agencies should be considered in cases where their respective tasks are overlapping, where synergies can be found or when agencies would be more efficient as part of a bigger structure,

- Similarly to the Court of Auditors, we believe that a two-level governance structure could be introduced, in order to streamline the decision-making process in the agency and contribute to enhancing efficiency and effectiveness. To that end, a small-sized Executive Board could complement the Management Board, being more closely involved in the monitoring of the agency's activities.
- The turnover of the representatives in agencies' Management Boards should be limited, in order to ensure continuity of the boards' work.
- Agencies should devise international relations strategies approved by their Management Board, in order to ensure transparency and coherence in their activities in relations with third countries and international organisations.
- As already pointed out by Mr O'Shea, the Group agrees that agencies should improve their internal planning and general revenue forecasting in order to reduce their high carry over and cancellation rates.
- Agencies reporting obligations should be streamlined and harmonized: to that end, agencies should produce, in principle, one single Annual Report
- To improve their performance, agencies should adopt Key Performance Indicators. To the same end, multiannual work programmes should be adopted, and the links between annual work programmes and budgets should be improved. Agencies should also improve their Activity Based Budgeting /Activity Based Management.

- Agencies' internal control systems should be improved.
- Furthermore, at its last meeting at political level on 20th October, the Group agreed to speed up the process and to try to conclude a document on a common approach before the end of the year.
- This is an important breakthrough, and I am confident that both European Parliament and Council will continue to work ambitiously and constructively with the Commission during the weeks to come to achieve this objective.
- This "Common approach" will conclude a period of intensive dialogue between the 3 institutions and formalise a number of agreements. It will serve as a reference when exploring the possibility of creating new agencies or modifying the functioning of existing ones.
- To conclude, I would like to thank the EP delegation and the Polish Presidency for their invested effort to discuss the future of agencies. The Commission is aware of the intensive pace of these discussions but believes it is important to exploit the momentum and come to an agreement before the third anniversary of the Group.