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**COMMUNICATION TO THE COMMISSION**

**Delegation of implementation tasks to Executive Agencies for the 2021-2027  
EU programmes**

## 1. BACKGROUND

Since 2007, six executive agencies have been entrusted by the Commission with the implementation of spending programmes under the previous and current multiannual financial framework. Five agencies are currently located in Brussels, while the sixth is located in Luxembourg. The executive agencies are evaluated every three years and the latest evaluations show that the Brussels based agencies work well and have produced budgetary savings in the implementation costs of the programmes, thanks to their specialisation, large size and reduced cost per staff member<sup>1</sup>.

For the programmes of the 2021-2027 financial framework, Directorates-General envisage to increase the budget delegated to executive agencies overall by up to 53% in constant prices based on the Commission's 2018 proposals for the next MFF. This increase results from (a) the increase of the budget of already delegated programmes, (b) the delegation of programmes currently implemented in the Directorates-General and (c) the delegation of the implementation of completely new programmes, i.e. not existing in the current financial framework.

The increase in delegated tasks, as well significant changes in the future Horizon programme<sup>2</sup> and new political priorities of the Commission, requires substantial changes to the portfolios of some of the executive agencies. Based on the feedback received during the intensive consultations of all stakeholders, the Corporate Management Board has recommended a proposal for the future agency portfolios, to be endorsed by the College and to be applied in the preparation of the delegation package.

## 2. CRITERIA FOR ALLOCATION OF PROGRAMMES TO THE EXECUTIVE AGENCIES 2021-2027

The proposal for the future agency portfolios is an optimisation based on four key criteria determined by the feedback given by both Directorates-General and executive agencies.

- Stability: in order to minimise disruption of programme implementation, unnecessary transfers of tasks between agencies are to be avoided.
- Portfolio coherence: different strands of the same programme should be grouped and implemented by the same agency. This is particularly relevant for the future Horizon Europe programme, the structure of which is significantly modified compared to the current Horizon 2020 programme.
- Governance: grouping the different programmes of a delegating DG in the same agency to minimize supervision costs for the delegating DG and to facilitate governance of the agency by limiting the number of delegating DGs in each agency.
- Thematic consistency in the agency portfolios to ensure synergies between programmes covering a given theme and to give visibility to the priorities of the Commission.

The proposed distribution of programmes is considered the best reconciliation achievable between the criteria.

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<sup>1</sup> The latest evaluations will be presented to the College in written procedure in April.

<sup>2</sup> The changed structure of Horizon Europe is an important driver of change, given that each of the future clusters in the programme comprises activities currently implemented by several agencies. The transfers of tasks between agencies due to the new Horizon structure as well as the other criteria, is illustrated in annex 1.

Experience also confirms that size matters: agencies should have a sufficient size to be efficient. This supports the proposal not to increase the total number of agencies (i.e. six agencies) and to ensure that each of them reaches a critical size.

As illustrated in annex 1, movements of staff between agencies have been kept to a minimum. A maximum of 348 staff would have to move as a consequence of the restructuring of the Horizon programmes and only 235 staff as a result of thematic consistency. Of the latter, 79 would be linked to the proposed transfer of CHAFEA's tasks and 156 staff would be transferred between agencies in Brussels. All staff identified to follow the programmes would be moved 'en bloc' to minimise any disruption of on-going programme implementation.

### **3. PROPOSAL FOR FUTURE PORTFOLIOS OF EXECUTIVE AGENCIES**

The proposed future portfolios the College is asked to endorse, are illustrated in annex 2 and briefly explained below.

#### *Transfer of the tasks of the Consumers, Health Agriculture and Food Executive Agency (CHAFEA) based in Luxembourg to Brussels based agencies*

The decision to propose the transfer of CHAFEA activities to other agencies has been considered carefully, both with regards to business continuity and staff but also in terms of the commitment of the Commission regarding staff presence in Luxembourg. A number of Commission proposals in the last years have ensured the creation of numerous high profile jobs in the European Investment Bank as well as the European Public Prosecutor's Office, and the decision to transfer CHAFEA's activities to other agencies therefore does not represent a reduced commitment to Commission presence in Luxembourg.

