# Project objectives, activities, deliverables and timeline
## Brief overview

| | |
|---|---|
| **Project objective** | **Support the development of a structured and systematic approach for NSAs regarding the verification of the determined and actual ANS costs** |
| **Main activities** | ‣ Develop Verification Programme;<br>‣ Conduct pilot verifications with 6 NSAs to test the Verification Programme;<br>‣ Prepare consolidated version of the Verification Programme;<br>‣ Prepare training material to be used by the NSAs in their oversight tasks;<br>‣ Deliver coaching programme for NSAs (10 sessions); |
| **Deliverables** | ‣ Verification Programme for the use of the NSAs;<br>‣ Training Material accompanying the implementation of the Verification Programme (including an e-training module);<br>‣ 10 coaching sessions for assistance in performing cost eligibility verifications. |

EY

# Project objectives, activities, deliverables and timeline
## ECA report

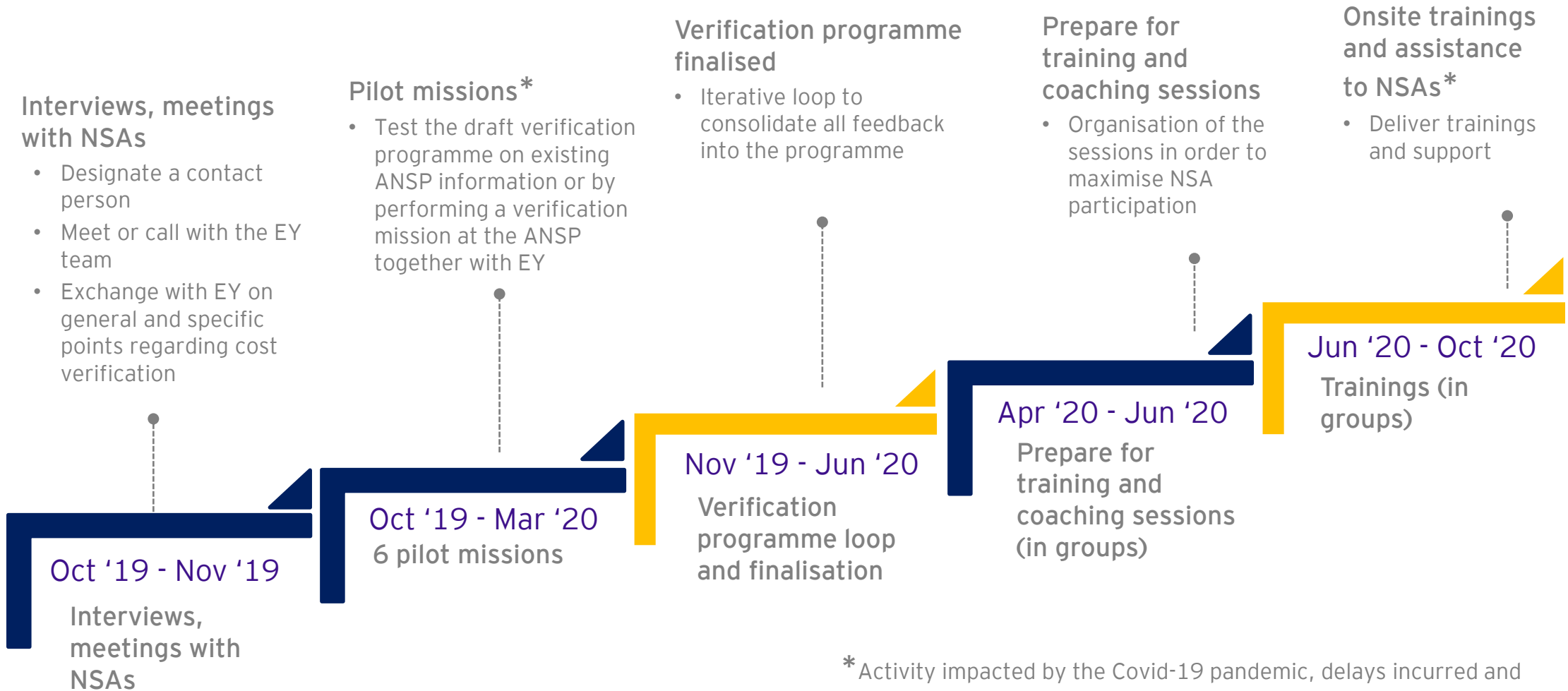| | |
|---|---|
| **ECA report findings** | *NSAs do not regularly conduct inspections on important elements of the costs charged to users: eligibility, economy and adequate cost allocation.*<br>*[…]*<br>*the Commission's guidance on cost allocation between en-route and terminal charging zones was insufficient, leading to the risk of cross-subsidization between en-route and terminal navigation services.*<br><br>[Pages 43, 44 of the report] |
| | *In the five Member States visited, no regular inspections were carried out to provide assurance that only eligible costs are included in the charging scheme nor on whether they were incurred in a cost-efficient manner and adequately allocated between en-route and terminal charging zones.*<br><br>[Page 27 of the report] |
| | *Recommendation 4 – Ensure inspection coverage of the charging scheme*<br>*The Commission and the NSAs should regularly conduct the inspections set out in the current legislation, covering in particular the eligibility of costs charged and their allocation between en-route and terminal charging zones.*<br><br>[Pages 43, 44 of the report] |