The most recent evaluation of the agency has, however, demonstrated that the agency is less cost efficient than the counterparts in Brussels. This is not only due to higher staff costs in Luxembourg (in particular for contract agents, which represent three quarters of the staff of executive agencies), but also to a sub-optimal size and a fragmented portfolio. In addition, the geographical distance between the DGs delegating programmes and the agency implementing the programme has complicated the coordination, whereas close coordination is key for delegation to work efficiently. The delegation of several additional programmes to CHAFEA has been considered but the Directorates-General concerned convincingly explained that the delegation to CHAFEA would have a considerable negative impact on the efficiency of implementation.

Given the increased pressure to contain administrative expenditure, it is paramount that the Commission ensures the most efficient implementation of the EU spending programmes. The transfer of all tasks to Brussels enables more coherent agency portfolios, an efficient size of all agencies as well as the possibility to develop synergies across agencies, both in programme management and administrative functions.

*Stability in the portfolios of the European Education Executive Agency (former Education, Audio-visual and Culture Executive Agency - EACEA) and the European Research Council Executive Agency (ERCEA)*

The portfolios of these two agencies are proposed to be kept stable, since they have both already reached a significant size in terms of staff, and each has specific traits that would complicate the implementation of additional programmes.

In the case of EACEA, the agency already implements four different programmes and it is therefore proposed to prioritise stability for this agency, also in the light of an expected increase in the delegated budget for the Erasmus + programme.

As for ERCEA, the work of the agency, supporting fundamental research, is guided by a board of experts independent from the Commission. The European Research Council has produced significant results with the current structure and the atypical governance is not considered compatible at this stage with the implementation of other programmes or other parts of Horizon Europe. In order not to jeopardise the continued success of the European Research Council, it is suggested that no additional programmes are delegated to the agency.

*The Research Executive Agency (REA) remains focussed on research activities*

REA remains mainly focussed on the Horizon programme with limited reshuffling of Horizon activities between the current Executive Agency for Small and Medium-sized Enterprises (EASME) and the new Innovation Agency, to align the distribution of the activities with the new structure of Horizon Europe.

The Common Support Service is maintained in REA, in order not to disrupt a well-functioning entity and to avoid unnecessary staff transfers and the agency will take over a small programme from CHAFEA<sup>3</sup>.

*The Climate, Environment and Infrastructure Executive Agency - Successor of the Innovation and Networks Executive Agency (INEA)*

The agency has in the current period been focused on infrastructure activities through the implementation of the Connecting Europe Facility. Building public transport connections or more efficient energy supply networks are expected to have strong impact on the climate in the long term. In addition, as of June 2020, INEA will implement the Climate Innovation Fund, a fund that will be dedicated to supporting innovative ideas in the field of climate change.

Building on this foundation, it is proposed to entrust the agency with a portfolio that makes it also a climate and environment agency. The LIFE+ programme implements activities that limit the climate change and at the same time encourages the protection of the environment and promotes the energy transition. In addition to the LIFE+ programme and the Innovation Fund, the Horizon Europe's cluster related to climate and mobility would strongly support the Commission's priority of climate and the European Green Deal.

This creates a clear thematic focus of the agency and groups all delegated activities of DGs MOVE, ENER, CLIMA, and ENV in the agency.

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<sup>3</sup> Agricultural products promotion measures. Thematically, agricultural research is already located in REA and all the delegated activities of DG AGRI will be grouped in REA.

*The Digital, Small and Medium Sized Enterprises and Health Executive Agency – Successor of Executive Agency for Small and Medium-sized Enterprises (EASME)*

Bringing Europe to a digital age while leveraging the single market potential is another priority of the von der Leyen Commission. It is therefore proposed to create a strong economic portfolio grouping the digital programmes with the various strands of the Single Market programme. The objective is to create strong synergies between these programmes to support the European economy and in particular small and medium-sized enterprises.

Building on existing tasks of the agency (COSME/SME policy and Horizon activities related to industry) as well as keeping the DG MARE programme in the agency, the new agency will have a core of well-known tasks to build on. Furthermore, all delegated activities of DG GROW would be grouped in this agency, which would also be the case for most DG CNECT and DG SANTE delegated programmes.

Transferring all activities related to the Single Market Programme (SMP) from CHAFEA, as well as the newly delegated activities from DG SANTE (food safety) and DG GROW (internal market activities) would ensure a coherent implementation of the new multi-dimensional programme.

The grouping of Horizon Europe’s cluster “Digital, industry and space” as well as the Connecting Europe Facility’s digital strand and the new Digital Europe Programme will support the synergies in bringing together the SMEs in the recovery of the European economy, the industrial dimension of the European Green Deal, as well as the digital and the space related activities.