ECA Special Report No 18/2017, publicly available at: https://www.eca.europa.eu/en/Pages/DocItem.aspx?did=43538

Strengthening the capacity of NSAs for air navigation services cost verifications

EY

# Project objectives, activities, deliverables and timeline
## Project timeline

**Interviews, meetings with NSAs**
- Designate a contact person
- Meet or call with the EY team
- Exchange with EY on general and specific points regarding cost verification

**Pilot missions***
- Test the draft verification programme on existing ANSP information or by performing a verification mission at the ANSP together with EY

**Verification programme finalised**
- Iterative loop to consolidate all feedback into the programme

**Prepare for training and coaching sessions**
- Organisation of the sessions in order to maximise NSA participation

**Onsite trainings and assistance to NSAs***
- Deliver trainings and support

**Oct '19 - Nov '19**

Interviews, meetings with NSAs

**Oct '19 - Mar '20**

6 pilot missions

**Nov '19 - Jun '20**

Verification programme loop and finalisation

**Apr '20 - Jun '20**

Prepare for training and coaching sessions (in groups)

**Jun '20 - Oct '20**

Trainings (in groups)

\*Activity impacted by the Covid-19 pandemic, delays incurred and changes are possible in order to deliver services remotely.

Strengthening the capacity of NSAs for air navigation services cost verifications

EY

# Summary of project activities carried out so far
## Interviews with the NSAs

| Some key take-aways |
| --- |

▸ Cost eligibility checks are typically focused on determined costs ahead of a new RP; the NSAs consider the business assumptions of the ANSPs for the Performance Plans and generally verify some key areas such as cost allocation between charging zones;

▸ Very limited testing is done on the actual costs reported on a yearly basis;

▸ Additional testing for RP3 is envisaged for investments and for costs under Article 28 ('unforeseen changes');

▸ Limited formalisation of the cost eligibility verification process; typically any findings are discussed directly with the ANSPs informally;

▸ Internally developed checklists are in some cases available for the verification points considered relevant;

▸ Limited availability and time-dedication of NSA staff to perform cost eligibility verifications.

Strengthening the capacity of NSAs for air navigation services cost verifications

EY

# Summary of project activities carried out so far
## Pilot visits

| Some key take-aways |
| --- |

▸ Ultimate objective should be that the NSAs verify ANSP compliance with the regulatory provisions in the area of cost-eligibility in an efficient and effective manner;

▸ Beneficial that any proposed verification procedure is accompanied by guidance and, where available, best practices and examples;

▸ Common areas of concern as regards verifications for RP3 are new and existing investments, costs under Article 28 ('unforeseen changes') and other revenues;

▸ Different national institutional set-up of the ANSPs exist, generating different areas of risk for the reported costs;

▸ The ANSPs are providing information as requested, but the NSAs requests are different from country to country.

EY

# Overview of deliverables at draft stage
## Verification Programme

| Verification Programme structure and organisation |
|---|
| ‣ Two parts, one containing verification procedures for determined costs, one for actual costs |
| ‣ Each part organised into three sections, considering the typical phases of a financial verification process:<br><br>‣ Planning - preparation phase prior to going on the spot to visit the ANSP, for setting the scope of the verification, collecting documentation and performing initial checks;<br><br>‣ Execution – phase in which the verification procedures are carried out, normally during a visit at the ANSP;<br><br>‣ Conclusion – finalisation phase during which a verification report is prepared and any findings are shared and discussed with the ANSP; |
| ‣ Programme timeline is different for determined and for actual costs; for determined costs the checks are foreseen to be done in preparation of the Performance Plans, while for actual costs, verifications are envisaged on an yearly basis, prior to the submission of the reporting tables in June; |
| ‣ Programme is meant to be read in conjunction with the Training Material, which complements with explanations and guidance the steps in the Verification Programme; |

Strengthening the capacity of NSAs for air navigation services cost verifications          EY

# Overview of deliverables at draft stage
## Training Material

| Training Material structure and organisation |
|---|
| ▸ Document accompanying the Verification Programme, intended to provided guidance and explanations regarding the checks included in the Programme; |
| ▸ Mirrors the structure of the Verification Programme, for easy reference |
| ▸ It is designed as Word document; |
| ▸ It includes several Annexes, such as an overview of cost allocation methods used by ANSPs; |
| ▸ Will be, together with the Verification Programme, the basis for an e-training module for which access will be provided to the NSAs also after the finalisation of the project. |

Strengthening the capacity of NSAs for air navigation services cost verifications          EY

# Activities under preparation
## Coaching sessions

| Verification Programme structure and organisation |
|---|
| ‣ 10 coaching sessions for assistance in performing cost eligibility verifications, addressed to at least 30 NSAs. |
| ‣ Due to the existing travel restrictions due to Covid-19, the sessions will likely be held remotely (further information regarding platform to follow). |
| ‣ The timing of the sessions is foreseen for the period Jun '20 – Oct '20, with the exact timing of the sessions to be further defined and communicated. |
| ‣ The agenda of the sessions will be designed around the Verification Programme and the Training Material. |
| ‣ Each session is currently foreseen to take 1 day; the length of the sessions will be re-assessed after the initial sessions and possible extended to 1,5 -2 days if needed. |
| ‣ While we don't envisage restrictions in the number of NSAs participating to a session, a number of maximum 3 or 4 NSAs per session may be optimal for discussions and exchanges |

Strengthening the capacity of NSAs for air navigation services cost verifications

EY