Placing the health components of the Single Market Programme and the health programme transferred from CHAFEA will furthermore ensure a strong health focus and that the recovery of the Economy goes hand in hand with building up the preparedness of the Union for future health crises following lessons learnt from the Covid-19 pandemic.

*Establishment of a new Innovation Agency in Brussels*

Establishing a sixth agency in Brussels focussed on Innovation – the Innovation Council and interregional innovation projects, would ensure visibility for another high level priority of the Commission. Innovation is a key dimension to support the weakened European economy as well as to modernise and green it. In addition, establishing a sixth agency ensures that the other five agencies do not become too large and thematically fragmented. This new agency will have the scale and specialisation needed to operate efficiently.

This new organisation of portfolios shows a reinforced trust of the Commission in its executive agencies and an acknowledgement of the performance of the agencies’ staff.

**4. NEXT STEPS IN THE PREPARATION OF THE DELEGATION PACKAGE**

The College endorsement of the proposed future agency portfolios will allow a number of work streams to move forward.

The delegating DGs and agencies will be able to prepare the legal acts of the delegation package and prepare the transfers of programmes between agencies and the future agency portfolios can be taken into account in the preparation of the 2021 budget.

Further efforts will also be needed to modernise and streamline the governance of the executive agencies within the current legal framework in view of the increasing number of delegating Directorates-General. While each DG should have clear steer on the

implementation of its own programmes, one of the delegating DG should have a clearly established leading role to supervise the non-programme specific issues in the agency. Mechanisms for reporting should also be improved.

The next steps also include the calculation of the staff to be granted to each agency to manage the programmes that will be delegated to it. However, the calculation can only be finalised once an agreement on the next multiannual financial framework has been reached and the future budget envelopes are decided. A decision will also be needed on how the increase in agency staff will be offset by a decrease of the Commission's staff.

The finalised delegation package, including the proposed staff increase in the agencies and offsetting in the Commission, will be presented to the Committee for Executive Agencies<sup>4</sup>, which needs to give a positive opinion on the 2021-2027 agency mandates. Following this, the agency mandates will be presented to the College for final adoption, provided that neither branch of the budgetary authority has raised any objections and the basic acts of the 2021-2027 programmes are adopted in due time by the legislative authority.

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<sup>4</sup> Council Regulation 58/2003 allows the Commission to set up executive agencies, subject to green light from the Committee, which follows the examination procedure of Regulation No 182/2011 and consists of Member States representatives. The Parliament is informed about the proposal, based on "working arrangements" agreed in 2007.

## ANNEX 1: PROGRAMMES TRANSFERRED BETWEEN AGENCIES

**Table 1: The effect of a changed Horizon Europe structure**

<i>Horizon Europe Subprogramme (2021-2027)</i>	<i>Agencies currently implementing the programme</i>	<i>Future agency</i>	<i>Staff affected by the transfer</i>
<b>Cluster 2:</b> Culture, creativity and inclusive society	EASME	REA	4
	REA		
<b>Cluster 3:</b> Civil security for Society	EASME	REA	5
	REA		
<b>Cluster 4:</b> Digital, Industry and Space	REA	EASME	40
	EASME		
<b>Cluster 5:</b> Climate, Energy & Mobility	INEA	INEA	52
	EASME		
<b>Cluster 6:</b> Food, Bioeconomy, Natural Resources, Agriculture and Environment	REA	REA	38
	EASME		
<b>European Innovation Council</b>	EASME	New Innovation Agency	209
	REA		
<b>Staff affected by Horizon structural change</b>			<b>348</b>

The staff numbers are based on information about the authorised number of staff per sub programme in 2020 from the Executive Agencies and includes both programme staff and staff in horizontal functions.

**Table 2: Transfers of programmes between agencies based on other criteria than a changed Horizon Europe structure**

<i>Subprogramme (2021-2027 MFF)</i>	<i>Agencies currently implementing the programme</i>	<i>Future agency</i>	<i>Staff affected by the transfer</i>
LIFE	EASME	INEA	107
CEF Digital	INEA	EASME	14
Predecessor activities to Digital Europe Programme (CEF ICT digital services)	INEA	EASME	35
Agricultural Promotion Measures	CHAFEA	REA	25
Public Health	CHAFEA	EASME	35
Single Market Programme: Consumers	CHAFEA	EASME	12
Single Market Programme: CFF for Food chain Better training for safer food	CHAFEA	EASME	7
<b>Total staff affected by discretionary choices</b>			<b>235</b>
<b>TOTAL staff affected by the reorganisation of agency portfolios</b>			<b>583</b>

The staff numbers are based on information about the authorised number of staff per sub programme in 2020 from the Executive Agencies and includes both programme staff and staff in horizontal functions.

**ANNEX 2: PROPOSED PORTOLIOS FOR EXECUTIVE AGENCIES 2021-2027**

Potential NEW AGENCY NAMES	European Education Executive Agency <i>(former Education, Audiovisual and Culture Executive Agency - EACEA)</i>	European Research Council Executive Agency <i>(European Research Council Executive Agency - ERCEA)</i>	European Research Executive Agency <i>(former Research Executive Agency - REA)</i>	European Climate, Environment and Infrastructure Executive Agency <i>(former Innovation and Networks Executive Agency-INEA)</i>	European Innovation Council Executive Agency (NEW)	European Digital, Small and Medium Sized Enterprises and Health Executive Agency <i>(former Executive Agency for Small and Medium Sized Enterprises - EASME)</i>	Former Consumers, Health, Agriculture and Food Executive Agency (CHAFEA)		
PROPOSED FUTURE AGENCY PORTFOLIOS	Erasmus + (EAC)	European Research Council (RTD)	Marie Curie Actions (EAC)	CEF Energy (ENER)	European Innovation Council (RTD, CNECT)	Programme for competitiveness of enterprises and SMEs (COSME) (GROW)			
			Cluster 1: Health (RTD)	CEF Transport (incl. cohesion and military mobility) (MOVE)		Food Safety: Health for humans, animals and plants (SANTE)			
			Cluster 2: Culture, Creativity and Inclusive Society (RTD, EMPL, EAC)	Cluster 5: Climate, Energy and Mobility (RTD, CLIMA, ENER, MOVE)		Governance tools, Internal Market and support to standardization (GROW)			
			Cluster 3: Civil Security for Society (RTD, CNECT, HOME)			Consumers (JUST)			
			Cluster 6: Food, Bioeconomy, Natural Resources, Agriculture and Environment (RTD, AGRI)			Food Safety: Better training for safer food (SANTE)			
			Creative Europe (EAC, CNECT)	Reforming and enhancing the European R&I system (RTD)		Innovation Fund (CLIMA)		Interregional innovation projects (REGIO)	Integrated Maritime Projects (MARE)
			European Solidarity Corps (EAC)					Public health (SANTE)	
			Citizens engagement and participation (JUST)					Cluster 4: Digital, Industry and space (RTD, DEFIS, CNECT, GROW)	
									Digital Europe Programme (CNECT)
				Research infrastructure (RTD)		LIFE: Environment, Climate and energy efficiency (ENV, CLIMA, ENER)			CEF Digital (CNECT)
		Research fund for coal and Steel (RTD)							
		Agricultural promotion measures (AGRI)							
		Common support service							
	Current delegating DG's	EAC, CNECT, JUST, ECHO	RTD	RTD, GROW/DEFIS, AGRI, EAC, CNECT, HOME	MOVE, ENER, CNECT, RTD			GROW, RTD, CNECT, MARE, ENV, ENER, CLIMA	SANTE, JUST, AGRI
Future delegating DGs	EAC, CNECT, JUST	RTD	RTD, AGRI, EAC, CNECT, SANTE, HOME, EMPL	MOVE, CLIMA, RTD, ENER, ENV	RTD, CNECT, REGIO	GROW,RTD, CNECT, MARE, SANTE, JUST,DEFIS			
Staff in 2020	438	529	784	313		507	79		
BUDGET (2014-2020, Billion EUR)	5	13	13	32		10	1		
BUDGET 2021-2027 (May 2018 MFF, constant prizes, Billion EUR)	8	14	21	55	10	15			
% CHANGE	60%	8%	62%	72%		49%			

See colour code on the next page



**THE COLOR CODING REFERS TO PROGRAMMES AS FOLLOWS:**

Horizon Europe	
Connecting Europe Facility	
Innovation Fund	
LIFE	
Single Market Programme	
Digital Europe Programme	
Erasmus+	
Creative Europe	
Rights and Values	
European Solidarity Corps	
Maritime	
Agricultural promotion measures	
Public Health	
Interregional Innovation Projects	
Research Fund for Coal and Steel	
Common Support Centre	